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## Study of Impact of Promotional Activities in Hotel Industry in Rajasthan

**Shreya Bhargav**

Assistant Professor, Jaipur National University, Jaipur, Rajasthan, India

**Dr. M. L. Agdayemawer**

Associate Professor, Department of Business Administration, University of Rajasthan, Jaipur, Rajasthan, India

### **Abstract:**

*Tourism in India is a potential largest contributor in GNP. Tourism sector includes a range of activities i.e. 1) Travel and transport facilities, 2) Accommodation, 3) Food and drink, 4) Entertainment/recreation, 5) Information and assistance and 6) Souvenirs. It is a budding industry, a service originator, an important source of foreign exchange for the nation and a money-making activity that helps local and host communities\*. The Indian hotel industry, being a direct beneficiary of the growth in the economy and the tourism industry, has also recorded strong growth over the past few years. India is ranked 42<sup>nd</sup> in the world rankings as per foreign tourism arrivals in the country. In 2012, India secured 12<sup>th</sup> position among 184 countries in terms of contribution of travel and tourism industry in GDP.*

*Growing numbers of foreign and domestic travelers, encourage hotels to understand their guests' expectations and develop a competitive advantage by focusing on various elements of marketing mix to capture the market share and sustain in competitive era.*

*With the increasing rivalry in the marketplace as well as the customers becoming well informed and choosier, it is vital now that marketing communications of the right message only are made to the right group of target buyers. Keeping this in the mind this specific study was carried out to know the impact and importance of various promotional tools on customer satisfaction level and to find out comparative differences regarding promotion mix among the sampled five star hotels.*

**Keywords:** *Tourism, hotel, marketing mix, and promotion*

### **1. Introduction**

Traveling for business and recreation is a need of today. Over the last few years, Travel and tourism industry has practiced constant growth and diversification and now it's among the chief revenue contributing sectors in the world economy. As growth has been high in the world's emerging economies, the share in international tourist arrivals received by developing economies has gradually risen. Hotel plays a vital role in the tourism industry. Knowles (1996:2) describes the hospitality industry as 'any combination of the three core services of food, drink and accommodation...a blend of 'tangible and intangible elements – and the service, atmosphere and image that surrounds them. Hotel is an establishment which provides food, shelter and other amenities for comfort and convenience to the visitors with a view to make profit (Chakravarti, B.K.).

With the opening of Indian economy, Indian hotel industry witnessed strong competition from foreign chains in the form of franchising and joint venture options. Now a day, India is considered as a hub for medical tourists due to the growing popularity of traditional therapies like Ayurveda, therapeutic massage, yoga and meditation among the tourists. The WTTC named India as one of the fastest expanding tourism country along with China in 2012. India has been ranked the "best country brand value- for- money" in the Country Brand Index survey conducted by Future Brand, a leading global brand consultancy. India also secured second place in CBI's "best country brand for history" as well as appears among top 5 in the best country brand for authenticity and art and culture and the fourth best new country for the business. Certain measures like VISA on arrival scheme by the Government of India have a positive influence on foreign travelers. Significant developments in the field of transportation and communications, growing importance of sophisticated information technologies in the business scenario, viable changes in industrialization and urbanization, increasing share of corporate sector contribution in national and international economies, and changing lifestyles are certain reasons cemented avenues for the growth of hotel industry all over the world. Certain measures like VISA on arrival scheme by the Government of India have a positive influence on foreign travelers.

With the influx of international brands, the customers experienced a large variety of product options and facilities. Better education level, increasing awareness, an upward trend on spending on leisure activities and increasing blend of business travel with leisure travel compel Hotels management to understand the importance of marketing elements from the customer's context and develop competitive advantage by focusing on those elements of marketing mix accordingly.

\*<http://www.ibef.org/industry/tourism-hospitality-india.aspx>

Henceforth, there has been a need for promotion campaign to specialize not only in the field of tangible goods, but also in services. In the tertiary sector, the marketing activities expanded tremendously over the last few years, due to frequently changes to the services market and also the nature of services themselves that includes intangibility, heterogeneity, perishability, and impossibility to separate their production from producer.

