

A RESEARCH ON FACTORS AFFECTING ROOM OCCUPANCY RATE MARKETING AND ITS OPPORTUNITIES IN 1ST LEVEL HOTELS OF MADURAI TOWN

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ABSTRACT

This research was conducted in Madurai town. The main objective of this research is to assess factors affecting room occupancy rate marketing and its opportunities in the first level hotels of Madurai town. The purpose of the research was to identifying the major factors that affect the room occupancy rate marketing, to take possible measurement for maximizing the room occupancy rate marketing. The main research design used by the researchers in the study was descriptive type to investigate the factors affecting room occupancy rate marketing and its opportunities in first level hotels of Madurai town and they used both quantitative and qualitative research approach, because to describe the numerical data analysis and to interpret the collected data respectively. The research had a total of 30 respondents among thus general managers, middle level managers of first level hotels of Madurai town, Hotel Association of Madurai Town, Administration of Culture and Tourism Office Madurai Town. The researchers used both primary and secondary data as a source of information about the factors affecting room occupancy rate marketing and its opportunities in first level hotels of Madurai town. Researchers analysed the data by diagrammatic method of data presentation. From this diagrammatic method the researchers mainly used the both pie chart and tabulation form of data analysis method to represent both quantitative and qualitative types of data. Consequently, based on the findings, the researchers forwarded important recommendations and suggestion on factors affecting room occupancy rate marketing and its opportunities in first level hotels of Madurai town.

Key words: *Occupancy rate, hotel, seasonality, marketing, first level hotel, room*

I INTRODUCTION

Today the hotel industry has adopted strategies to maximize in- come per room sales , include , Restaurant, room reservations, , lounge ,banquet and Business areas, room service, television, Board rooms ,computers, , valet, Guest laundry, Beauty parlor , game center , pool, and other entertainment activities, , pick up drop facility from an airport, and caretaker services

The major challenge for Hotel industry shifts in customers taste, require and prospect because of current economic, and other factor like communal demographic, supporting law, competition, and limited resources. Today Customers have verities of choice. Hotel industry facing meet the need of their demanding customers. If they are not satisfied Customers demand customer switch to other brands. In hotel business the main pointer of achievement depends on the occupancy rate. In hotel industry calculated by the number of rooms booked divided by the number of room available. If room occupancy rate higher profit also high. On the opposing, a lower occupancy rate, the lower will be the profits. Normally occupancy rate recorded in high peak seasonal in nature. Hotel occupancy rates may depends upon the both on external and internal factors and also season time. The external factors involve bigger issues such as the state of economy, technologies, politics, and legislation and demographic. Internal factors relates to challenges in pricing, quality of service ,quality of food, accommodation, entertainment, facilities and location of the hotel(Lau et al., 2005) . Poor performance in terms of low level and high level of service quality and quantity contributes to problems and rectification in the internal and external factors. To ensure successful business performance of the service industry, many researches on service quality have been conducted. Consequently, there is a

need to look into the organization itself in relation to service quality and its link to service industry business performance.

II REVIEW OF RELATED LITERATURE

Marketing in services industry mean every contact between customers and employees includes an element of marketing. (Jan, 1987).

2.1 Hotel occupancy rates

The occupancy rate of the hotel is based on the number of rooms you have filled. According to the room occupancy depend upon the business followed by we can takes place and look at this figure by day, week, month, year and even longer. The rate will be different depending on the length of time you consider. The existence of occupancy rate that are less than the hotel Cap town means that there are lost selling opportunities, which leads to a depletion in the hotel revenue (Abdul, and Noorya, p 432, 2013). In non-peak times many hotels function normally with low occupancy and also current occupancy rate covers the variable expenses and contributes in covering the fixed costs. On the other hand, if the demand the for hotel services exceeded the hotel's Cap town, this means that the hotel occupancy rate reached its Maximum Rate, because the hotel management would not be able to modify the supply (increasing number of bookings) on the short run to meet the demand change.

