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Examining the Role of Promotion and Process from the Customer Perspective in Hotel Industry: A Selective Study

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Abstract: The previous literature paves a path for researchers to understand the dynamics of the Hotel Industry where several activities are involved in uplifting its image which in turn contributes to its own growth. There arises a need to understand the contributors and its factors to compete and to have a sustainable market for those in the Hotel Industry. With this as its major objective, the study has proceeded with 385 responses for promotion and 383 for process activities in knowing their effective implementation by Hotel Industry. Responses are collected using Convenience sampling and through Google forms too. As expected, the customers perceive that the process and promotion activities are effectively adopted by the Hotel Industry. Surprisingly, the demographic elements such as gender, marital status, income, and place are not observed as significant contributors towards the customers' perception regarding the effectiveness of promotion activities adopted by the Hotel Industry. In case of promotion too, the demographic variables such as gender, marital status and place could hardly effect, where income is observed as the only significant contributor. Lastly, it is suggested to the Hotel industry to focus on 20-50k income groups to improvise their productivity. The future researchers can better focus on the leftover demographic variables and the type of other hotels to have a deep exploration of other factors those can affect the business of Hotel Industry.
Keywords: Hotel Industry, Convenience Sampling, Process, Promotion
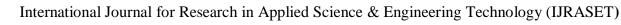
I. INTRODUCTION

n business what customer decides is quality. Hence the promotion and process of the hotel industry define by customer is more powerful. This paper focuses on how customer thinks and perceives promotion and process activities. Traveling is a normal part of life for most individuals. Thousands of years ago there were the pre-historic nomadic tribes who traveled for better weather, safety and to seek food. Today, traveling is a part of everyday life for most working professionals. In keeping with the increase in tourists' desire to travel for pleasure or for business, hotels and resorts are there ready to provide sleeping accommodations, food, beverage, and recreational facilities.

Marketing mix of the hotel industry consist of 7P's. (Goi, 2005) McCarthy reconstructed the 12 elements of Borden's in to 4P's, namely product, price, promotion, and place. Researches from 1980 onward, proposed new 'P' into the marketing mix. Judd (1987) proposes a fifth P (people). Booms and Bitner (1980) add 3 Ps (participants, physical evidence and process) to the original 4 Ps to apply the marketing mix concept to service. Kotler (1986) adds political power and public opinion formation to the Ps concept. Out of 7P's, the study focuses on promotion and process activities of hotel industry in Andhra Pradesh.

Government of india encouraging Foreign tourist who to India on an e-tourist visa will receive a BSNL SIM card which will be pre-activated and loaded with talk time and data. The government of india has set target to double the foreign tourist arrivals and double the foreign exchange earnings as well by 2020. As the tourism industry is growing leaps and bounds by a new scheme of the government. Such as Swadesh Darshan, Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD), e-visas to foreign tourists, 'Incredible India' and 'Athiti Devo Bhava', for branding.

The year 2017 was a year of disruption and turbulence for the hospitality sector. It witnessed the impact of two major government policy decisions - demonetization and GST, along with the Supreme Court ruling that banned the sale of liquor in all commercial establishments located on or within 500 meters of any national and state highways, setting back the hospitality industry's hopes of improved performance after it garnered some tailwinds in 2016. A positive indicator for the hospitality sector, India's office markets witnessed absorption of 28.8 mn sq ft in 2017 with an additional supply of 26.9 mn sqft during the year. Going forward, between 2018 to 2020, Hyderabad is likely to top the list in terms of absorption followed by NCR Delhi and Bangalore, both remaining at similar levels of 19.6 mn sq ft. Pune will follow these cities and is likely to absorb only 12 mn sq ft due to limited

increases in supply. More particularly, Hyderabad has been performing well in terms of new supply addition and new absorption in the recent years. The reason is better infrastructure and gaining prominence of sub-urban submarkets of Hi-Tech City and Gachibowli as established IT markets. It is observed over the past two to three years, tier II cities are becoming more attractive to occupiers because of competitive rentals and newer assets and infrastructure boost. "The current occupancy rate hovers around 50-60 percent. It may further go down with the shifting of government activity to Andhra Pradesh. Though the Telangana government is trying to boost tourism, certain issues are beyond anybody's control," Rao said. However, he felt that the impact will be less in Madhapur and Gachibowli, which are home to IT and service industry. As the state got bifurcated , new government is giving lot of importance for the tourism and hospitality.

