

Factors influencing selection of hotels: a study in Odisha

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ABSTRACT :To remain relevant in the market it is anything but adequate to draw in new clients, the hoteliers should focus on retaining existing clients carrying out powerful arrangements of consumer loyalty and reliability. In the hotel industry consumer loyalty is to a great extent dependent on an endless supply of quality service. An administration approach centered on customer fulfillment can improve client dependability, hence expanding the positive picture of the touristic destination. Consequently, investigating the significance for clients of an inn ascribes in inn determination is indispensable. Research about visitor fulfillment, which converts into the thought of whether customers will get back to an inn or encourage it to different travelers, is crucial to the accomplishment of a hotel business. Neglecting to focus on those lodging credits considered generally significant by visitors, may prompt negative assessment of the inn, consequently limiting the opportunity of patronage. So, several factors need to be analyzed when a hotel is to be selected.

Keywords: Customer relationship practices, Hotel Industry, budget hotels, mid-market hotel, premium hotel

I. INTRODUCTION

Tourism is traveling for predominantly recreational or leisure purposes, and also refers to the provision of services in support of this act. According to the World Tourism Organization, tourists are people who "travel to and stay in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited". Tourism has become an extremely popular and global activity. In 2005, there were over 808 million international tourist arrivals.

As a service industry, tourism has numerous tangible and intangible elements. Major

tangible elements include transportation, accommodation, and other components of a hospitality industry. Major intangible elements relate to the purpose or motivation for becoming a tourist, such as rest, relaxation, the opportunity to meet new people and experience other cultures, or simply to do something different and have an adventure.

Tourism is vital for many countries, due to the income generated by the consumption of goods and services by tourists, the taxes levied on businesses in the tourism industry, and the opportunity for employment and economic advancement by working in the industry. For these reasons, NGOs and government agencies may sometimes promote a specific region as a tourist destination, and support the development of a tourism industry in that area. The contemporary phenomenon of mass tourism may sometimes result in overdevelopment; alternative forms of tourism such as ecotourism seek to avoid such outcomes by pursuing tourism in a sustainable way.

II. REVIEW OF LITERATURE

Berry (1983), LL. Shostack, GL and Upha, GD (Eds) have explored that the marketers and customers must have a reciprocal goodwill and interaction to remove mistrust, risk of misunderstanding and improving the bond and partnership towards a healthy CRM.

Berry and Persuraman (1991) have argued that excellent service cannot be produced, packed and delivered to the customer. It has to be inculcated in the mind of the customers by building a bridge of several pillars like quality, relationship, marketing etc.

Bitner (1995) inferred in her research about the significance of several marketing tools connected with the serviceability to the customers' delight. These are trust, multiple levels in

marketing for retaining relationship with target customers, attaining profitable customers etc.

Chatterjee, J. (2000) has stated that marketing has evolved over time and new technologies of CRM, e-CRM etc have replaced the old and traditional marketing methodologies. It has become customer mind-centric based on loyalty, scope and efficiency. From a mass approach, the phenomenon has been transformed to personal and one to one marketing by maintaining a big and personalized database of each and every customer.

Caroline Tynan and O' Malley (2001) have indicated that customers of any industry have a special interpersonal relationships with the organizations which is very different from that of their relatives, friends or families. Moreover, this relationship is not based on any offers, but it is of faith, mutual trust and more of humanly.

Regis McKenna (1991) had figured out the transformation from manipulative to relationship approach of marketing. It is more about educating a customer by sharing knowledge through intense involvement rather than only confined to just selling. This enhances the credibility of company as well as that of the marketing executive. As a result of which the customer feels about the person more like a friend, advisor and well-wisher than just a simple salesman who has a target to reach by selling the product by hook or by crook.

III. OBJECTIVE

To assess the customer knowledge of various hotels in Orissa and to focus on guest behavior in selecting hotel.

IV. RESEARCH METHODOLOGY

The target population of the study consisted of the tourists who stayed in the different categories of hotels of Orissa. While choosing a hotel customer, the method of random sampling was followed. Principal demographic characteristics like age, gender, nationality, level of income, profession and geographic location of the hotel were taken into consideration. A total of 600 questionnaires were distributed to hotel customers with a personally addressed letter requesting customer participation and 403 have responded positively. The customers were also requested to complete the questionnaire and to leave it at the reception counter. In total, 398 questionnaires were found to be usable in the study representing a response rate of 63.33 per cent.

The forthcoming sections analyse the data so collected from the customers keeping the broad objectives in view.

V. DATA ANALYSIS

CUSTOMER PROFILE

The demographic backgrounds of the sample respondents in five parameters are presented in Table 1 to understand the customer profiles i.e., age, gender, profession, income and purpose of visit to hotels.

