

TRAVEL & HOSPITALITY 2017

SECTOR WILL CONTINUE TO EXPAND IN

In 2016, India's travel and tourism industry continued its expansion and saw some technological innovation. This trend is likely to continue in 2017. TnH speaks to some industry leaders to elicits their expectations from 2017, and what they are planning to do in the New Year.

By Prem Kumar

DR. ANKUR BHATIA

Executive Director, Bird Group & Member, CII's Core Committee on Aviation

The New Year will witness a spike in demand from tier 2 and 3 cities



Tourism, hospitality and aviation have emerged as one of the key drivers of growth in the services sector in India. In 2016 these industries experience a new era of expansion driven by strategic initiatives by the government and also attracted some of the highest Foreign Direct Investment (FDI) from investors. The same trend is likely to continue in the coming year as businesses will focus on growth and expansion re-

sulting in greater options, better connectivity and improved quality. The competitive landscape within the Indian hospitality industry has never been as dynamic as now and the coming year will witness a spike in demand from tier 2 and 3 cities. It is important to recognize the impact technology has had in increasing profitability for tourism, hospitality and aviation sectors. Going further as the industry grows steadily, Global Distribution Systems (GDS) will be an even more essential part of its success by linking services across sectors and improving efficiencies.

For super-charging growth, the government and the industry need to work together to address the various opportunities and challenges in these sectors. It is imperative to aggressively market brand India globally to create a huge impact and attract high-end international tourists. With a relentless focus on quality and infrastructure, India would be well placed to achieve the potential of these industries.

ANIL PARASHAR

President & CEO, InterGlobe Technology Quotient

In 2017 our mission would be to cater to the industry requisites much more



InterGlobe Technology Quotient was in the peak of remarkable performance in 2016. For this spectacular performance, we have been conferred numerous awards and accolades during the year. On the technological front, we have redefined travel commerce through peerless contribution in making travel businesses easier and more manageable. We have made headway towards gaining market position

in the OTA sector with our pioneering products such as Universal API (uAPI), VR3, Galstar and many more.

We have launched upgraded version of Travelport Smartpoint having a hoard of new features enabling smoother travel related transactions. And now with India's largest LCC, Indigo onboard, we have created history in 2016. In 2016, we also contributed lots to the society. We had initiated a skill development program with the help of CAP Foundation, a registered trust and an innovative workforce development initiative demonstrating end-to-end solutions to link learning and livelihood for disadvantaged young people.

ITQ had organized the 3rd edition of 'Student of the Year' contest, aimed at creating talent for the travel industry and encouraging academy students to reach standards of high excellence in the Travel and Tourism space.

In 2017 our sole mission would be to cater to the industry requisites more and more. We already have products that are right now catering to smarter travel business management, but we aim to go a step forward and portray ourselves through the colors of our advanced technological vision.

With increase in travel demand, the demand of customization and, therefore, ancillary services will continue to grow. And what's more? Our own Travelport Merchandising Suite is ready for airlines to display their ancillaries in the best possible way. As the ancillary revenue continue to soar at almost 60 billion dollars worldwide, the importance of apt display tools and customized travel solutions come in. Now with more than 200 air-

lines onboard, including Indigo, with Travelport Merchandising Platform, agents have access to more ancillaries and therefore customized travel.

Even Travelport Smartpoint with its updated version will continue to offer smarter travel options. Next year will continue to move at a better pace for us and we are positive about the technological progression that we are about to bring in the GDS Industry. However, that does not mean that we are not wary of the digitalization concerns. Travelport and ITQ work towards making virtual transactions as safe as possible by introducing high-security checks for the payment procedures.

RAJESH MAGOW

Co-Founder and CEO MakeMyTrip.

We are bullish about the growth prospects once the demonetisation effects are settled



2016 has been a phenomenal year for MakeMyTrip, beginning with the USD 180 million funding from Ctrip to ending with the intent of merging of business operations with Ibibo. The year also saw us launch our marketplace for alternate accommodations – Rightstay and roll out customer friendly campaigns aimed at eliminating barriers that stop customers moving online from offline, with our new brand

ambassadors – Ranveer Singh and Alia Bhatt . Our campaigns Pay-at-checkout, Zero Cancellation and 100% Refund, Last Minute deals and exclusive tie-ups with banks are all aimed at building trust among customers and the same gave us remarkable results.

