



Ajay Bakaya



Nirupa Shankar



Saddam Zaroo

**F**or a few years now we have been reading the researches and news on the ongoing debate between the owners and operators on revenue numbers. Both the parties involved need to do a self analysis before going in for an agreement, a detailed information scrutiny about each other is equally important. While an owner is required to go through a plethora of research studies on the destination and the brand he's looking to associate with, the operators on other hand need to put up demands and numbers considering the market and competition sensitivity.

The 'dash to brand' possessions have been partially energized by the need to protected subsidy. This is especially true in light of the restrictions in the current lending environment. Veteran hotel owners and developers know that all this good news needs to be

tempered with some cold realism about the process they are about to undertake. They know that finding a great operator and negotiating a hotel management agreement they can live with is critical to the success of their investment and the value of their hotel. Sharing her views on the very crucial debate Nirupa Shankar, Director, Brigade Hospitality states, "In order for hotels to generate healthy returns, many pieces of the puzzle need to come together, owners need to be smart about their capital investment by ensuring land doesn't come at a very high cost and by ensuring that the cost per key is reasonable. Operators on their part need to ensure that brand standards suit the market and unreasonable requests are not made for soft markets like Tier II and III cities. Operators need to give reasonable projections at the time of signing up the hotel to manage owner expectations and also be on top of their game once hotel doors are open. The

product (hotel), place (location- should have sufficient demand generators) and the people (service provided at the hotel) if done right, will together will create a successful hotel that should in all probability give good returns to the owner."

With so many properties coming in tier II and III, a lot of investment is being put into hotel building, and with such uptight competition the operators are facing negative numbers both in terms of ARR's and occupancies, Saddam Zaroo, M.D. RK Sarovar Portico, Srinagar further shares, "It is true that there is massive investment taking place in tier II and III segments weather the hotel is existing or newly built. The quality of infrastructure in all segments has also improved because of the increase in demand for such infrastructure and easy knowledge being available online thus the guest satisfaction level has fairly