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MARKET REPORT

HVS Monday Musings: Tech Driven Ancillary Revenue Push in Indian Hotels Sector

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Hotel companies in India have finally started focusing on ancillary revenue and now need to take it a step further by embracing technology to push their ancillary revenue strategy.

Hotel companies and brands have recently started looking beyond traditional revenue streams and increased their focus on ancillary revenue opportunities. They now need to bring in technology to push ancillary revenues through their own websites.

Today most hotel management teams use intermediaries to book restaurant tables and sell home delivery menus including bread, cakes, buffet meals, etc. at their properties. However, the question is why do we need outside technology to sell our own products and services?



We should be able to enhance the PMS (property management system) to seamlessly sell everything that can be sold as part of ancillary revenue i.e., buffet meals, home delivery products, group meals, last-minute upgrades, parking facilities, drive through food pick-up, dry-cleaning & laundry, clean charging facilities (for EVs in the future) and many more such products and services that could be made available to augment hotel revenues and improve revenue per square foot for hotels. In fact, in the future, we see no reason why hotels will not be able to create even lifestyle products such as health & fitness packages, wherein online personal trainers and health food deliveries are provided by hotels.

The next step is to create a channel manager to float these services through our technology platform to the intermediaries if required and manage the availability & pricing in real-time for all our ancillary products. Like any other e-commerce business, it is important that we make the buying process for ancillary products convenient and transparent for customers to buy directly from us.

The opportunities are huge, provided we are willing to change with the times and create platforms that are far more mature to handle multiple products and not just rooms.