MARKET REPORT

HVS Monday Musings: Will EV Charging Stations be the New Service Offering at Hotels in India?

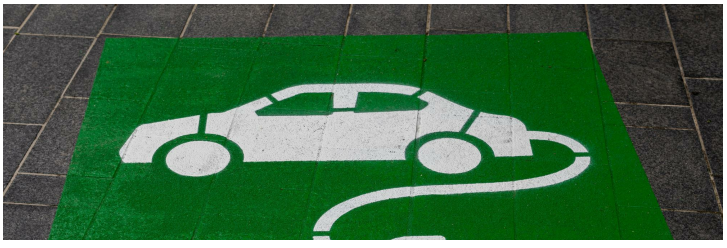
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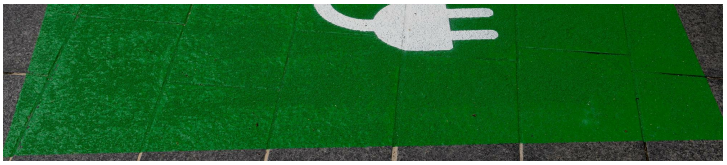
This article discusses some of the benefits of installing electric vehicle charging stations at hotels in India.

Indian domestic travelers have discovered the pleasures of road trips in the past year and an increasing number of these tourists will be electric vehicle (EV) owners going forward. EVs are considered the 'future of mobility' and are fast gaining popularity in India. As per a recent report, annual sales of EVs in India are expected to increase from 380,000 units in 2019-20 to 6.3 million units by 2027. However, EV owners are still wary of long road trips due to the lack of adequate charging stations in the country.

The hospitality sector can help reduce the country's EV charging infrastructure gap. In line with this thought, the Delhi state government recently directed commercial buildings such as hotels, hospitals, malls, and office spaces, etc. with parking for more than 100 vehicles to reserve at least 5% of the area for EVs and also install EV charging points. Moreover, EV car manufacturers and service providers in the country are likely to ramp up their destination charging initiatives by partnering with hoteliers to install charging stations at their premises to enhance the car ownership experience for their customers. Providing guests an opportunity to charge their electric vehicles at the hotel premises will soon become an additional service offering at most hotels in the country.

The concept of installing EV stations at hotels and resorts is not a new phenomenon in India, but the numbers are still minuscule. For instance, Marriott has close to 3,137 charging stations globally, of which around 10 are in India. Setting up EV charging stations at hotels, with appropriate planning and demand analysis, could be a game-changer for the sector going forward.





Having an EV charging station on its premises can become a competitive advantage for a hotel, as a growing number of electric vehicle owners will prefer to stay at hotels with appropriate EV charging infrastructure during their road trips and holidays. This will not only provide hotel companies a chance to boost their sustainability efforts but will also drive demand and build guest loyalty with EV owners, as charging infrastructure is still limited in the country. Meanwhile, making the EV charging station available to both guests and visitors can boost ancillary revenue for the hotel. Visitors who stop to charge their cars are likely to spend their waiting time at the hotel restaurant, café, gift shop, or other facilities, helping generate additional revenue. While EV charging can be provided as a free service to guests, visitors can be charged on a pay-per-use model. Hotels have large parking spaces, which in most cases are not fully utilized, unlike in the case of malls or office spaces. Hoteliers now have an opportunity to utilize the unused real estate and drive additional revenue by allowing even commercial vehicles to utilize the charging space for a fee.

Hoteliers in India should evaluate this opportunity and install EV charging stations at their properties to gain a first-mover advantage in the e-mobility era, as EV charging facilities may soon become a standard amenity like Wi-Fi services today.