

Service Marketing with Reference to Hotel Industry in India

K. Parveen Banu

Assistant Professor, Department of Commerce, Sri Ramakrishna College of Arts & Science for Women, Sarojini Naidu Road, Siddhapudhur, Coimbatore-641044, India

Abstract: *Hotel industry in India is one of the fastest growing service sectors of the country. Today the hotels are classified according to their service rendered to the customers. After globalization hotel industry is striving to provide their service at low cost to different customers with the most progressive gaining an edge over the competition. Many revolution have been made with advancement of technology changed the face of industry, making effortless for everyone to book a memorable vacation or dine with few simple steps with the help of mobile apps. Not only this hospitality sector is witnessing a healthy growth and accounts for 7.5 per cent of the country's GDP. So the government has to take more initiatives to improve this sector to create world renowned hotels by providing incentives and guidance. Today many world class hotels were emerged in India but at world level we are still in seventh place and through the service of this sector it has to be upgraded in positive manner.*

Keywords: Hospitality, Technology, Globalization, Hotels, Service.

1. Introduction

A service is the action of doing something for someone or something. It is largely intangible You cannot touch it. You cannot see it. You cannot taste it. You cannot hear it. You cannot feel it. So a service context creates its own series of challenges for the marketing manager since he or she must communicate the benefits of a service by drawing parallels with imagery and ideas that are more tangible. Search quality is the perception in the mind of the consumer of the quality of the product prior to purchase through making a series of searches. So this is simple in relation to a tangible product because they might look at size or colour. So search quality is more important to product or services. Experience quality is easier to assess. In terms of service the need to taste the food or experience the service level. Therefore the experiences allow to evaluate the level and nature of the service. Credence quality is based upon the credibility of the service that they undertake. Credence is used where little knowledge of the topic and to rely upon the professionalism of the expert.

Foundation of Hotel Industry in India

Hotels & the Catering Industry as we know started in the 19th century with the development of major cities, easier sea travel & coming up of railways. In India, resting houses called serais/sarais and dharamshallas were established on high ways by kings and emperors of ancient and medieval periods. In India, development of catering can also be attributed also to the legacy left by people belonging to different cultures and ethnic groups who have ruled her. In 1971-72, a beautiful palace of Rajasthan was linked up to the Taj, the lake palace in Udaipur, a marble dream, afloat lake pichola and the Rambagh palace, originally created at the height of Rajput splendour in Jaipur. In 1903 he raised finance invested his own money, hired the best architects and craftsmen and build the exquisitely beautiful Taj Mahal hotel in Bombay with 220 rooms.

Before the introduction of a mobile catering system, food was packed from homes and sent with the traveller.

September 27th, 1999. It was a great day. It was the day the IRCTC was formed. Having food provided during journeys not only lightens the passenger's weight load but also allows them to buy food on the train, ensuring them their pre travel convenience. Prior to independence Spencer's was the major player for railway catering in India. For the Indian hotel owners and the international hotel chains the benefit is mutual, tie-up with an international hotel chain puts the hotel on the global map with access to chain's reservation network worldwide.

Impact of Globalization in Hotel Industry

The globalization of trade and the economy has had a direct impact on the price. A larger pool of competition has led to more competitive pricing, and given rise to the low-cost carrier model within aviation and more people fly around the world for a reasonable price. This has made it easier for travellers to experience new cultures, and has made it increasingly important for professionals in hospitality to understand, and cater to, different people. If the industry wants to attract the more people, the organizations must work hard to keep up with advancing technology. It is important for hotels, tourist attractions, and restaurants to continually improve their products and services – with the most progressive gaining an edge over the competition. Even something like a hotel room key has been revolutionized through technological advancement, with its next stage of evolution looking to transform it into data utilized on a guests' cell phone.

Marketing Strategies Used in Hotel Industry

In this ever-changing world, the hospitality business is in constant evolution. So, for professionals in the hotel marketing industry – staying up-to-date is a must. Here are some of the best strategies followed by hotel industry

Most travellers today trust online reviews. Potential guests can easily search for them online and that's why it's essential to keep your hotel's guests absolutely satisfied. Make sure every detail is taken care of. The whole organization acts as customer service department and do

every little thing that'll make the guests happy. Delighting your customers is one of the pillars of marketing strategy.

