

News monitored for: M&M - Holidays & Resorts



Bed, breakfast and a brand umbrella to boot

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New Delhi, Jun 18: Home-cooked food, local culture and cuisine, warm, friendly accommodation and company for dinner: the increasing popularity of homestay tourism, which has caught the fancy of not only foreign tourists, but evolved domestic travellers too, is not surprising.

Providing a fillip to the growth of this alternate accommodation segment is

the foray of private players. Companies such as Mahindra Homestay, Comfort Homestay and Pride Hospitality Group are not only helping home owners-turned-hotellers sell rooms, but also in marketing, giving it a branding edge.

The tourism ministry's bed & breakfast (B&B) policy and state policies have led to the spurt of more than 2,000 homestay accommodations across the country. However, it's the private

players who are developing the product online and offline, besides working closely with state governments to train home owners and get-

ting things organised.

Mahindra Homestays, part of Mahindra Holidays and Resorts, covers 240 homes with 663 rooms across

15 states. "Partnering with us is convenient for home owners, who get brand affiliation too. We saw this as a potential segment as we want to cover every aspect of tourism, especially inbound. We also see this as responsible tourism," says Vimla Dorairaju, business head, Mahindra Homestays. Though she did not divulge the company's revenue details, she said that the company earns about 20-30% of room revenues while the bal-

ance goes to the home owner.

Pride Hospitality markets more than 350 homes in Delhi and Jaipur under the Pride Homestay brand. According to director Arjun Kumar, it is a profitable business, especially for hotellers who have the experience and execute it in a cost-effective manner. "We standardise and categorise the product so a tourist knows what to expect," adds Kumar.

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New Delhi-based Comfort Homestay, owned by MaharaJIS Wahi, an inbound tour operator, has more than 500 properties under its wings. Of these, around 300 are sold online. The company emphasises that they are not just selling the product, but are helping home owners by training and familiarising them with legal and security aspects. "It's not just about superficial branding, but giving the right exposure to home owners and adding value to the product," says Comfort director Ekta Capor. She says that the company's margin varies between 5% and 15% depending on the property. "Since the homestay category is still in its nascent stages, margins are not very high. But we only see the trend growing," she adds.

Many players work in close proximity with state governments, organising the business

better. Comfort Homestay has an exclusive tie-up with the Karnataka government, while Mahindra Homestays has signed memoranda of understanding (MoU) with Kerala, Rajasthan and Uttarakhand. MoUs with Punjab and Tamil Nadu are also on cards. The state governments look after the policy aspects including taxation and security while the private players sell the product, market and maintain standards.

Private players claim that they are making the inventory available in an organised fashion and also helping the home owner by training them. "We give them our brand and ensure that safety standards are met. Also, we have audits and provisions for customer feedback to ensure quality," says Dorairaju.

The private players insist that branding is helping home owners grow their business. "Take

Karnataka for instance, where average occupancy even during weekends was 30-35%. Now, these homestays are full during weekends," says Capor.

Besides companies, online travel players and tour agents are also enthusiastic about B&B accommodation, but their job is restricted just to selling and not marketing or getting involved with the product. For instance, the Indian Association of Tour Operators (IATO) is assisting the tourism ministry in approving and inspecting homestay properties in Delhi, after the government approved the B&B policy to cover the hotel room shortage for the Commonwealth Games. IATO is also helping home owners sell rooms. Though the segment is fragmented still and there are many unapproved homestays, the entry of private players is clearly a huge step forward.