The formula for *occupancy rate* is:

$$\text{Occupancy Rate} = \text{Total Room Sold} / \text{Total Room}$$

Uses this formula for calculating occupancy rate, it is also possible to use square feet or rent dollars instead.

2.2 Beds occupancy rate

According to this standard hotel occupancy rates can be expressed through the relationship between the total number of beds occupied by guests and hotel limit city,. The following mathematical equation is used for calculation of this ratio: $BOR = NO+TNB$

Where, BOR = Bed occupancy rate

NO = Number of occupied beds

TNB = Total number of beds that can be provided

Bed occupancy rate = number of occupied beds + total beds that can be provided.

The growth of organisation based often environment, then it's divided by external and the internal. External factors include bigger problem related to external surroundings such as competitions, economic changes and doubts, changes in management policies and legislations, progression of information technologies, demographic of a country or a state and finally the socio-cultural factors.(Abdul,2012).

In hotel industry, price is important for customers, the quality perceptions while the guests expect higher level of service when they pay more. According to the significant good relationship between price and quality perceived that price exerts a significant. The negative influenced on apparent customer value. Customer satisfaction was composed of several size including guest room, cleanliness, maintenance, sociability and care of staff.

2.3 Determination of Hotel Industry Success for Internal and External Factors

Internal and external success factors in the Hotel industry done by researchers such as (Lockyer,2005). Found that a number of internal factors add to unforgettable hotel accommodations. . In their study on the accommodation needs of Australian mature travelers found that safety is the most important factor to be considered in selecting hotel. In their study on the accommodation needs of Australian mature travelers found that safety is the most important factor to be considered in selecting hotel. It includes non-slip bathroom floor, well-lit public areas, anti-slip mats or strips in the bathtub, seats in the elevator lobby and a shower entry without raised edge for easy access.

2.4 Customer Satisfaction

The quality of products or services rendered to guest determines guest pleasure (Poon & Low, 2005). Ignoring the collision of guest pleasure would be a costly mistake for hotel business people if they intend to

be in business for a long time. A satisfied customer, be it foreign or local, may lead to favorable words of mouth which have been proven as the best advertisement money can buy. They may pressure their friends and families to choose the same hotel. However, dissatisfied guest would spread their disappointment and the result could be harmful to the hotel in point. The number of repeat guest would be reduced and new guest would find the hotel unpleasant. This is further supported by (Edvardsson,2005), in which his article stated that positive emotions would lead to positive word of mouth, while negative emotions may result in complaining behavior. Friendly and courteous approach would make guest feeling welcomed and appreciated. Meeting guest expectations to the level that the contestant find difficult to meet can ensure the sustainability.

2.5 Customer Experience

In a study by (Edvarsson,2005), the services experience occurs when customers cognitive, emotional and behavioural response as a result from service encounter and may stay in a person's long-term memory. Researcher added delighted experience adds the value to the service rendered. For example, a guest's good experience in a hotel will greatly affect their future choice, whether come back hotel or not. In besides the food and beverage services and facilities rendered, a number of other factors also make up of a favourable hotel industry experience the various factor along with the condition follows around the city (Matilla, 1999).

2.6 Customer Loyalty

In the marketing point of view, one of the ways of measuring customer loyalty is through looking into customer's frequency to purchase (Wulf, Oderken-Schroder &Lacobucci, 2001). For example there are many brands of cooker available in the market but prestige cooker remains a market leader due to brand loyalty. So hospitable industry, to create guest faithfulness, hotel business people create consciousness and to play with the emotions of the customers in order to maintain long-term relationship.

2.7 Occupancy rates

According to the hoteliers in southern districts are of the opinion that the average occupancy rate is just 60 per cent. And Vasudevan, Director of Pandiyan Hotel the occupancy rate of the hotels in the southern districts is around 60 percentages. With new players entering the tourism sector the rate is further set to decrease.(2017) The only solution to counter the decline is to increase the inflow of tourists. Hence, hoteliers and tour operators should come forward to work together, he said. Vasudevan pointed out at the problem with tariff too. "Five years before, the tariff in Rameswaram hotels was decided by the hoteliers but now it is the tourists who decide it. I attribute this only to decrease in occupancy rate.