To respond as quickly. Make them feel like that listening to them by taking time and really listening to them. This is a great way to get feedback and improve your overall service. Always respond to the guests whether it be on social media, own website, or industry review websites.

Being on social media the use technology as a leverage in the marketing strategies, such as using customer relationship management software to create inbound and email marketing campaigns. Inbound marketing is the best way to get online users to visit the site. Gone are the days of traditional marketing, e.g. banner ads and email spamming, where companies interrupt consumers just to convert them into leads. This technique is ineffective and old-fashioned. Furthermore, using software helps to measure the online analytics and hotel marketing's Return on Investment.

There are many travellers who combine business and leisure. As a result, more people go on business trips and take extra days to spend on vacation. In order to capitalize on this trend, hotels must give them an opportunity to spend more time at the hotel through which they know that, they can stay for a longer period to maximize their trip. Convince them by developing small marketing campaigns, or by using the next strategy.

More and more people are using their mobile devices to research hotels and destinations online. They tend to look for places to stay on their mobile devices first, before actually booking a trip on their desktop computers. Therefore, modern hotel marketers must find a way to show up on mobile when potential guests are still trying to make their decisions.

Also, note that people through their mobile phones when looking for places to visit, places to eat, or simply where they'd go next. It would be a good tactic to send them simple messages, tips, and updates on your latest events. Make their experience in the hotel personalized. Find out what their interests are. Make them feel like as they know them personally and that they're well taken care of. Don't make them to wait in queues. Usage of latest technology to automate some of your business Processes. People nowadays, especially millennial, want everything to be seamless and hassle-free.

Digital Revolution in Hotel Industry

Technology is changing the way people eat out and dine. Prompt and efficient systems that work are in place 'delighting the customer' all the way. In many other parts of the world, tablets are replacing the paper menu cards, enabling customers to browse through the menu, check the cuisine in detail, avail any discounts/coupons available and pay your order with flexible payment options. This all can be done from the tablet at the restaurant table. The customers are asked to write a few lines of good from the same tablet if they had a very sumptuous meal at the restaurant. The Food and Restaurant industry is seeing significant digital transformation – Digital menus, kiosks, tablets on tables, digital tabletops and digital kitchens. Crucial success has been achieved in customization, food

delivery, and payment options. Today, in India, Zomato, Swiggy, Rubericks and FoodPanda are a few names of food apps that have made services in tie up with renowned hotels for making orders & online payment and web sites like Make my Trip, Trivago caters online table reservations, social media reviews, and mobile payment options etc. In the past few years, technology has played an equal and significant role in every industry whether it's hotel or any other industry. The technology has brought major revolution and changed the face of hospitality, making effortless for everyone to book a memorable vacation or dine with few simple steps with the help of mobile apps. Due to a dramatic increase in the Smartphone users, the face of the many industries has changed. There are many mobile applications available in the internet market from where the people can easily plan their trips. The advent of the mobile app technology has taken the travel industries to the new height. Earlier, they have to depend on the travel agencies to plan our trip. Now, with the advancement in the technology, we can easily book our vacations from sitting at our home. Currently, around 80% of travellers use mobile apps to plan their holiday trips.

2. A Contributor to Indian Economy

With a consistently growing middle class and increasing disposable income, the tourism and hospitality sector is witnessing a healthy growth and accounts for 7.5 per cent of the country's GDP. According to a report by KPMG, the hospitality sector in India is expected to grow at 16.1 per cent CAGR to reach Rs 2,796.9 thousand crore in 2022. The hospitality sector encompasses a wide variety of activities within the services sector and is a major job provider both direct and indirectly. The sector attracts the most FDI (Foreign Direct Investment) inflow and is the most important net foreign exchange earners for the country. It also contributes significantly to indirect tax revenue at the state and central level which includes revenues from VAT, Service Tax, and Luxury Tax etc. The growth in the hospitality sector and its contributions to the GDP will continue to be substantially higher than other sectors of the economy on the back of huge tourism potential in the country. However, the hospitality sector is one of the most heavily taxed industries and is saddled with multiple layers of tax such as VAT, service tax, luxury tax, etc. ranging from 20 per cent - 30 per cent. This multiple taxations added to operational costs and reduce profitability. While the implementation of much awaited GST regime is expected to rationalise the taxation structure, bring a positive outcome with streamlined taxes, enhance ease of doing business and lower cost for the consumers, there is an urgent need for lowering the tax levied, to incentivize and attract more investments to the sector. Infrastructure development is the backbone and key to the growth of the hospitality sector. Taxes on real estate development for the hospitality sector must be lowered to boost investments as there is an acute shortage of good quality accommodation in the country. Secondly, the industry has been clamouring for industry status for over two decades. Providing industry status to the hospitality sector will go a long way in attracting investment and development of the sector. With India projected to be the fastest-growing nation in the wellness tourism sector in the next five years, at over 20 per