## 2. Literature Review

The hotel product is primarily a mix of five characteristics: its location, its mix of facilities, its image, the services it provides and the price it charges (Holloway and Taylor, 2006; Page, 2003). The expected growth of the industry in future has provided its players with an opportunity to invest in new technologies such as digital menu card, CRM tools and latest security systems and to venture into nice tourism segments like eco tourism, medical tourism, wild tourism, star cruise etc. in today's scenario the visitors are not satisfied with the core product and services provided by the hotel but they also look after other products and services, Security, complaint treatment and front desk facilities are the prime factors to influence the satisfaction level of guests in five star and five star deluxe hotels.(Kumar, Dr. Sanjeev, 2013)<sup>1</sup>

Wilayate, M. C., & Deshmukh, R. P. (2014)<sup>2</sup> conducted their study to find out the impact of relationship management and service delivery on the customer satisfaction level of five star hotels in Pune city. During his study, he found that numbers of loyal and satisfied guests are comparatively very less, henceforth he suggested the hotel management to focus on improvement in service delivery and start reward system and loyalty program to convert its visitors into regular and frequent guests.

Maitra, R.(2014)<sup>3</sup> analyzed the relevance of hotel website for branding and positioning of hotel brand in the online marketing arena. The regular users and employees of the website development team of Oberoi group were interviewed. They suggested that management display should tourist destination and install, convenient and secured booking system to increase online booking through own website. They concluded their study with regular updating of hotel website because it was observed that consumer preferences are directly influenced by website content. Sim, Mak and Johnes(2006)<sup>4</sup> also supported hospitality and ambience as two important factors in a model of customer satisfaction and retention for hospitality industry.

Lasune, Dr. Suryakant<sup>5</sup> focused on using marketing techniques by five star hotels to increase revenues. He suggested to involve the customer in the process of developing core and peripheral services which can help to increase word of mouth promotion and further can be supplemented by advertisement without lowering the prices and resulted in increase in sales, even he gave weight age to training programs for employees for good service delivery. In his view the basic problems faced by hotel industry are related to poor infrastructure and ambience, unresponsive and amateurish manpower, usage of substandard products to reduce the cost and overpromising by management that led to unmet expectations by the customers.

A report prepared by Corporate Catalyst India on Indian Tourism and hotel industry (2008) has stated that it is a boom time for India's tourism and hospitality sector. The hotel industry comprises a major part of the Tourism industry. The mid size hotels also tries to provide a better range of services at competitive cost. The expected growth of the industry in future has provided its players with an opportunity to invest in new technologies such as CRM tools and latest security systems, and to venture into niche tourism segments like medical, religious, cruise, casino and MICE etc. It was observed that meetings, incentives, conventions and exhibitions (MICE), backpacker, and B&B sectors are growing and characterized by burgeoning market demand, proliferation of specialist infrastructure, sector-specific education, training and dedicated development and marketing strategies. Increased attention to facilities development, assets management, market segmentation and use of new technologies will lead to new opportunities for this sector.

## 3. Objectives of the Study

- i. The objective of this research is to study the impact of promotional activities on the satisfaction level of customers.
- ii. And this study is also carried out to find out comparatively effective promotional tool among selected hotels in Rajasthan.

## 4. Research Methodology

Data is collected through online structured questionnaire which was prepared after conducting pilot study. A five point Likert scale was used to find out satisfaction level from highly satisfied to highly dissatisfied. The population of the study is the total number of visitors of leisure hotels in Rajasthan. The researcher selected a universe of five star hotels in the colorful state of Rajasthan. The selected hotels are: 1) Jaipur Marriott, Jaipur; 2) Taj Lake Palace, Udaipur; 3) Hotel Clarks Amer, Jaipur; 4) Umaid Bhawan Palace,

<sup>1</sup> Kumar, Dr. Sanjeev(2013), "Do the facilities matters in Guest Satisfaction : A study of hotel industry". S S International Journal of Economics & Management. ISSN No. 2231-4962

<sup>2</sup> Wilayate, M. C., & Deshmukh, R. P. (2014). To Study Customer Relationship Management in Hospitality Industry. IBMRD's Journal of Management & Research, 3(1).

