

Taj: The New Faces For A New Future



The Taj Brand has been part of the hospitality industry for over a century. Started in 1903 with Taj Mahal Palace Hotel in Mumbai, today, the Taj Hotels Resorts and Palaces has spread the wings of its empire to more than 100 hotels, resorts, palaces and villas around the world. Almost three decades ago, the Taj Group entered Sri Lanka with Taj Samudra, and over the years they added two more jewels to their crown – Taj Airport Garden Hotel and Taj Exotica, Bentota. Ajoy Misra, Senior Vice President of Sales and Marketing of the Taj Hotels Resorts and Palaces was recently in Sri Lanka to announce the rebranding of two of their properties in Sri Lanka. He spoke to Business Today about Taj's new brand architecture, the performance of their hotels and the way forward for the Taj Hotels in Sri Lanka.

By Thilini Kahandawaarachchi

Photography by Menaka Aravinda

Since its inception more than a century ago, Taj Hotels Resorts and Palaces has rapidly grown from a one-hotel company to the hospitality empire that it is today. Over the last three decades, since 1971 till 2008, Taj has grown opportunistically both within and outside India. The Palaces of Maharajas were converted into large hotels that provided elegance and luxury, while beach resorts provided the perfect holiday bliss. The Taj hotels opened up Kerala as a destination. They were also the first international hotel company to enter Sri Lanka 26 years ago with their flagship hotel, Taj Samudra.

As the number of hotels under the group grew, they varied in quality and service and catered to different segments of the market while still remaining under the omnibus Taj umbrella. Since there was no clear demarcation between the properties, the differentiation was not clear to the customer in terms of the levels of products, amenities, sizes of rooms, facilities or quality even though the per key investment (investment per room) varied between various Taj hotels. This called for a relook at the branding, as it had to be ensured that when a customer came to a particular hotel in the Taj Hotels Resorts and Palaces, he would know exactly what

he is getting, in terms of quality and service, which would ultimately lead to satisfaction. “It should not be that the customer thought he bought a Taj, which denotes luxury and got a Gateway, which has a different level of service, and left unsatisfied,” says Misra. It was then that the journey of new brand architecture began about seven years ago.

Branding consultants Landor were engaged to conduct primary research both in India as well as in the international market; many different models from around the world were examined to finally arrive at a certain brand architecture. Under this new brand architecture, the corporate entity was called Taj Hotels Resorts and Palaces. While the Taj brand stands for luxury, Vivanta by Taj operates in the upper upscale segment alongside Hilton, Sheraton and Meridian. Two years ago “The Gateway Hotel” brand, which is Taj Hotels Resorts and Palaces’ upscale brand was launched and it sits alongside hotels such as Novotel, Courtyard by Marriott and Aloft. In addition to these three brands, in India, an economy brand called Ginger has also been launched, making it a total of four different brands under the Taj umbrella. Post rebranding, the company has reorganised its existing portfolio and each project is categorised under one of the brands of the company. In this process, the Taj properties in Sri Lanka are also in for a rebrand to provide customers a clear-cut choice to suit their requirements. Taj Exotica in Bentota has been migrated to the Vivanta by Taj – Bentota, Sri Lanka. The staff has been undergoing extensive training to bring in the Vivanta personality and plans are already underway to take the physical product towards other Vivanta hotels through renovations in the near future.

“Sri Lanka Is At A Take-Off Point In Realising Its Potential. We Saw The Potential
28 Years Ago When We First Started The Project. This Is The Brightest Point Since Then,
And We Have Come Close To Actually Seeing The True Potential Coming Alive.”

Taj Airport Garden Hotel is the flagship hotel to become a Gateway hotel in Sri Lanka. The Gateway Hotel – Airport Garden, Colombo will also undergo refurbishments and renovations while its staff will be trained as Gateway Hotel staff. The formal brand launch is scheduled to be held in January of 2011. The Gateway brand has been in existence in India for the last two years and at present it has rapidly expanded to 20 Gateway hotels with 17 more underway at various stages of

development.

The company is already discussing possible investment levels and assessing the changes that need to be done to their properties in Sri Lanka. Similar to some of the Taj hotels in India that are still not fully rebranded, Taj Samudra remains outside of the brand. However going forward, there will be studies carried out on it and Taj Samudra will also be placed within the brands. In India, Taj has rebranded 19 hotels as Vivanta by Taj, 20 hotels as Gateway and holds a total of 83 hotels all over the world, but according to Misra, “there is still work to be done.”

Even though the company has a low cost brand by the name of Ginger in India, with 22 hotels operating already with another 20 under development, they believe that 40 – 50 hotels in India are too little and that Ginger should be in multiples of that. Thus, the Taj Hotels Resorts and Palaces has a task at hand to complete the footprint in India. However, once it has been achieved, Ginger might eventually enter Sri Lanka as well. According to Misra, in the Sri Lankan market, luxury is still niche, but Vivanta catering to the upper upscale market and Gateway catering to upscale segments are where the real growth is in the country.

Speaking about Taj Hotels Resorts and Palaces performance against its counterparts in Sri Lanka, he states that despite not being able to renovate and position Taj Samudra in the manner that was originally planned by the Taj Group, it has nevertheless competed well with the other city hotels in Colombo. “Though it is not on par with the Taj luxury properties in India, we would certainly like to see Taj Samudra reach the same level as its counterparts in India,” said Misra.

According to Misra, Taj Group’s property in Southern Sri Lanka, Vivanta by Taj – Bentota, Sri Lanka has always been a good performer since it was opened ten years ago and it has been the number one beach resort in the country in terms of revenue. “For a resort of its kind, size and scale, Vivanta by Taj – Bentota, Sri Lanka has been the best performer and a great hotel to have all these years,” he stated.

Taj’s third property in Sri Lanka, Taj Airport Garden Hotel has also “always been a winner with high occupancies of over 80 – 85 percent all the time.” Thus, the three

“Taj products in Sri Lanka have done very well under the relative circumstances; but the company believes that all these properties require investments, and soon all of them will be well positioned within the new brand architecture of the Taj Group,” he said.

Speaking about the future plans of Taj Hotels Resorts and Palaces in Sri Lanka he noted that the company already has very successful partnerships in Sri Lanka and they have been working with these supportive partners for decades. “They’ve been great partners of the Taj Group and we will continue to jointly explore opportunities with them,” he said.

Making a note on the growing tourism industry in Sri Lanka, Misra stated that Sri Lanka is at a take off point in realising its potential. “We saw the potential 28 years ago when we first started the project. This is the brightest point since then, and we have come close to actually seeing the true potential coming alive. We’ve already seen growth figures of up to 35 percent towards the last year end and our business is growing in 20 percent plus.” Very optimistic about the future, he has noted that Sri Lanka will soon hit the one million mark of international arrivals within approximately two years and said that from there onwards Sri Lanka should hope to multiply that figure.

Taj Hotels Resorts and Palaces is looking at consolidating the existing properties and bringing in the correct amount of investment to consolidate the brands and also look for new growth opportunities in Sri Lanka outside of these three destinations that they already have.

Misra also said that they are pleased about the stage of economic growth in the country and that Sri Lanka’s GDP growth of six to eight percent is very encouraging and healthy. He pointed out that this growth has come from all three sectors; agriculture, industry and services and has resulted in a balanced growth which is very good news for investors. “These are very important factors for tourism development. There is a sense of peace and now just a few more elements need to fall into place such as accessibility, infrastructure and sustained growth. The double-digit growth rate that was always on the cards for Sri Lanka will become a way of life in the near future” he concluded.