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Business

Ramesh Ramanathan, CMD, Sterling Holiday Resorts gets candid on new business strategies and holiday insurance offer

A major inclusion in Sterling's strategy is that of holiday insurance. It is a unique offering that takes care of trip cancellations, accidents, lost or delayed baggage, delayed or cancelled flight, missed connections, emergency accidental treatment and evacuation and even personal liability and bail bond

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While hotels and domestic airlines have resumed operations in the first phase of Unlock, resorts on other side are eagerly waiting to reopen their doors. Given that there is no ease on restriction, even in Phase-2 of Unlock, the resorts are now making most of this span to step up their hygiene quotient and social distancing measures for the post-lockdown operations and are also strategising on business recovery.

In an exclusive interview with Hotelier India, Ramesh Ramanathan, CMD Sterling Holiday Resorts, got candid about the way forward and new strategies. He also spoke about their new offering - 'Holiday Insurance' which supports guests in case of any illness, accidents or delayed flights, reopening hotels and business garnering strategies.



What has been the impact of COVID-19 on your business and the hospitality industry? What kind of demand are you anticipating on reopening of your resorts?

COVID-19 has severely impacted the hospitality industry in general, Sterling in particular. Room nights have been lost during the lockdown, with guests cancelling their reservations. All hotels were closed down – which resulted in loss of business and that too during the peak summer holiday season.

The situation is still not very clear. While there is no centrally administered lockdown, individual states are still administering lockdowns and are also extending them in certain cases. This uncertainty will mean that there will be some hesitancy among people to travel at this time.

However, there is a lot of pent-up demand, and as and when the lockdowns are removed and the COVID situation stabilises, we can expect a resurgent demand for holidays. In fact, we began to witness some green shots from the beginning of June. People are coming forward and making bookings for July and some months ahead for September and October this year. So we expect the booking to steadily increase from July onwards.

Furthermore, once the customer's confidence picks up, we can expect demand to be closer to pre-COVID levels by the January to March quarter. Sterling has the advantage of a mixed –use model with both members and regular hotel guests contributing equally to room-night consumption. We expect our members to bounce back faster and start using their holidays.



Have you reopened any of your resort properties?

We have, in fact, already opened five resorts and several more are being planned in accordance with government guidelines. We have ensured that as soon as the lockdown is lifted in a particular region or destination, we will be ready for service in 24-48 hours. We have put together a proper agenda for re-opening our resorts in a phased manner.

We had earlier completed a survey with our members and more than 70% of them had shown their eagerness to holiday with us. However, they made a mention of their expectation of having a safe holiday with enhanced hygiene and sanitation and that they would prefer to drive down for their holidays.

We are reaching out to our members in the proximity of our reopened resorts so that we can get guests to drive in. We are also reaching out to customers who had made reservations earlier and had to cancel due to the lockdown to see if they would like to take their holidays post the opening.

We expect holidayers to prefer short breaks in drive-to destinations which are within 4 to 5 hours drive from their key cities. Destinations such as Rajjakad, Thekkady, Puri, Jaipur, Manali, Mussoorie, Lonavala, Mt. Abu, Bardez, Gangtok, etc. are expected to witness good travel inflow from cities close to them. Our resort reopening plan is based on this pattern of expected demand. Also, considering that India has always been a domestic demand driven market and the fact that international travel will remain subdued in the near future, we expect domestic demand to rebound faster.



What are the enhanced SOPs introduced by your resort?

We have developed Sterling CARES, our comprehensive hygiene and sanitation program in line with the guidelines from the Government and institutions like the WHO and FSSAI. The guidelines were carefully designed keeping in mind all the physical contact sections like the front office, waiting area, restaurant, play area, outdoor activity areas, etc. Housekeeping has also been an important aspect of the industry and that has also been realigned with the current situation.

Some of the SOPs, like mandatory temperature checks at various entry points, self-health declaration forms, use of sterilized pens, availability of masks for purchase from our curio shops, frequent and periodic sanitization of high access touch points in public areas and ensuring social distancing etc. are now a part of our hygiene standards.



Select options in pre-arrival room orders, QR code based digital menu's for ordering food will help guests choose their favorites on their phones will help ease off the stress when it comes to dining at our resorts. As part of social distancing norms restaurants table layout is rearranged, multiple meal sessions with mandatory reservation to avoid crowding along with facilities of contactless takeaway and fresh choices of mini-buffets.

Thorough checks are carried out on vendors supplying and handling food for all our resorts. We are also seeing a substantial rise in consumption of local produce due to lockdowns and have developed our farm to fork concepts to procure food that is organic and locally grown in the region. Facilities like the Spa, Gym and Swimming pool will temporarily be unavailable to ensure social distancing.

The employees have been meticulously trained and certified on the Sterling CARES protocols. Sterling CARES Champions have been identified in every resort to support the guests and to ensure the highest standards of safety are followed.

Proper procedures are being followed for MICE guests. Prior contacts with the team leaders and group managers help us sort out the paper work to enable quick check-ins. Temperature checks, self-health declaration forms, and wearing of masks at all times are mandates at our resorts. While limited size of meetings help us handle events with ease. Having larger areas and multiple spaces in the resorts helps us take care of the needs of large groups by creating parallel sessions and also making sure of social distancing during and in between sessions.



What will be your strategy to garner business once you open? Any purchase offers will be rolled out in the days to come?

Adapting to the scenario is the key for survival. Our strategy will be to adapt to the guests' and members' requirements from check-in to check-out, in terms of safety and hygiene, while we continue to give a memorable holiday.