Table 1 Demographic Profile of Samples

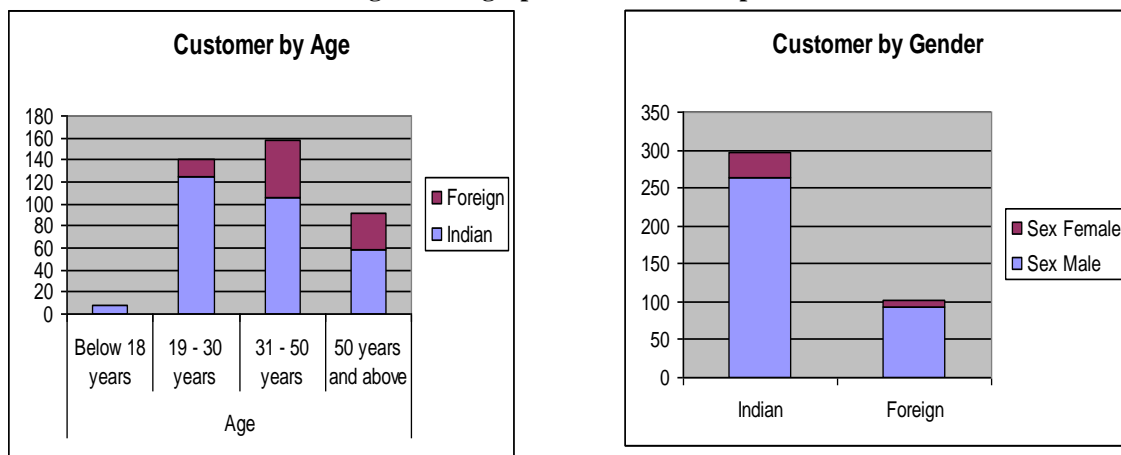
Demography		Indian		Foreign		Total	
		F	%	F	%	F	%
Age	Below 18 years	8	2.7	0	0	8	2.0
	19 - 30 years	124	41.9	17	16.7	141	35.4
	31 - 50 years	106	35.8	52	51.0	158	39.7
	50 years and above	58	19.6	33	32.4	91	22.9
Gender	Male	264	89.2	94	92.2	358	89.9
	Female	32	10.8	8	7.8	40	10.1
Profession	Student	7	2.4	2	2.0	9	2.3
	Professional	10	3.4	0	0.0	10	2.5
	Entrepreneurs	101	34.1	35	34.3	136	34.2
	Working Executive	178	60.1	65	63.7	243	61.1
Income	Less than Rs.1 lakh	43	14.5	0	0.0	43	10.8

	Rs.1 – 2.5 lakh	138	46.6	4	3.9	142	35.7
	Rs.2.5 – 5 lakh	105	35.5	36	35.3	141	35.4
	Rs.5 lakh and above	10	3.4	62	60.8	72	18.1
Purpose	Holiday	123	41.6	70	68.6	193	48.5
	Business	135	45.6	23	22.5	158	39.7
	Others	38	12.8	9	8.8	47	11.8
Total		296	100	102	100	398	100

Demographic background of sample represents 358 (89.9%) male and 40 (10.1%) female out of which 296 (74.4%) are Indian Tourists and 102 (25.6%) foreign tourists. The total sample size was 398, 217 (54.5%) from Budget Hotel 107 (27.9%) from Mid market hotel and 74 (18.6%) from premium hotel. The demographic background of sample represents five parameters presented in table 1 to understand customer profile that is Age, Gender, Profession, Income and purpose of visit to the hotel. It is observed from the table that customers (Age group 31-50 years) constitute the majority of the sample 39.7%. So far as Indian tourists are concerned Age group 19-30 years (41.9%) constitute the majority sample and age group 31-50 (51%) constitutes the majority in case of foreign tourists. The proportion of young customers is lowest only (2% of the sample). Again the representation of women is 10.1% of the sample which is 10.8% in case of domestic tourists

and 7.8% of foreign tourist. Proportion of male is 89.9% out of which it is 89.2% in case of domestic tourist and 92.2% among foreign tourists. So far as profession is concerned the proportion of working executives is 61.1% (61.1% domestic and 63.7% foreign) whereas students constitute the lowest i.e. 2.3% (2.4% domestic and 2% foreign). In the income category, 1 to 2.5 lakh constitute 46.6% which is the highest in domestic category. 5 lakhs and above group constitutes 60.8% in case of foreign tourists. Holiday customers constitute highest (48.5% in purpose of visit category). But business tourists constitute 45.6% which is highest in case of domestic tourists; holiday tourist constitutes (68.6%) which is highest among foreign tourists. That means our sample indicates more business tourists in domestic category and more holiday tourists in foreign category are visiting Orissa.