2.8 Identified gaps in the hotel industry

In spite of the previously mentioned challenges posed by tourism statistics in Madurai, the high occupancy rates reported in Madurai throughout the year, during the high season, point towards a need for an expanded supply of good quality hotel accommodation in Madurai in order to improve the competitiveness of its tourism offer.

2.9 Management Strategies

According to Butler (2001) presents management strategies as differential pricing and taxation, new attractions and events, and market diversification. In Madurai down events and festivals can be included in creation and market diversification and structural and environmental responses are usually initiatives facilitated by the Madurai.

2.10 Revenue management only works in good times

Higher the level of demand, the hotel operator uses this opportunity. Maximization of demand can be achieved through the deployment of rate and inventory controls (e.g., the length-of-stay controls); the revenue management techniques also have a role to play when demand is not so high.

III DATA PRESENTATION, RESULTS AND DISCUSSION

3.1 Socio demographic pattern of the respondent

This socio demographic characteristic consists of gender, age, education level, position of work and work experience of the respondents.

Gender	Number of respondents	
	In number	In percent
Male	15	71.4%
Female	6	28.6%
Total	21	100%

Table 3.1 Gender of the respondents

In regarding gender, among the total 21 respondents, 15 respondents are males that accounts 71.4% of the total respondents and the remaining 6 respondents are females which accounts 28.6% of the total respondents this investigation implies that all first level hotels that are found in Madurai town are run by males were as the participation of females is low in the number.

3.2 General questions about factors affecting hotel room occupancy rate

According to your hotel achievement did you believe your performance is high?	Number of respondent	
	frequency	Percentage
Strongly Agree	8	38.1%
Agree	10	47.6%
Undecided	3	14.3%
Disagree	0	0%
Strongly disagree	0	0%
Total	21	100

Table3.2 Achievement of hotel performance

The table 3.2 indicates performance of hotel achievement from the total respondent among 38.1% respondents replied that they strongly agree, 47.6% respondent of the total respondents replied they are agree, of the total of 14.3% respondents are replied undecided. And none of the participant are not engaging disagree and strongly disagree. From the above data the majority of hotel performance achievement is moderately good but it needs some improvement for the overall achievement of their organization.

Is there any market fluctuation or market seasonality problem/challenge in Madurai town?	Number of respondent	
	Frequency	Percentage
Strongly Agree	14	66.7%
Agree	6	28.6%
Undecided	1	4.8%
Disagree	0	0%
Strongly disagree	0	0%
Total	21	100%

Table 3.3 Market seasonality problem

The Table 3.3 shows that from the total respondents that the research has 66.7% of respondents replied strongly agree, 28.6% of the respondents replied agree, 4.8% of respondent replied undecided and the rest

of the respondent are not select disagree and strongly disagree from the total population. The research investigate that the market fluctuation/seasonality problem are highly existed in Madurai town, so that the hotels are highly exposed for seasonality fluctuation.

IV CONCLUSION

The hospitality industry is a broad category of field within the service industry that include loading, event planning, theme parks, transportation and additional fields within the tourism industry, and the industry support the world economy in a massive investment within a huge job opportunity to the citizens. From this time on ward it should at it remedies or great rate of growth are made in Ethiopia because of socio economic and political change the country. According to the present study factors that affect room occupancy rate marketing and its opportunities on first level hotels of Madurai town. At the research investigated room occupancy rate and revenue of the hotels are dependent to the seasons of the town. Seasonality is a critical issue in all over the world and when we come to in the case of Madurai town; it is a real phenomenon and ongoing agenda for the hospitality industry of the town. The current trend of seasonality in the town depends on the tourist flow and Timket event of the town that had for a long period of time. This is really indicated by their annual performance of the hotel, their peak demand is scored in first and quarter of the year by this the town hotels generates a lots of profit beside this event the market of the town will be decreased, so the hospitality industry of the town depend on the tourist and events of the town that have.

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