

Sarovar Hotels to introduce HOSHO, a new brand, along with an 'affiliate' model for expansion

Sarovar Hotels & Resorts, a part of the Louvre Hotels portfolio, is set to introduce the HOSHO brand, one of the latest additions to the international Louvre portfolio, into the Indian market. The company is on the verge of finalizing agreements for two HOSHO units in Hyderabad, each featuring 100 rooms.

HOSHO, designed as an affordable lodging option for small budgets, families, groups, and backpackers, will offer single, double, and triple occupancy rooms, akin to a hostel setup.

Ajay Bakaya, MD of Sarovar Hotels & Resorts and director of Louvre Hotels India, explained that HOSHO targets a younger audience relocating to cities for jobs, presenting substantial potential in cities like Hyderabad, Bengaluru, Pune, Gurugram, among others. Sarovar Hotels will predominantly focus on developing three brands - Golden Tulip, Tulip Inn, and HOSHO - from the international portfolio in the Indian market.

To attract more independent owners, Sarovar Hotels is launching an "affiliate" program. This program allows owners to retain their independent brand identity while leveraging Sarovar Hotels and Louvre Hotels' reservation and global distribution systems. The affiliate program is offered to owners with multiple hotels in a cluster, totaling a minimum inventory of 200 rooms. Sarovar Hotels has already signed an affiliate program cluster agreement with an owner in Bengaluru.

Regarding the company's third-party management business, Bakaya clarified that it is not a core focus area but is undertaken if an owner prefers Sarovar Hotels as a management company for their asset while opting for a specific international brand for their hotel.

In terms of financial performance, Bakaya reported a 16 to 17 percent revenue growth in 2023 compared to 2022. The company signed 37 new hotels and

opened 12 hotels during the same period. The solid growth trajectory is expected to continue for the next five years, with a minimum of 12 hotels joining the portfolio annually.

In addition to domestic expansion, Sarovar Hotels is actively expanding internationally. The Nairobi properties are coming online, and new hotels are set to open in Kampala, Uganda, and Hargeysa, Somaliland, in 2024. Sarovar Hotels also has four hotel projects signed and under development in Nepal.

Acknowledging the talent crunch, Bakaya mentioned the launch of the company's own management trainee program in July 2024, aimed at grooming a talent pool of assistant managers, managers, chefs, housekeepers, etc.