II.   NEED FOR STUDY

In the new global economy, tourism and hospitality have become a main source for the Indian economy. Changes in FDI, e-visa for 163 countries, changes in GST for the hospitality industry, and state bifurcation have become the reasons for the growing demand for the hospitality industry. Activities such as programs organized by the government, investors visit the new state, tourists visit, business meetings, pilgrims visit, and medical tourism happening in cities like Vijayawada, Visakhapatnam, Tirupati, Araku,, Anantapur, Rajahmundry, Kurnool, and Ongole have created demand for the hotel industry. There arises a need to understand and identify the contributors and their factors affecting the growth of the Hotel Industry, which helps the industry to raise their productivity. The present study moves ahead to fulfill this objective.

III.   SCOPE OF RESEARCH

Further research in this field would be of great help for hotel industry. Present study can be extended to 4 stars, 5 stars and above hotels. Another possible area of future research would be to investigate why gender, income, marital status, and place, has no significance on promotional activities. This research has thrown up many questions for further investigation of demographics influence on process activities of the hotel industry.

IV.   LITERATURE REVIEW

Review of literature gives the thought process of academic research on the topic. It is the backbone of entire research. It helps to identify the problem, present scenario of the research, and unearth the gap of the previous research. . The present review of the literature covers the theoretical background of the Hotel industry marketing mix and related previous researches.

1) (Hung, 2017) the study major concern to examine the consistency between online and offline positioning. Developed the scale for measuring website quality. A sample of 153 hotels websites of Taiwanese. Data analyses a multivariate method of confirmatory factor analysis, principal component analysis, and clustering analysis are used.

2) (Sparks, So, & Bradley, 2016) the object of the study is to examine the perception of the potential customer toward negative internet reviews and hotel response. Customer draws inference on trust and concern on the reaction of the hotel. they tested the effects of the 4 variables associated with a response: the source of response, the voice of the responder, the speed of response, and action.

3) (Lahap, Safiah Ramli, Mohd Said, Mohd Radzi, & Adli Zain, 2016) research seems to agree that band image is the best reliable source of the return on investment(ROI). Total 75% responded out of 300 questionnaires. The study of the Malaysian hotel industry emphasizes that brand image leads to customer satisfaction.

4) (Ghosh, 2018) the empirical study focuses on the impact of online reviews on brand attitude. A sample size of 362 individuals taken to examine the perception toward online reviews and about the hotel which review is written. Destination-specific emotion as a moderator on hotel booking intention. ANOVA and linear regression are used to analyze the data used. There is strong convergent evidence in both brand attitude and hotel booking intention.

5) (Y.-H. Hu & Chen, 2016) the study focuses on Review rating impact on hotel star class (HSC). Review content, sentiment, author, and visibility are the variables. Model tree outperformed linear regression and support vector regression as it better modeled the interaction effect. Findings suggest that there is a great interaction between the Review rating and hotel star class.

6) (Torres, Adler, & Behnke, 2014) studied on the feedback of the customer and internal source to improve service quality combination of both. Present research used a mixed approach to internal feedback and external feedback.

7) (Jakovic & Galetic, 2014) research analysis the technology-enabled hotel website has any significant impact on hotel commercial success. Survey conducted on 30-star hotel websites in Croatia. Data analyzed using descriptive statistical methods, as well as inductive conclusions. It has suggested that hotels must develop their mobile apps for more accessibility for customers.

8)   (Hsu, 2012)Researched six large hotels in Taiwan which have become successful in promoting and getting connected with international tourist by using social media. Facebook is has become the platform for developing the network. Outside the Taiwan, hotels gained Chinese-speaking and English speaking international travelers. It is suggested that Taiwan hotels management should focus on e-Marketing strategies on social media such as Facebook.