Fig. 1 Demographic Profile of Samples



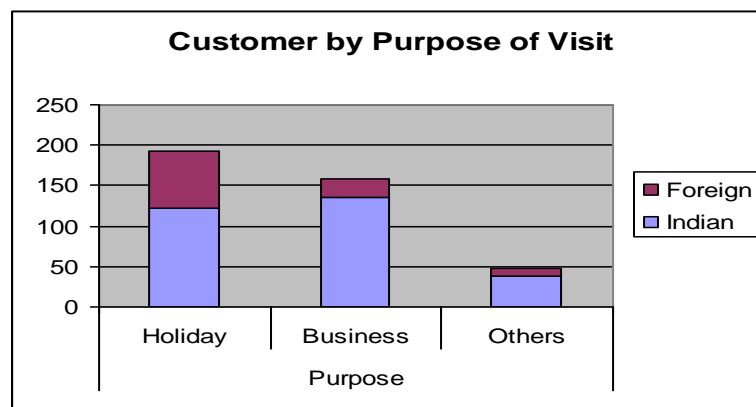
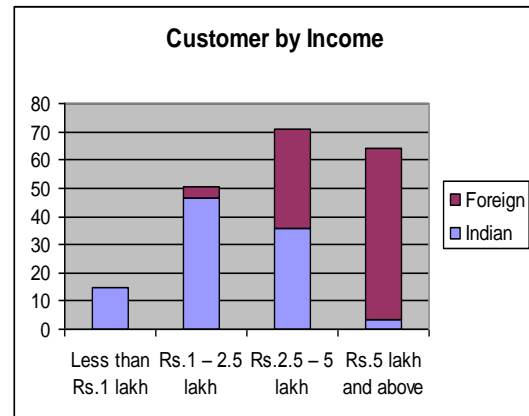
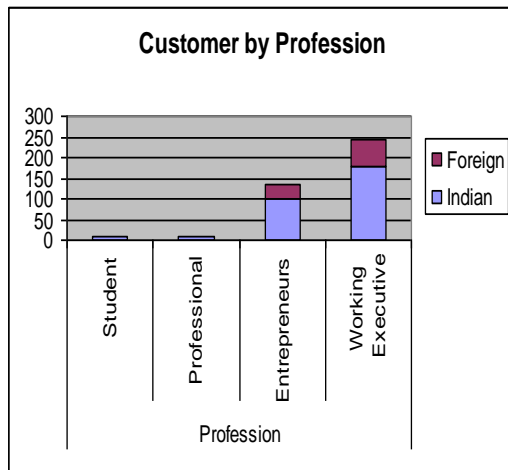


Table 2 Customer Profile by Type of Hotel

Demographic Parameters		Budget Hotel		Mid Market Hotel		Premium Hotel		Total		Chi Square
		f	%	f	%	f	%	f	%	
Age	Below 18 years	6	2.8	0	0.0	2	2.7	8	2.0	22.610*
	19 - 30 years	95	43.8	27	25.2	19	25.7	141	35.4	
	31 - 50 years	81	37.3	47	43.9	30	40.5	158	39.7	
	50 years and above	35	16.1	33	30.8	23	31.1	91	22.9	
Sex	Male	197	90.8	94	87.9	67	90.5	358	89.9	0.717**
	Female	20	9.2	13	12.1	7	9.5	40	10.1	
Nationality	Indian	201	92.6	63	58.9	32	43.2	296	74.4	89.036*
	Foreign	16	7.4	44	41.1	42	56.8	102	25.6	
Profession	Student	7	3.2	2	1.9	0	0.0	9	2.3	5.243**
	Professional	7	3.2	3	2.8	0	0.0	10	2.5	
	Entrepreneurs	73	33.6	36	33.6	27	36.5	136	34.2	
	Working Executive	130	59.9	66	61.7	47	63.5	243	61.1	
Income	Less than Rs.1 lakh	43	19.8	0	0.0	0	0.0	43	10.8	186.235*

	Rs.1 – 2.5 lakh	119	54.8	23	21.5	0	0.0	142	35.7	
	Rs.2.5 – 5 lakh	52	24.0	48	44.9	41	55.4	141	35.4	
	Rs.5 lakh and above	3	1.4	36	33.6	33	44.6	72	18.1	
Purpose	Holiday	95	43.8	61	57.0	37	50.0	193	48.5	5.444*
	Business	93	42.9	37	34.6	28	37.8	158	39.7	
	Others	29	13.4	9	8.4	9	12.2	47	11.8	
Total		217	100	107	100	74	100	398	100	

* Significant at 1% level and ** significant at 5% level

Table 2 represents customers profile by type of hotel and it is observed that more customers in the age group 19-30 (43.8%) staying in Budget hotel, age group 31-50 (43.9%) constitutes the majority in case of mid market hotel and same age group accounting 40.5% in premium hotel. The chi square value is significant at 1 per cent level of significance indicating age-groups of the respondents and their choices of the hotel are dependent on each other.