cent gains annually. The government must also look at incentivizing investment in the development of luxury and ultra-luxury projects which will provide impetus to the hospitality sector in India. The government should also provide service tax exemption for new developments and a longer tax holiday for new hotels and resorts that will help in attracting investments into the industry. Also, the tax rate for the sector needs to be lowered from the proposed 18% tax slab under consideration for the new GST regime.

The hospitality industry relies on a host of enabling the ecosystem to function and has a reciprocal relationship with several other sectors like transportation, entertainment, aviation etc. Strengthening these related sectors will lead to the growth and development of the hospitality sector. Therefore, single window clearance for real estate and hospitality projects and providing infrastructure status to the hospitality industry are much-needed steps for the growth of the industry. The hospitality sector has the potential to be the main driving force behind the growth of the economy. It, however, will be possible only with the right amount of support and incentives from the government in all categories of hotels and not only limited to the luxury and ultra-luxury segment. I believe that the government must provide its full support in incentivizing the sector and the overall taxation on the hospitality sector should be reduced to stimulate its growth and make India competitive against other internationally renowned hospitality chains.

3. Future of Hospitality Services

Hospitality has seen a huge growth in last 12 years. Room numbers have increased from 25,000 of 2000-2001 to 93,000 in 2013 and it is expected that these numbers will reach to 1, 43,000. Though hotels know that business is getting lower they are still investing because India is expected to become a huge economy in the near future. Government's measures to increase the tourism have also motivated hotel companies to invest in the country. Today, apart from casino hotels, India hosts almost all type of hotels; serving to all kind of customers. Recent rupee depreciation is also expected to benefit the Indian hotels as many of the people are cancelling their international tours & opting for domestic tourism. It is also attracting many foreign tourists to India as it has become a cheaper tourist destination now.

In order to fight from current crisis and in their struggle to survive in the market, hotels have increased their room rates to get better revenue. But as premier hotels have become more expensive, many travellers now prefer for budget hotels. Even the corporate companies which have suffered because of economic downturn also prefer budget hotels for their tie-ups. This situation is encouraging big hotel chains to focus on their budget hotel brands. French hotel group Accor is a good example of this as it is mainly focusing on its budget hotel brand instead of its other luxury brands. Marriots has also introduced their budget hotel brand Fairfield inn to the Indian market.

According to a recent report of the Associated chambers of commerce & industry of India, Indian tourism industry is expected to become world's second biggest employer with

around 40,37,000 employees by the year 2019. As one of the most important parts of tourism industry, hospitality is expected to have a biggest share in these numbers. It mainly offers career in its four core operational departments i.e. Food production, Food & beverage service, Front office & Housekeeping. Apart from these, it also offers jobs in Sales & marketing, Human resources, Accounts/ Finance, Security, etc. A recent survey reveals that 77% of the graduates from hotel management are assured with jobs while comparing to other streams

4. Conclusion

Hotel industry in India is one of the fastest growing industries of the country. While there are many big Indian names like Oberoi, Taj, Leela, ITC have already captured a big market share; international brands are also on a spree of expansion. India has seen a huge growth in its hospitality sector in recent years. Almost all the big brands have added hundreds to thousands of new rooms in their room inventory and most of them have further plans for expansion. Hospitality industry has seen a fourfold growth since the year 2000-2001. One of the biggest reasons of this growth is that India has emerged as one of the most important business destinations in South Asia. Growth in IT as well as India's potential to become one of the best tourist destinations in the world have attracted all major global hospitality brands towards India. Today, India hosts more than 30 hotel brands which are expanding even in the smaller towns. Hospitality organizations like AAHOA provide hoteliers with quarterly and annual conferences and educational workshops to keep owners aware and educated on the growing technological trends

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