9)   (Seric, Saura, hospitality, & 2016, n.d.) The object of this study to the best process by using the information technology, in online order receptions, communication with customer, promotinal support, and customer relationship. In this empirical research, 38 hotels data collected by structured questionnaire administered to the marketing managers. Kolmogorov-Smirnov test used for testing normality of data distribution and Mann-Whitney U test was performed to compare two independent samples. Findings suggest that scope of business and process of the business improve by information technology.

10)   (Ladhari & Michaud, 2015) the study examines impact of friends' generated comments on facebook on hotel booking. Research focuses on three areas like, the trust on the hotel, the attitude toward the hotel, and the perception of its website. 800 university students has participated in the survey and agreed that facebook comment has got power influence decision making process of hotel booking.

11)   (Sigala, Lockwood, & Jones, 2001) study emphasis on strategic implementation is either "service-led" or "IT-led". Hotel reservation from check-in to check-out all the process should be automated by the information technology. Strategic success comes through best operational implementation with well established information technology.

12)   (Morosan & Jeong, 2008) the experimental study customer perception of reservation web sites : hotel owned and third part owned . Perceived ease is the attitude of the user for third party websites .perceived usefulness is the attitude of the user for hotel owned website. User brose with high intention in third party websites.

13)   (Palmer, Mcmahon-Beattie, & Beggs, n.d.) Article says that hotel industry loyalty programs can be measured proportion of market characteristics, information intensity and level of customization can build effective loyalty in the hotel industry.

14)   (Singh, n.d.) This paper emphasis on keeping old customer loyal to the organization more important and profitable approach then attracting new customer. Keeping old customer is cheaper and bring new customer is costly because advertising, promotion, and start-up operation expenses.

15)   (Hartline & Jones, 1996) the result of the study basically explain who's word of mouth creates more perceived value among the hotel employees. Finding suggested that when compare with front desk employee, room service employee word of mouth have significant effect on perceived value.

V.   OBJECTIVES OF THE STUDY

The present study deals with two major Objectives. They are:

A.   To examine the customers perspective towards promotion activities adopted by Hotel Industry.
B.   To examine the customers perspective towards process activities adopted by Hotel Industry.
C.   To examine the role of customers' demographics on the promotion and process activities adopted by Hotel Industry.\

VI.   RESEARCH METHODOLOGY

A.   Research Design

The literature review method of Exploratory Research Design is used to identify the gaps and to reach the objectives of the study. Further, a cross sectional study is conducted to extract the customers' perspective towards promotion and process activities adopted by the Hotel Industry.

B.   Sampling Design

The entire population of Andhra Pradesh becomes the study population to which the results are generalized. As per the theory, minimum sample for a huge population is 384.16 is required at 95 % confidential level allowing 5% error. In the present study, to reach this number, 483 questionnaires are sent in the form of google forms and 286 are collected in –person out of 415 using convenience sampling. After scrutinizing the responses, 385 responses are finalized for process and 383 for promotion and carried forward for further analysis. The response rate for google forms and in-person are 30.02% and 68.9% respectively.

C.   Data Collection

Schedule and Google forms are used for collecting the data.

D. Data Analysis

In order to meet objective 1 and 2, one sample t-test is used. To fulfill objective 3, two sample t-test for knowing the gender and marital status impact, one way ANOVA for examining the impact of Income and Place, Correlation and Regression to analyze the effect of Age on the overall customer's perspective on promotion and process activities adopted by Hotel Industry.

E. Hypothesis of the Study

1) Hypothesis for Objective 1

2) H0: Customers perceive the promotion activities adopted by Hotel industry are not effective.

3) H1: Customers perceive the promotion activities adopted by Hotel industry are effective.

a) Sub-Hypothesis: Promotion

i) Gender

1. H0: There is no significant impact of customer's gender on their Perspective towards promotion activities adopted by Hotel Industry.

2. H1: There is a significant impact of customer's gender on their Perspective towards promotion activities adopted by Hotel Industry.

ii) Marital Status

1. H0: There is no significant impact of customer's Marital Status on their perspective towards promotion activities adopted by Hotel Industry.