In 2015-16, we earned 51% revenue from hotels and packages and we are on our path to take this to 70% in the next two to three years. We have successfully reduced our dependency on the air side and increase exposure towards the hotels and packages segment that offer relatively higher margins in double digits. We remain strongly focused on strengthening our mobile technology and are constantly enhancing our systems to offer a seamless booking experience to our customers which has resulted in clocking nearly 27.5 million app downloads till date. Last year (FY2016), 75% of our hotel transactions happened through the app and standalone hotels booked on mobile increased by 453.6% YoY in Q2 FY2017. We achieved very strong year on year growth in transactions for the hotel and packages segment, driven primarily by our

standalone online hotel bookings, which represented over 90% of all segment transactions in Q2 FY2017. With 27% share of the online hotels market in India, our hotel inventory is growing month on month and currently stands at 33,000 domestic and 310,000 international hotels.

The year is ending with two biggest developments impacting the industry – introduction of GST and Demonetisation that few had predicted at the beginning of the year. This coupled with smartphone penetration and adoption led by young travellers is driving the shift from offline to online in the travel industry. Young Indian travellers are also very spontaneous and social media driven, and this has been demonstrated by the surge in last minute bookings. With higher disposable income, people have started spending more time on their holidays (12-14 nights) by clubbing multiple destinations in their itinerary. The average holiday frequency has also gone up due to extended weekends and average vacation time period is up by 10%. More people are taking 3-4 long weekend breaks in a year and a couple of short-holidays, especially during the festive season. Strong advance purchase, rise in travel spends, lower airfares year-round, higher spending on luxury travel experience within India & abroad by travellers, rise in solo-women travel are some of the top trends we observed during this year. Going in 2017 on the back of Christmas / New Year bookings, we are bullish about the growth prospects once the demonetisation effects are settled.

KARAN ANAND

Head, Relationships, Cox & Kings.

We are quite positive about the future outlook of the travel industry



We live in challenging times and disruption is the new normal. In the face of all this travel and tourism industry has been growing steadily and this is indicative of the importance that people accord to travel and tourism. There is no overall negative impact on the Indian travel industry as more and more people are continuing to travel domestically as well as abroad.

The year 2016 was a significant year for Cox & Kings in terms of the overall business growth and we grew more than the industry average. We launched several innovative products this year such as Diving holiday packages to Maldives, trek to Everest Base camp, 100% Veg Kitchen Tours and much more. We expanded our

school tours segment with some distinct offerings such as NASA Astronaut Training eXperience (ATX), Space Camps to Kennedy and European Space Center, Science tours and so on. Our Getaway Goddess tours for women were made even more appealing in 2016 with several new itineraries, elements like shopping and spa and many new destinations like Ranthambore, Sri Lanka, Bhutan, Indonesia and China. In order to make travel more affordable, we introduced budget friendly EMI scheme and Save Now Travel Later scheme in association with Bajaj Finserv and RBL Bank respectively.

In terms of expansion, Cox & Kings owned Meininger signed agreements for new hotels in Leipzig, Heidelberg, Milan, Zurich, Saint Petersburg, Brussels and Copenhagen. In India, considering the growing demand for travel, Cox & Kings opened new franchisee stores in Indirapuram, Mangalore, Ajmer, Kolkata, Nashik, Ahmedabad, Nagpur, Opera House-Mumbai and Yavatmal this year.

In order to make travel affordable for everyone, Cox & Kings introduced two different schemes in association with Bajaj Finserv and RBL Bank. In Budget-friendly EMI schemes, the customer can seek a pre-approved loan offered by Bajaj Finserv to travel with a minimum down payment. In Save Now Travel Later, travellers can open a recurring deposit account with RBL Bank and save for the next 12 months to make their dream travel a reality. The unique saving programme gets you the 13th instalment absolutely free. In addition, the holidays can be booked at today's price.

In 2016, the company won a string of awards and amongst them are the World Travel Awards for Asia's Leading luxury Tour Operator, India's Leading Travel Agency and India's Leading Tour Operator. Cox & Kings Trade Fairs was recognised as Champions of ChinaPlas for 2016, 4th time in a row. German Consulate recognised Cox & King's committed support to South West Germany Tourism. Cox & Kings was chosen as 'Best Tour Operator' at Travel + Leisure - India's Best Awards 2016. It was voted 'India's Favourite Tour Operator' at Condé Nast Traveller India Readers' Travel Awards 2016.

We are quite positive about the future outlook of the travel industry as India is a large market for tourism and the sector is observing a steady growth in the demand y-o-y basis. The Government has also been making serious efforts to boost investments in tourism sector. For Cox & Kings, we expect to drive synergies and value from the current developments to continue the momentum of growth in the upcoming year too.

NISHANT PITTI

CEO & Co-founder, EaseMyTrip.com

Expect 2017 to be more beneficial for Indian travel industry

Year 2016 has been really great for my company as intro-



duction of e-Visa has helped a number of international travelers visiting India. As compared to last year, EaseMyTrip has seen a growth of 29% in international trips. As far as domestic tours are concerned, around 200% of the previous year's packages have been booked. We have also seen a remarkable growth in booking of flight tickets. One of the biggest achievements of EaseMyTrip in year 2016 was that

it associated with Bollywood thriller 'Madaari' as co-producer. We also co-produced film "Freaky Ali" with Sohail Khan. Our company had also taken distribution for movie "Rustom" for Delhi and UP area. The company also participated in various entertainment events and became one of the exhibitors at WTM London. We also associated with some other films in the same year.

