

Opening New Revenue Streams in the Hospitality Sector

Innovation and creativity are often the by-products of a crisis. This pandemic is no different. The current crisis has forced the hospitality sector globally to come up with innovative and ingenious ways to utilize their assets to stay afloat, in the process opening newer revenue streams. From food delivery, laundry, housekeeping, and facility management to warehousing and more, hotels need to reimagine 'hospitality' by extending their services to guests in the comfort of their offices and homes.

Most hotel chains have already ventured into food delivery and laundry services to entice customers in the current scenario.

- **Food Delivery:** Food takeaway and delivery business was one of the first opportunities that hotels leveraged amidst the pandemic. Most large hotel chains, such as ITC, Hilton, Hyatt, The Oberoi and Marriott to name a few, and even amusement parks like Wonderla have tied up with food delivery companies such as Zomato and Swiggy to deliver their signature dishes to the customer's home or office. Meanwhile, IHCL has developed its own online food delivery platform to cater to the growing demand for gourmet food delivery.
- **Luxury Dining and Bar at Home:** A few hotel chains have gone a step ahead by introducing 'Chef / Bartender on Call' where a customer can enjoy these services in the comfort of their homes. Some are offering pre-mix cocktails and meal ingredients in boxes (along with recipes) so that guests can enjoy making these signature dishes at their home. Meanwhile, some are even offering professional culinary lessons.
- **Grooming & Wellness Services:** Hotels are also offering grooming and wellness services such as Ayurvedic consultations at home.
- **Laundry Services:** Hotel chains have started providing hygienic and professional laundry services to customers at their doorstep, which helps them utilize their large industrial washing machines sitting idle due to lower occupancy at the property. Some have tied up with residential associations, retail outlets and corporates for this purpose.

Given the disruption to regular business at hotels, here are some other recommendations for auxiliary revenue generation.

Housekeeping, Maintenance & Sanitization Services for Offices & Homes: Hotels are known for their impeccable housekeeping and in the COVID era hotel staff have also received special training on cleaning and disinfecting common touchpoints. Hotels should utilize their expertise in these areas to generate additional revenue by providing housekeeping and sanitization services to offices, malls and other public places and even homes. In some other countries, hotel maintenance teams are also providing building and household repair work services at an hourly rate.

Co-working and Office Space: Hotels already have all the required facilities and infrastructure needed by professionals to conduct their businesses. They can, therefore, repurpose certain areas for boutique corporate offices. They can also lease out or partner with organizations in the Co-working industry to develop special packages for professionals looking for an 'office' space near their homes.

City Warehouses: Branded hotels purposefully follow high compliance standards and enjoy the benefit of a great location and infrastructure with good back-end facilities which may be repurposed as city warehouses for ecommerce organizations. The public areas of the hotel can be dedicated as pick-up points or retail kiosks for ecommerce giants, as hotels will not only institute best-in-care hygiene practices, but will also practice strict social distancing norms – both of which will remain unmatched in any other commercial development.

Facility Management of Corporate Offices: Hotel companies should seriously consider venturing into end-to-end facility management of boutique and corporate offices, providing the complete gamut of services such as front office management, housekeeping, maintenance, F&B management, and allied services. Hotel companies are already the 'experts' in this field, as they manage a 'live' 24X7 environment with their well-defined SOPs and specialized training. This coupled with their passion for customer service gives them a competitive edge over the other players present in the facilities management industry today, especially with respect to clients looking out for that differentiator to manage their offices with the touch and feel of a hotel-like environment and levels of service. The current scenario of lower demand at properties provides an excellent opportunity for hotel companies to test the waters in this field.

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