2. H1: There is a significant impact of customer's Marital Status on their perspective towards promotion activities adopted by Hotel Industry.

iii) Income

1. H0: There is no significant impact of customer's Income on their perspective towards promotion activities adopted by Hotel Industry.

2. H1: There is a significant impact of customer's Income on their perspective towards promotion activities adopted by Hotel Industry.

iv) Age

1. H0: There is no significant impact of customer's Age on their perspective towards promotion activities adopted by Hotel Industry.\

2. H1: There is a significant impact of customer's Age on their perspective towards promotion activities adopted by Hotel Industry.

v) Place

1. H0: There is no significant impact of customer's place on their perspective towards promotion activities adopted by Hotel Industry.

2. H1: There is a significant impact of customer's place on their perspective towards promotion activities adopted by Hotel Industry.

b) Sub-Hypothesis: process

i) Hypothesis for Objective 2

ii) H0: Customers perceive the process activities adopted by Hotel industry are not effective.

iii) H1: Customers perceive the process activities adopted by Hotel industry are effective.

a. Gender

• *H0:* There is no significant impact of customer's gender on their Perspective towards promotion activities adopted by Hotel Industry.

• *H1:* There is a significant impact of customer's gender on their perspective towards process activities adopted by Hotel Industry.

b. Marital Status

• *H0:* There is no significant impact of customer's Marital Status on their perspective towards process activities adopted by Hotel Industry.

• *H1:* There is a significant impact of customer's Marital Status on their perspective towards process activities adopted by Hotel Industry.

c. Income

- H0: There is no significant impact of customer's Income on their perspective towards process activities adopted by Hotel Industry.
- H1: There is a significant impact of customer's Income on their perspective towards process activities adopted by Hotel Industry.
d. *Place*
- H0: There is no significant impact of customer's place on their perspective towards process activities adopted by Hotel Industry.
- H1: There is a significant impact of customer's place on their perspective towards process activities adopted by Hotel Industry.

VII. RESULTS AND DISCUSSION

A. Objective 1: Promotion

As the skewness value is -0.266 that is within the range of -0.5 to +0.5, assuming the data as normal, One sample t-test is applied.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
P_Total	385	22.86	4.114	.210

One-Sample Test

	Test Value = 18					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
P_Total	23.203	384	.000	4.865	4.45	5.28

Customers Perceive that the promotion activities are adopted by hotel industry are effective where t (384) = 23.203, p < .05 whose mean and standard deviation are 22.86 and 4.114.

B. Objective 2: Process

As the skewness is 0.373 <0.5, data can be assumed as normal. Proceed for One Sample T-test for analysis.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Sum	383	32.19	4.490	.229

One-Sample Test

	Test Value = 24					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Sum	35.680	382	.000	8.185	7.73	8.64

Customers perceive that the process activities adopted by hotel industry are effective where
t (382) = 35.680, p < .05 whose mean and standard deviation are 32.19 and 4.490.

VIII. FINDINGS

A. Respondents perceive that the Promotion activities adopted by Hotel Industry are effective.

B. Respondents perceive that the Process activities adopted by Hotel Industry are effective

IX. SUGGESTIONS

The current study found that income is having a significant impact on hotel process activities. Hotel managers and employees must be very careful in handling the customers of high income group. From the reservation, to check-out all the process activities need to be handled with intensive care to satisfy the customer.

Although promotion activities have no influence on customer gender, income, marital Statues and place, the majority of those who responded to this item felt that E- Word of mouth and word of mouth are having highest score among all promotional activities. Research suggests that hotels should concentrate on these two areas to promote hotels

X. CONCLUSION

 This empirical study has attempted to determine how customers think about the promotion and process activities adopted by the hotel industry. The research results indicate that the process and promotional activities adopted by the hotel industry are effective according to the customer.

This research is not an exception for limitations. The findings in this report are subject to two major limitations. First, the study emphasizes on customer's perspective only. Second, the scope of this study was limited to 3 star and below hotels. So, the other classifications of hotels such as five- star, four-star or boutique hotels might be interesting for further researches

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