We are expecting year 2017 to be more beneficial and productive for Indian travel industry due to the gradual reforming relationships of our country with world. New year will also see growth in number of travelers and holidaymakers as vacationing has become a trend now. I am planning to launch EMT holiday cards and EMT holiday vouchers for our customers that they can purchase as gifts for their loved ones. Very soon EMT wallet will be introduced that will help our privileged customers in taking more benefits from our travel products. We will also open EMT holiday hubs in various major cities for increasing revenues from Non-Air Products, including hotels, holiday packages and car rentals.

PRAKASH BANG

Founder & Executive Chairman, roomsXML Solutions Ltd.

2017 will be another path-breaking year for us

Thankfully, we have witnessed sustainable growth despite low sentiments due to political (Brexit), economic (Middle East Oil crises) and terrorist activities. Couple of high profile bankruptcies have not helped the industry either, but this gave opportunity for our users to respect our profitable model. Showcasing our offering in 2017 will be an opportunity to consolidate our position.

2017 will be another path-breaking year for us. Till date we have introduced 11 unique features in roomsXML. Many of the features are yet to be emulated by similar systems in the marketplace. And now, we will be introducing next generation API with cutting edge features. Two of them are: Under



1-second response and Multiple hotel searches in single request.

There are a few more, which we would like to keep under cover for now. Over and above, there will be major enhancements to the booking platform with innovative search and filter tools, improved hotel and room level content, integrated CRM which will allow users to submit and track all their support

queries directly from the roomsXML platform.

roomsXML is a 100% B2B accommodation specialist working exclusively with travel agents. We have been around for 10 years now. In these years, we have witnessed the markets churn. From a travel agent's perspective, it's very important that they choose to work with profitable companies; they would need to look beyond cheap prices and sales gimmicks. And it would be in their interest to keep away from affiliate programs and B2B arms of OTA's because moving forward they will be a serious threat to travel agents. Recently, CRISIL (An S&P Global Company) has rated roomsXML as being 'MSE 2' which denotes a company to have High Credit Worthiness; High Financial Stability; Highest Operating Performance. To be on the safer side, it would be a good idea for travel agents to check the credit worthiness of their suppliers.

SUBRAMANYA SHARMA

Chief Marketing Officer, Cleartrip

Weekend getaway destinations will continue to be favorite in 2017



For us 2016 was the year of innovation. We pioneered the introduction of Price Lock to enable travellers to protect themselves from air fare increases by holding the lowest price well in advance and the Flash Sale Calendar for our customers to make the most of frequent airline flash sales. We amplified the reach through our TVCs for Price Lock and Pay@hotel, which lets travellers book now and

pay later at the hotel.

2017 is a year of long weekends, perhaps the highest num-

ber in last few years. We will continue to see weekend getaway destinations getting a larger piece of pie. We are excited as the customer demographic will continue to grow younger and independent. We see new types of consumer interfaces like voice input take main stream in time to come. With innovation and customer centricity on top of our mind we are very positive on the road ahead for Cleartrip."

AMIT AGARWAL

Senior Marketing Manager, Hotels.com

2017 seems to be a promising year in travel



2016 has witnessed some of the most impactful shifts in the tourism industry as a whole. From the terrorist attacks in Paris, Brussels and Turkey to ground breaking political agendas such as the Brexit in the EU and Demonetisation in India, tourism in these respective countries has been greatly impacted. In addition to inbound tourism, travel

behaviour of tourists as a whole has also seen a change. But on the bright side, many hoteliers, tour operators and airlines offer great deals/ discounts to lure travellers to these calamity-struck destinations. Hotels.com has seen an overall growth of almost 11% on hotel bookings in India as compared to last year. Bangkok, New York, Pattaya and Jakarta continue to remain popular international destinations with Indians. In addition, Mumbai, Kolkata. Goa, Delhi and Chennai have been all-time favourite Indian destinations for International travellers.

Hotels.com has successfully achieved 1 in 3 hotel bookings globally through mobile devices. With mobile technologies developing at such speed, there's no doubt mobile usage when it comes to travel will change and evolve in 2017.

2017 largely seems to be a promising year in travel with 14 long weekends owing to public holidays falling either just before or after a weekend. Weekend getaways have become quite popular amongst the Indian travel market. Travelers are not just restricting themselves to destinations in the vicinity but are also opting for short hauls destinations such as Dubai, Malaysia, Phuket, etc.