

## Raising the standards of hospitality through the role of innovation and culture. A case study on Hotel juSTA

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### Key Words

Hotels, Hospitality, Innovation, Culture

### Abstract

*This case opens a forum to discuss what it means for a company to use innovative ways and transparent culture in order to foster customer experience. It focuses on directive communication psychology to cultivate the necessity of culture of promoting mental health along with physical health to the customers. Special highlights on innovative marketing strategies of attracting customer with the motto of "Home away from home". On one hand there are chains like Taj Group, Welcome group and Oberoi, on the other hand there are boutique hotels like juSTA which have built a niche positioning. The case would address the issue of how to build and defend the niche. It would dwell upon the competitive strategy adopted by JustA for differentiating itself through products and services. The researchers took intensive interviews to collect data from the required resources to compile this case study. It is found that the positioning of juSTA as a hotel which is theme based, providing customer friendly culture with good emphasis on mental well-being with superior infrastructure is very unique in itself.*

### The Introduction

"The ambition of the juSTA brand is to be developed with the aspiration to deliver outstanding contemporary experience. In this clutter of international and local brands, we aim at creating a special niche for small luxury hotels, allowing juSTA to be international in every way, with an Indian Identity—" said Mr. Ashish Vohra on July 24<sup>th</sup>, 2017. An ideal space to create unforgettable memories, the juSTA hotels' signature style blends sophistication with local art and culture to create international class leading to redefining luxury. This huge passion to create something new to give a unique experience of comfort not only in physical sense but also cater to the psychological satisfaction of customer in hospitality sector. Mr. Ashish Vohra has conceptualized the comfort with mosaic of happy experiences, rich in moments of luxuries comfort, seamless service and the ambience of opulence in his hotels and resort. It balances the grandiose and the intimate to deliver a true luxury experience. Even the name juSTA is a Sanskrit word, which means 'to welcome' to your home. At juSTA hotels, this warm invitation of Indian hospitality meets international standards of luxury. The experience is further enhanced by Deepika Govind, wife of founder and designer by profession unique hand crafted design for each juSTA property.

### Distinctive Unique Property

juSTA Hotels around India, each has a separate identity which caters the uniqueness of the city they are located in. Imbibing the local culture in the ethos as well as in design, juSTA offers a new and individualistic experience from one city to next. It promises an enriching and overwhelming experience for each stay. The experience of juSTA is chalked out to be one filled with mosaic of happy experiences, rich in moments of luxurious comfort, seamless service, and the ambience of opulence. It has cozy niches for intimate to deliver a true luxury experience. In common areas, the "how it looks & feels" experience is reflected in breathtaking spaces, outstanding pieces of art, exquisite scents and the unique touch and feel sensation. A special focus on frequent travelers, juSTA gives

individual attention to each guest and makes them comfortable with a feel of home away from home and fun at an affordable price.

Mr. Ashish Vohra

Journey of juSTa from Ideation to Expansion....

Mr. Ashish Vohra was born in Bhopal to a middle class family. Grown up in a simple background with high principles and values has been instilled in his personality by his revered parents. He did his MBA marketing from Pune University and then finally picked up a job in Oberois. Mr. Vohra has an overall 20 years of corporate experience with The Oberoi Hotels & Resorts and handled leadership positions in marketing, sales, strategy and Finance. Ashish founded juSTa hotels & resorts on August 15<sup>th</sup>, 2005 with a notion to provide psychological comfort to his clients. Since then, the company has grown organically through a mixture of own hotels, revenue share & management contracts. Mr. Vohra knew that he had to take a decision regarding his entrepreneurial idea and was well aware about the sacrifices that he had to take up. He tied himself with the principle that he had joined Oberois only to serve and not for a life style change. This belief helped him move out of a house in a posh locality to a Barsati. A huge change dawned in the life style of Mr. Vohra and the family, but with the support of his wife and his upbringing in a simple background helped him live in small means and make his dream come true.

While working in Oberoi as an employee, he found that most of the existing hotels were catering to only the high end clients. There was a huge gap in the hotel industries. There were either a five star or only guest houses. There was hardly anything available for the middle level clients. But with the influx of MNC's, employment in India was increasing and need for the Economic hotels for these employees was becoming a necessity due to the requirement from the industries for employees to travel around for various meetings. With juSTa Mr. Ashish brought a new innovation in the area of Luxury hotel. During that time, the competitors of juSTa were Lemon Tree. juSTa initiated the birth of giving a very homely atmosphere to the clients. It gave good respect to their stakeholders. juSTa makes an attempt to understand the customers at a very deeper level. The sustainability at juSTa is very high because of the following factors: It gives immense importance to comfort of physical being as well as mental being. The concept of touching the chord of mental health was extremely unique but it was a huge impact as with a better mental peace the clients are able to give their best on whatever official purpose they take juSTa as a place to stay.