<sup>3</sup> Maitra, R.(2014), "Role of IT in Branding and Positioning of a Hotel: A Case Study with Special Reference to the Oberoi, New Delhi". Applied Hospitality and Tourism Research, 52, 121.

<sup>4</sup> Sim, J., Mak, B., & Jones, D. (2006). A model of customer satisfaction and retention for hotels. Journal of Quality Assurance in Hospitality & Tourism, 7(3), 1-23.

<sup>5</sup> Lasune, Dr. S., " Marketing strategies and quality management of five star hotels in order to improve its revenue with special reference to selected five star hotels in Mumbai" ABHINAV: Journal of Research in Commerce and Management; Vol. 1, Issue no. 4, ISSN No. 2277-1166

Jodhpur; 5) Country Inn & Suites, Jaipur; 6) Fairmont, Jaipur; 7) Shiv Niwas Palace, Udaipur; 8) Rambagh Palace, Jaipur; 9) ITC Rajputana, Jaipur; and 10) The LaLit, Jaipur. Stratified random sampling method is used to collect the primary data from respondents which were visitors. The questionnaire was sent to 550 visitors' from various hotels of Rajasthan and only 420 responses were received.

### 5. Data Analysis and Interpretation

Collected data was coded with the help of SPSS (17.0) and MS-Excel. The study is conducted with the help of statistical tools like cross tabs, frequency analysis. After applying frequency analysis, Chi-square test was conducted to find out the significant differences among the hotel.

To find out the significant differences only highly satisfied guests are taken into the consideration as satisfaction is the lead factor that influences the guest while making his re-visit decision.

	Particulars	Total
Gender	Male: 295 Female: 125	420
Employment Status	Employed: 270 Self-employed: 80 Student: 59 Retired: 7 Others: 4	420
Annual Income	Nil : 31 Below Rs. 4,00,000: 153 Rs. 4,00,000 –Rs. 8,00,000:130 Rs. 8,00,000 –Rs. 12,00,000: 69 Rs. 12,00,000 and above: 37	420
Reason to Visit	Sports and Recreation:24 Health:5 Rest and Relaxation:206 Attending a conference, seminar or other kind of education:67 Business Reasons:66 Festival:28 Others:24	420
Promotional Tool	Advertisement : 51 Travel Agency: 20 Internet:102 Friends and relatives: 205 Part of the travel: 28 Fairs and exhibitions: 11 Others : 3	420
Awareness of Sales Promotion Schemes	Yes: 206 No: 214	420
Availed the benefits of sales promotion schemes	Yes: 84 No: 336	420
Awareness of Loyalty Membership Schemes	Yes: 214 No: 206	420

*Table 1: Detailed Information of Respondents  
(Compiled through filled questionnaire)*

Table 1 represents that majority of the respondents who visited the hotels are males (70.24%). Out of all respondents, 64.29% of the respondents' are employed who visited the hotels, 19.05% of the respondents' are self employed(or business man), 14.05% of respondents are students, 1.67% respondents belongs to retired category and 0.95% are from other category that consists of house wife and visited the hotels to attend family functions or promotional activities. In context of Income level, 36.43% respondents comes under below Rs. 4,00,000/- who visited hotels followed by Rs. 4,00,000/- - Rs. 8,00,000/-(30.95%) .

Out of total respondents, 49% of the respondents visited the hotels for leisure and relaxation purpose, 15.95 % for attending a conference, seminar or education purpose and 15.75% visit these hotels for business reasons and meet their clients, 6.67% respondents visited these hotels to celebrate during the time of festivals and the respondents came for health purpose and stayed in five star hotels are less in proportion i.e. only 1.9%.

