

Luxury Boutique Hotels – a growing concept in India

Luxury boutique hotels and resorts, a widely prevalent concept globally, is still at a nascent stage in India, with very few brands and properties. The increasing desire for experiential travel, by not only the millennials but across different cohorts often looking for unique and exclusive stays, has led to the growing popularity of this concept in the country.

So, what are luxury boutique hotels and resorts?

The term has evolved over the years, and while there is no standard definition, a luxury boutique hotel is typically a small property with less than 60 keys with its USP being the customized service and 'elevated experience' provided to guests. The differentiated experience is often a result of various factors such as the location, design, architecture or even the specially curated theme or events at the property that provides the guests with a unique story and memory.

The luxury boutique segment is expected to become an increasingly preferred choice in the post-COVID era as people rediscover the pleasures of traveling but are still cautious with safety, cleanliness and privacy being their top priorities. These hotels are best positioned to leverage this demand by gaining guest confidence and trust due to their smaller size, with lesser number of rooms and smaller public places.

- Luxury boutique resorts can help in tapping the full potential of leisure tourism in India. There are several unexplored and underdeveloped beaches, wildlife sanctuaries, heritage sites and hill stations in India which can be developed into established leisure destinations but are lagging due to lack of quality accommodation. As domestic tourism picks up, a growing number of travelers will seek 'memorable experiences' at such previously unexplored leisure destinations.
- Moreover, the outbound Indian luxury traveler will be on the look-out for exclusive vacations with highly personalized service within the country in the foreseeable future.
- Luxury boutique home stays is also expected to see exponential growth as people look at getting away to newer destinations with limited external exposure while still wanting the comforts of a luxury accommodation and a fully customized stay.
- Luxury boutique resorts have successfully captured the growing demand for wellness tourism in the country in the recent past. In the post COVID world, an increasing number of people are likely to seek personalized and exclusive wellness experiences, especially when inbound travel resumes to its full glory.
- Demand from weddings is also expected to drive the growth of luxury boutique resorts, especially the demand for highly personalized destination wedding for an intimate gathering of guests.

There is significant untapped growth potential for luxury boutique segment, especially in many under-served markets in the country, where developing a boutique resort will be a good value proposition due to the requirement of smaller land parcels and will also help in the holistic development and growth of the destination itself. They are also more agile compared to larger properties in providing customized and personalized services.