## 2.1 juSTa Logo

The concept was designed by Mr. Mrinal "TREE WITH RAINBOW COLOURS" DEPICTING THE VARIOUS HUES OF LIFE. The logo denotes a tree, which is an eternal symbol of life. As the tree provides shelter, so too does juSTa. The green of the tree enhances juSTa, making it a green brand. Designed by Mrinal Dey from Shantineketan a young, talented painter from Shantineketan, the logo is augmented by vertical strata of rainbow colors, the hues of which are reflected in the art, fabric and furnishings used a juSTa.

The Trigger which pushed juSTa to higher pedestal of success.....

It is the knowledge of the most updated luxury hotel market situation which helps to lay the foundation for studying the research trends of the same subject matter. The team of juSTa under the able guidance of Mr. Ashish, has done numerous research studies of luxury hotels during the past years. While industry reports concentrate on data that imply on the market situation and predict future development of luxury hotels, academic studies focus on more diversified and specific aspects. For example, Min (1996) used analytic hierarchy process to advance benchmarking of Korean luxury hotels. Narteh et al. (2013) looked into the relationship marketing and customer loyalty in the Ghanaian luxury hotel industry. Okumus et al. (2012) studied the career paths of women in luxury hotels. It was found that despite the increasing significance of the luxury hotel sector in the tourism and hospitality industry as well as the general economy, juSTa had taken up an unique concept of merging physical well-being with mental well-being for their clients. This alone

helped them to sustain their clients and slowly they started having a good number of very loyal clients. Therefore, ideas have been formed as to what should be the current research trend of luxury hotels, or if there are any gaps between them that could be fulfilled by further study.

## 2.2 juSTA Pillars of the Brand

juSTA has positioned differently in niche category. The ambition of the juSTA brand is to be developed as an inspirational, delivering, outstanding and contemporary experience. In this clutter of international and local brands, juSTA aims at creating a special niche for luxury hotels, allowing juSTA to be international in every way with an Indian identity.

The Four Pillars of the juSTA brand are Luxury, Contemporary, Green, and Indian.

**Luxury** - Lavish and opulent environs for the artistically inclined merge with the impressive softness of natural light to offer tangible luxury. Every piece of furniture, furnishing & decor allow the senses to enjoy luxury of an extremely high comfort.

**Contemporary** - Everything at juSTA is modern & fashionable. Its luxury is seamless and efficient, yet extremely comfortable. Every detail has been individually treated with a sense of aesthetics, transcending functionality, transforming the daily experience into pleasure. This present-day lifestyle is supported by a wide range of services: wireless internet connection, a restaurant with delicious cuisine and 24 hour room service.

**Green** - Surrounded by tranquil green environs, juSTA isolates you from the noisy hustle and bustle of the outside world. It creates a Luxurious haven, where 'Green' becomes a continuous thread throughout the juSTA experience.

**Indian** - For juSTA, art is more than just decor. We believe that art is the ultimate expression of a culture. At juSTA, each piece of art reflects a dimension of the Indian culture, traditional or emerging. Unique art pieces have been integrated in juSTA's experience and play an dynamic role in delivering the brand that is distinctively India.

## Business Model of juSTA

With the various technological innovations in the Business world, the hotel classification and grading system is undergoing rapid transformation. This is mainly due to the internet and the emergence of online travel agents like Trip Advisor, Expedia, Yelp and many other such companies. The increase in online travel business in India is a clear indication of dependence of travelers on the online options for travel and hotel related purchase decisions. The number of travellars is only on the rise as the Millenials are taking over the world. However, at the same time, [Nath 2013, Sharma 2013 and Chopra 2006] have questioned the effectiveness of hotel classification system of India to evaluate the hotels, as many hotels lacking basic service quality have been awarded five star rating. juSTA has made presence on Global distribution service as pioneer in serving customer with service apartment in India.

The impressive overall growth resulted in massive investment in the hotel sector and new Indian and foreign Hotel Chains made their presence on Indian landscape. The growth of Hotels in India is propelled by the increase in the tourism. The continued "Incredible India" campaign launched by Government of India has had a strong impact on the tourist arrivals in India (Thadani2005). Crisil research Annual Review 2013 highlighted the following interesting facts about the Indian Hotel Industry.

Business model of juSTA is focused on managing hotels rather than owning them, enabling it to grow at an accelerated pace with limited capital investment. This Business model allows JustA to focus on building preferred brands based on guests needs. This model allows creating greater returns for owners whilst leaving asset management and real estate to the third party owners. The model adapts to the market demand. juSTA's directive communication organizational model is a bottom up process. The objective of the model is to develop a more effective and engaged organizational culture through uniting the people within the organization to create an environment

that supports their personal success and value through the organization, and therefore increasing engagement.

### 3.1 Chitrashala

To support the niche temperament of juSTA, Mr. Vohra has initiated the culture of in the name of Bundi school of Art, an experience which plays tribute to creative spirit of over 36 nationals and international artists. An art residency like Chitrashala, can prove to be extremely formative for the development of artist's work and skills as they get the luxury of having entire week solely dedicated to polishing their skills and interacting with peers.

Wedding at juSTA: moving towards more diversification to cater the needs of customer, juSTA initiated a variety of customized themes and wedding packages right from the planning stage to its culmination at six exotic destinations.