Our product level strategies are in place to bring back business that we lost due to the lockdowns. However, we are not of the opinion that lower prices will drive elasticity in demand and hence are not anticipating a rate war with hospitality companies dropping prices. Rather, the emphasis will be on delivering great service at good value.

We expect drive-to destinations and short-hauls to play a major role in growing the demand post this period. Sterling Cares is an important part of our strategy to win the customer's confidence and trust to prefer Sterling for their holidays. The feedback from the initial guests who have started taking holidays in our reopened resorts is very positive and reinforces the need to focus on safety and hygiene. Digitalization is another step we have taken to move with the changing situations. We have brought in QR codes for menu and contact-less ordering of food.

A major inclusion in our strategy is to ensure our guests and their plans are secured, and that is where we have complimentary holiday insurance. It is a unique offering that takes care of trip cancellations, accidents, lost or delayed baggage, delayed or cancelled flight, missed connections, emergency accidental treatment and evacuation and even personal liability and bail bond. With an insured value of up to Rs.3 lakhs per person, the insurance covers the guest from home-to-resort-to-home.

Sterling is the first in the segment and by the same virtue, the largest resort brand in India to offer Holiday Insurance to our guests as an opt-in option as part of their booking.

Were any of the resort sections altered to meet the new normal changes?

Resorts, by definition and nature, are spread-out; for us it is a huge strength, considering the strict social distancing norms that one has to practice in the new normal. Our resorts are designed on a larger land parcel, and multiple rooms and facilities/amenities are dispersed. There are multiple venue locations offered by resorts to carry out different activities. Because of all these characteristics, maintaining social distancing at resorts is a common occurrence and even easier.

We believe resorts would not have to make apex investments to undergo structural changes by large; however, hygiene and sanitisation protocols will have to be thoroughly adhered to for all guests and staff members.

Do you think membership/time-share based hospitality businesses are poised for better recovery?

What is unique to Sterling is that it functions on a hybrid model. We have equal opportunities with members as well as regular guests; in fact both these verticals contribute equally to the overall revenue of Sterling. On the one hand, the timeshare business or membership as a product does very well during recessionary period. It 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. Also, existing members have already shown a lot of trust and confidence in the brand by taking up a 25 year membership and hence are more likely to start taking holidays with us as we reopen.

Another reason is that members also holiday more with us in such times, because there is no room rent to pay as it is paid for by their membership. They only need to take care of their travel and food expenses. On the other hand, we are also receiving substantial bookings from regular hotel guests - especially the FITs who are looking forward to holidaying with us from time to time.



Which destinations, according to you, will witness a boom post lockdown?

International travel is going to be subdued due to uncertainty and the global nature of the pandemic. This is going to work in favor of some splendid domestic destinations that India has to offer like the hill stations, beaches, forests, cultural sites, and other iconic attractions.

Given the fact that travellers would want to maintain safety while travelling; drive-to destinations are likely to witness a substantial inflow of tourists. Vacation spots in states of Kerala, Orissa, Rajasthan, Andhra Pradesh are likely to get prominence as these states have been the first few to have seen a major dip in Coronavirus spread and are going through unlock with the due permission of the state government and authorities.

Over and above, Indian travelers are most likely to plan stress-free pocket-friendly domestic vacation with their close ones. India has always been strongly based on domestic tourism rather than inbound or outbound tourism and thus will be less impacted by the expected hit to international tourism and travel.

What are your learnings from this crisis?

The hospitality industry is a dynamic one. It comprises of a wide range of businesses within the service industry. This industry has provided a plethora of job opportunities in India, and has great scope for people aspiring to make a career in the field. However, the on-going pandemic has surely hit hard and got many industries, including the hospitality sector to a standstill.

While accepting the current landscape, social distancing and no contact will be a big part of businesses in times to come, understanding technology and leveraging the same to deliver an array of contact-less customer service, will be of utmost importance post COVID-19. It has made us relook at some key areas of our workforce. Roles such as revenue management, forecasting and budgeting will be in demand, especially now when the industry is looking to recover from the impacts of the pandemic and subsequent lockdown. Furthermore, multi-skilling and cross-skilling will be key differentiating factors going forward. Digital experts specialised in online/telesales, aiding in increased revenue growth, will also gain importance.



The situation has also demanded that we pay attention to our vendors and their new processes and procedures. We have made it mandatory to ensure our vendors to follow strict protocols of food handling and safety before it reaches our resorts.

While we were always focussed on hygiene and safety of our guests at all times, this situation has also shown us what an invisible enemy could do. We are more cautious and are working closely with local government bodies and health centres in keeping ourselves updated as well as give our guests secured, carefree holidays.

Is there a message you would like to give to the industry in these trying times?

The situation is a reminder for us all at Sterling of the famous expression - 'When the going gets tough the tough get going'. I would like to add a small change to this, if I may... 'When the going gets tough, the tough get going and growing'.

Every crisis gives birth to opportunities and the innovations to deal with the situation. Surely, the pandemic is hard on us all, however, we are there for each other to inspire and grow together with a rebellious zeal. We are driven by our commitment to provide safe and fun-filled holidays for our guests.

RAMESH RAMANATHAN

STERLING HOLIDAY RESORTS

NEW BUSINESS STRATEGIES

BUSINESS RECOVERY

SOPS

HOLIDAY INSURANCE

HOTELIER INDIA EXCLUSIVE