Regarding the effective promotional tool we can analyzed that 49.52% of the respondents decision is influenced through the feedback of friends and relatives i.e. Word of Mouth Communication while they were planning to visit the hotels, 24.29% of the respondents

influenced through internet as it provide detailed information on hotel websites and customer review regarding the hotel, 12.14% of the respondents influenced by advertisement like many of the new hotels used advertisement to create awareness, only 10.71% respondents are influenced through travel agents and 2.62% are influenced through travel fairs as these techniques are more suitable for corporate clients. Sales promotion schemes and loyalty programs are not much effective tool to attract the guests as less percentage of guests considered these offers while deciding to visit the hotel.

### 5.1. Data Analysis regarding Frequency of Accessing Company's Website/Hotel Wise

$H_0$ : There is no difference in the responses received regarding usage of company' website to gather relevant information among sampled hotels.

There is no difference in the responses received regarding frequency of usage of company's website of sampled hotels.

$H_1$ : There is no difference in the responses received regarding usage of company' website to gather relevant information among sampled hotels.

There is a difference in the responses received regarding frequency of usage of company's website of sampled hotels.

Sources	Sum of squares	Degree of freedom	Mean Square	F-test
VBR(Hotels)	2.27E-13	9	2.5264E-14	3.1580E-15
VBC(Frequency)	126	4	31.5	3.9375
Residual	288	36	8	-----
Total Variance	414	49	-----	-----

Table 2: ANOVA TABLE

- Interpretation

To check the hypothesis, F test has been applied. After applying F test between row and residual =  $2.5264E-14/8 = 3.1580E-15$  and F-test between column and residual =  $31.5/8 = 3.9375$ .

Calculated value is more than the table value regarding variance between Row and Residual; the henceforth the null hypothesis is rejected, i.e. there is differences regarding the responses received in context of hotels. While on the other hand, in context of Variance between Column and Residual calculated value is more than the table value. Therefore, the null hypothesis is rejected i.e. there is differences in the responses regarding frequency of accessing company' website to gather information also.

### 5.2. Data Analysis Regarding Frequency of Accessing Facebook/Hotel Wise

$H_0$ : There is no difference in the responses received regarding usage of Facebook to gather relevant information among sampled hotels.

There is no difference in the responses received regarding frequency of usage of Facebook in context of sampled hotels.

$H_1$ : There is difference in the responses received regarding usage of Facebook to gather relevant information among sampled hotels.

There is difference in the responses received regarding frequency of usage of Facebook in context of sampled hotels.

Sources	Sum of squares	Degree of freedom	Mean Square	F-test
VBR(Hotels)	0	9	0	0
VBC(Frequency)	547.2	4	136.8	18.321429
Residual	268.8	36	7.4666667	-----
Total Variance	816	49	-----	-----

Table 3: ANOVA TABLE

- Interpretation

To check the hypothesis, F test has been applied. After applying F test between row and residual =  $0/7.4666667 = 0$  and F-test between column and residual =  $136.8/7.4666667 = 18.321429$ .

Calculated value is less than the table value regarding variance between Row and Residual henceforth the null hypothesis is accepted, i.e. there is no difference regarding the responses received in context of hotels. While on the other hand in context of Variance between Column and Residual, calculated value is more than the table value therefore; the null hypothesis is rejected i.e. there is differences in the responses regarding frequency of accessing facebook to gather concerned hotel's information.

### 5.3. Data Analysis regarding Frequency of Accessing Twitter/Hotel Wise

$H_0$ : There is no difference in the responses received regarding usage of Twitter to gather relevant information among sampled hotels.

There is no difference in the responses received regarding frequency of usage of Twitter in context of sampled hotels.

$H_1$ : There is difference in the responses received regarding usage of Twitter to gather relevant information among sampled hotels.

There is difference in the responses received regarding frequency of usage of Twitter in context of sampled hotels.

Sources	Sum of squares	Degree of freedom	Mean Square	F-test
VBR(Hotels)	-2.3E-13	9	-2.53E-14	-2.37E-15
VBC(Frequency)	1645	4	411.25	38.655352
Residual	383	36	10.638889	-----
Total Variance	2028	49	-----	-----

Table 4: ANOVA TABLE

- Interpretation

After applying F test between row and residual =  $-2.53E-14/10.638889 = -2.37E-15$  and F-test between column and residual =  $411.25/10.638889 = 38.655352$ .