### 3.2 Corporate Catering

It is planning to advance into the field of corporate catering. When it comes to your corporate catering needs, juSTA plans the entire event. From elegant lunches to business meetings, conventions, and special celebrations, juSTA shows all guests and employees how important they are for their success. The extensive menus offer a vast array of enticing appetizers, entrees and desserts sure to satisfy the most discerning palates.. Experts with exclusive menus and perfection design and fix the menu to suite the health and pallet of customers.

### Marketing strategy

Mr. Vohra grabbed this opportunity when demand was high for a niche category of hotels in India. Being experienced in this field and have contacts to all small and big clients Expansion with value proposition by being one of first proponents to work towards luxury hospitality and mental health well -being. juSTA offers a clear cut design philosophy coupled with a distinct brand personality. The designer creates an intimate but discrete, edgy yet subtle ambiance: luxurious yet not overbearing; a residential feeling of a hotel environment but without its magnitude. This chain of small luxury hotels is capable of addressing individual requirements. Generally the hotels have less than 50 rooms, making it inviting for the guest and easy on the efficiency of staff. Mr. Ashish had built a huge network during his serving days in Oberoi. His Oberoi identity had opened many doors during the growing days of juSTA. His market knowledge and instincts had made him take the right measures of taking property on lease rather than owning them. Mostly the lease period was from 10-18 years. His first venture was in Bangalore with 52 rooms. But he never wanted to give away Delhi where he had worked for almost more than a decade. Today juSTA is trying to grow in different parts of India catering to the taste and variety of its clientele along with its emphasis on the mental well -being thereby making an edge yet to be reached by its competitors.

### Managing Human Resource

juSTA demonstrates their beliefs most significantly in the way they treat each other and by the example they set for one another. Flat in structure, juSTA empowers employees to come up with creative ideas and solution of critical issues. It gives employees a sense of recognition and satisfaction in the organization which always reelects in productivity. Mr. Vohra's strategy of success is based on clear understanding of and belief in what they do and how their employees behave. They believe that employees need a sense of dignity, pride and satisfaction in what they do. Because satisfying their guests depends on the united effort of juSTA people, most effective when they work together corporately, respect each another contributions and importance

juSTA believes in recognizing the efforts of the employees. juSTA adopts high commitment HR practices because these practices contribute to managers and supervisors affective connection to the company, leading them to feel positively satisfied with their jobs. juSTA uses existing manpower extremely productively. The HR practices promote employees in a systematic way/ HR planning

starts with an identification of the HR objectives. It analyses all manpower and resources. It creates a talent pool and prepares employees for the future.

Customers compare their perceptions of service from previous dynamical experiences. Turner and Krizek (2006) in their study found that previous experiences by customers significantly influence their satisfaction and leads towards high service quality expectations. Under the modern concept of marketing, the marketing activities are dependent on the supply as required by the customer. The hotel market in the city of India is highly competitive. The competitive pressures faced by many service industries today are compelling them to seek competitive advantage, efficiency and profitable ways to differentiate themselves from others. Demand management involves four interrelated actions. Through the process of perception individuals organize and interpret their sensory impression so as to give meaning to the environment. This perception builds the level of expectation of the customers. According to Bender, "perception is in reality, the perception you give is the perception you have. juSTA has created a perception of mental health to their customer which provides a mental support of the customers visited hotel either for holidays or business. Perception and satisfaction cater the attitude and values of employees and commitment towards the customer. According to Mr. Vohra, all their employees are recruited and trained based on the overall ethos of the organization.

### Challenges

The challenges it faced was getting funded from Private Equity. juSTA finally started with self-funding and maintains the same. Their first year turnover was Rs.2 ½ Crore. juSTA built 6000 service apartments from where the luxury part was cut out. Today, juSTA has 500 employees all over the country. The organizational structure at JUSTA is Head Heavy and Body slim. juSTA believes in In-House training for their employees. JUSTA is asset less and takes property lease for around 9-18 years. They have revenue share management contract. A completely different challenge had struck juSTA during the recession time. The state of turmoil in the global financial markets has generated new concern for the hospitality industry at large. As per the industry estimates, in July 2008, foreign tourist arrivals grew by a 13.8%, but in October 08, the growth rate fell down to 2.8% due to recession. Despite some emerging encouraging figures, the impact of slowdown on the entire industry cannot be overlooked. Due to the global meltdown and recession, the Indian hospitality industry experienced a 64 percent fall in profit in the January-March quarter of the year 2009. The global economic slowdown has impacted both business travel as well as tourist arrivals. In fact, the negative impact of terrorism has worsened the situation.

juSTA took various steps to cope with the challenges that dawned with recession. juSTA team reached out to all their network for business, but business was going down at an accelerated speed. Things were so bad that he almost felt that his dream was coming to an abrupt end. But, since his hotel was giving luxury with economy, their clientele definitely had gone but it never came to a complete halt which somewhere gave a ray of hope for juSTA to carry on. juSTA swam the currents of recession and were able to sustain themselves.

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