

# **Hotel chains set to hike room rates by up to 20%**

Hotel companies are set to increase room rates by up to 20% as the business season kicks in a few weeks from now. Certain key markets are expected to see a higher double digit increase in room rate, with the national average being between a high single digit and a lower double digit number. This year, pricing may go up 15-20% in select markets only. Rates will go up between 7% and 15% in some markets while it will remain flat or increase marginally in a few other markets.

Experts said hospitality markets like Delhi, Gurugram, Mumbai, Bengaluru and micro markets in cities like Hyderabad will see a higher double-digit rate increase. In Goa it will be a function of how pricing (combination of air-tickets and hotel stays) is compared to other options for Indian travellers such as Bangkok and Dubai.

The Indian hospitality market, year-to-date (YTD) in 2018, has seen tremendous growth. One of the major reasons is the shift in focus from providing amenities to becoming more customer-centric and even the integration of technology to improve guest services. After a long wait, the stabilised hotels in India have breached 70% occupancy levels.