The gender proportion is 98.8% and 9.2% in Budget hotel, 87.9% and 12.1% in Mid market hotel, 90.5: 9.5 in premium hotel. The chi square value is significant at 5% level. The proportion of domestic and foreign tourists is 74.4% and 25.6% across the hotel category and the chi square value is significant at 1% level indicating nationality of the respondents and their choices of the hotel are dependent on each other. The proportion is 92.6% & 7.4% in case of Budget hotel which is 58.9% & 41.1% and 42.2% & 56.8% respectively in case of Mid market and premium hotel.

The proportion of working executive is dominant across the hotel category (Budget hotel 59.9%, Mid market hotel 61.7%, premium hotel

63.5%). The proportion of entrepreneurs is 34.2% across the hotel. Which is the second highest and the proportion of students and professionals across the hotel is 2.3% and 2.5% respectively. The χ^2 value is significant at 5 per cent level of significance, implying that customers with occupational variations have a preference for a hotel.

Customers belong to Income category 1 to 2.5 lakhs constitutes 35.7% and 2.5 to 5 lakhs constitutes 35.4%. As a whole both the category contributes 71.1 % of customer across the hotel industry. The χ^2 value is significant at 1 per cent level, indicating the influence of levels of income for choice of a hotel. Income group 1 to 2.5 lakh (54.8%) which is highest in Budget Hotel. Income group 2.5 to 5 lakhs (44.9%) is highest in Mid market hotel and (54.4%) in premium hotel.

So far as purpose of visit in concerned holiday customers constitutes 48.5% business customers constitutes 39.7% and others constitutes 11.8% across the hotel category. The χ^2 value is significant at 1 per cent level, indicating the influence of purpose of visit on choice of a hotel.

CUSTOMER BEHAVIOUR ANALYSIS

Reasons for selecting a hotel

Table 3 Hotel selection criteria by type of Hotel

Hotel selection criteria	Budget Hotel		Mid market Hotel		Premium Hotel		Total	
	f	%	f	%	f	%	F	%
Past experience	36	16.6	29	27.1	16	21.6	81	20.4
Service quality	14	6.5	22	20.6	9	12.2	45	11.3
Advertisement	22	10.1	11	10.3	3	4.1	36	9.0
Ambience	11	5.1	3	2.8	2	2.7	16	4.0
Hospitality	58	26.7	12	11.2	14	18.9	84	21.1
Travel agent's recommendation	18	8.3	5	4.7	2	2.7	25	6.3
Special event	7	3.2	4	3.7	5	6.8	16	4.0
Tie - up	18	8.3	12	11.2	12	16.2	42	10.6
Word of mouth	29	13.4	7	6.5	11	14.9	47	11.8
Promotion	4	1.8	2	1.9	0	0.0	6	1.5
Total	217	100	107	100	74	100	398	100

Table 5.3 represents hotel selection criteria by types of hotels. The table shows 10 criteria on which the customers normally select a hotel. The criteria's are past experience, service quality of a hotel, advertisement, ambience, hospitality, recommendation of travel agent, occurrence of special event in the hotel, tie-ups, word of month and promotional campaign.

Budget Hotel gets maximum (26.7%) of customers for their hospitality. In Mid market hotels 27.1% customers come for their past experience. In premium hotels, 21.6% customers select hotel for the past experience and 18.9 % of customers select the hotel because hospitality. Across the hotel industry most of the hotel customer select their hotel for past experience, hospitality, service quality and word of mouth communication.

VI. CONCLUSION

The hospitality sector is facing enormous challenges of attracting the new customers and retaining the existing ones. The problems commonly encountered by the hotels are shifting of customer loyalty, inability to inventory, difficulty in synchronizing demand and supply, controlling the performance quality of human interaction, etc. – need to be articulated and tackled by managers. The attraction, retention, and building strong customer relationships through quality services are at the heart of the modern marketing (Zeithaml &

Bitner, 2003). A sound marketing strategy is required to be adopted by the hotelier to build customer trust and retain them in the business and for competitive advantage across the industry.

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