Calculated value is less than the table value in context of variance between Row and Residual; henceforth the null hypothesis is accepted, i.e. there is no difference regarding the responses received in context of hotels. While on the other hand calculated value is more than the table value in context of Variance between Column and Residual therefore, the null hypothesis is rejected i.e. there is differences in the responses regarding frequency of accessing Twitter to gather concerned hotel's information. There is no strong association between the selection of hotel and the information available on Twitter (social networking website).

#### 5.4. Data Analysis Regarding Frequency of Accessing e-Newsletter/Hotel Wise

$H_0$ : There is no difference in the responses received regarding usage of e-Newsletter to gather relevant information among sampled hotels.

There is no difference in the responses received regarding frequency of usage of e-Newsletter in context of sampled hotels.

$H_1$ : There is difference in the responses received regarding usage of e-Newsletter to gather relevant information among sampled hotels.

There is difference in the responses received regarding frequency of usage of e-Newsletter in context of sampled hotels.

Sources	Sum of Squares	Degree of Freedom	Mean Square	F-test
VBR(Hotels)	-6.8E-13	9	-7.58E-14	-8.5E-15
VBC(Frequency)	1095.6	4	273.9	30.77528
Residual	320.4	36	8.9	-----
Total Variance	1416	49	-----	-----

Table 5: ANOVA TABLE

- Interpretation

After applying F test between row and residual =  $-7.58E-14/8.9 = -8.5E-15$  and F-test between column and residual =  $273.9/8.9 = 30.77528$ .

Calculated value is less than regarding variance between Row and Residual; henceforth the null hypothesis is accepted i.e. there is no difference regarding the responses received in context of hotels. While on the other hand in context of Variance between Column and Residual, calculated value is more than table value therefore, null hypothesis is rejected i.e. there is difference in the responses regarding frequency of accessing e-Newsletter to gather concerned hotel's information. There is no strong association between the selection of hotel and the information provided through e-Newsletter.

#### 5.5. Data Analysis Regarding Frequency of Accessing online Booking Portals /Hotel Wise

$H_0$ : There is no difference in the responses received regarding usage of e-Newsletter to gather relevant information among sampled hotels.

There is no difference in the responses received regarding frequency of usage of e-Newsletter in context of sampled hotels.

$H_1$ : There is difference in the responses received regarding usage of e-Newsletter to gather relevant information among sampled hotels.

There is difference in the responses received regarding frequency of usage of e-Newsletter in context of sampled hotels.

Sources	Sum of squares	Degree of freedom	Mean Square	F-test
VBR(Hotels)	14.58	9	1.62	0.1148665
VBC(Frequency)	65.88	4	16.47	1.167809
Residual	507.72	36	14.103333	-----
Total Variance	588.18	49	-----	-----

Table 6: ANOVA TABLE

- Interpretation

To check the hypothesis, F test has been applied. After applying F test between row and residual =  $1.62/14.103333 = 0.1148665$  and F-test between column and residual =  $16.47/14.103333 = 1.167809$ .

The calculated value is less than the table value in context of Variance between Row and Residual; the henceforth the null hypothesis is accepted, i.e. there is no difference regarding the responses received in context of hotels. While on the other hand regarding variance between Column and Residual calculated value is less than the table value therefore, the null hypothesis is accepted, i.e. there is no difference in the responses regarding frequency of accessing online booking portals to gather concerned hotel's information also. There is an association between the selection of hotel and the information available on online booking portals.

## 6. Conclusion

This paper is started with a significance of promotional activities in hotel industry to sustain and increase market share of the hotels. The findings highlighted that Facebook, twitter and e-Newsletter are not effective promotional tools and used occasionally by customers. Respondents gave dissimilar opinion regarding promotional tool and its usage, but after applying Chi Square test; No significant differences were found among the hotels. On the other part word of mouth and customer feedback and review on online booking portals have a major significant influence on customers.

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