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The Hospitality Industry will witness a surge in Holiday Insurance products: Ramesh Ramanathan

These insurance products will cover travellers end to end and offer respite in case of any medical emergency, baggage loss, flight delays and cancellations as well writes Ramesh Ramanathan, CMD, Sterling Holiday Resorts Limited.



The past few months of 2020 have been the most challenging times in the history of mankind. The pandemic of novel coronavirus brought almost every business across the globe to a screeching halt; the robust hospitality business too was not spared. Now, however, having survived the tense lockdown, we take our first step towards normalcy. With an aim of revival many hospitality brands are set to be back in business across various parts of the country as per relaxations given by respective state governments. Hotels and Resorts are gearing up to welcome their patrons with more warmth, compassion and vigour than ever before.

Sterling Holiday Resorts, infact, conducted a survey to firstly check on the well-being of its member and second to understand their mind-set regarding holiday in the future. After covering a customer base of 1, 00,000, each one of whom was connected to personally, we learnt that about 65-70% of these members expressed keen interest in going on holidays post lockdown. This exercise sheds some light on the possible trend of revenge spending that can be witnessed by the sector in the near future. There is a strong sense that people are wired to go out, explore and travel, therefore many travellers will look forward to go on holiday or take road trip after the lockdown is completely lifted and they can leave the confinement of their homes, safely.

With safety, hygiene and sanitation now playing pivotal roles in every ones' lives, holiday goers will ensure they pick destinations and hospitality brands that offer them that sense of confidence. Therefore, a customer base that has already experienced the brand's service, has faith that the brand will take all the steps necessary is likely to see inflow of guests from an early stage. There is an inherent loyalty that comes along in Timeshare use (Membership) because of the familiarity the member-base or the customer has with the brand. Apart from that, the timeshare business or membership as a product does very well during recessionary period. Across the world, this business sustains because people realise the value of holidays and the need to book something which is inflation proof, which will assure them of good holidays. One of the key reasons why timeshare Membership could bounce back faster is because there is no room rent to pay. All the expense that the travellers need to take care of is travel and food. Timeshare / Membership is expected regain momentum after a slump for the next couple of months.

According to several industry reports domestic holiday will see a boom due to travel restrictions and uncertainty about travel abroad. Destinations such as Goa, North East, Kerala Himachal Pradesh and Kashmir are expected to influx of travellers. However, dive-through locations like Munnar, Coorg, Ooty, Shimla, Amritsar, Mussoorie, etc which are only 4 to 5 hours away from key cities will be more preferable as travellers' would choose to drive in their personal cars as opposed to taking trains or flights for holidays. Apart from Domestic tourism, local demand will also see a rise. Infusion of local traditions, culture, cuisine and folklore will be a major attraction. Brand will see an inclination towards travellers wanting to experience the distinctive element of native heritage and focus on delivering "Experiences & Discoveries" to these travel enthusiasts.

Having said that, the implementation of a new, holistic hygiene and sanitation program is a must. Many hotels and resorts have already set a protocol in place that encapsulated guests, employees and vendors. Going forward, we will see processes begin pre-arrival where guests will have to give in their details and go through a contactless check in. Amenities will be reduced from the rooms and alternate day cleaning will be organized to reduce staff contact. Social distancing will be maintained and followed in restaurants. Tables will be laid out at safe distance and offer mini buffets instead of self-service. Pre-booked meals and contactless takeaways will also be the new normal. Even during holidays, people will prefer having enough and more engagement activities, both indoor to avoid any contact with others or outdoors while maintaining social distancing. This is where resorts and hotels with larger space and open area can cash in as they have nature social distancing to offer by utilising the expanse at they may have in forms of gardens, lawns, auditoriums, pre-party areas, conference rooms and other venues.

In order to give an additional sense of safety, hospitality industry will also witness a surge in "Holiday Insurance" products. These insurance will cover travellers end to end and offer respite in case of any medical emergency, baggage loss, flight delays and cancellations as well. In light of the recent uncertainties, travellers will wish to safeguard themselves as much as possible and opt for such insurance product increasingly. Digital transactions, digital booking and involvement of technology will also see a surge where necessary but not completely replacing the warmth and touch of humanity in hospitality.

To sum it all up, while this pandemic has been a trying time for businesses across the globe, affecting continuity and causing revenue loss, it has also compelled everyone to think out of the box. Businesses are now reimagining their operations, they are un-learning their traditional ways and opting newer optimal steps. The hospitality industry is a resilient one and it is all set to come out of this pandemic stronger. Green shots of recovery have already begun show as travellers are coming forward and making bookings for July and some even months ahead for September and October. The next six months are expected to go somewhat low in terms of demand, and slowly once the customer confidence picks up we expect to see a sense normalcy in the holiday business return. In fact, the revival is expected to come in by next year that is 2021, and the next financial year i.e FY-2022, will be expected to be a good growth year for the hospitality industry in the country.

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