



A STUDY ON HOTEL AND RESTAURANT INDUSTRY FOR USE OF DIGITAL MARKETING AS A PROMOTIONAL TOOL

BY

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Abstract

Many brands are opening new locations as the hospitality industry grows, and each hotel is working hard to attract and retain consumers. For this, a variety of promotion tactics are employed, with digital marketing and social media being one of the most extensively used due of its impact, reach, and cost effectiveness. The purpose of this article is to demonstrate how to use social media and other channels to market the hospitality offering. Nearly 50 hotels (of various star categories) and restaurants in city were examined for the study. Responses were gathered using a stratified random sampling method.

Key words: Digital marketing, social media, Hotel industry, Restaurant Industry.

Introduction:

Globalization has impacted many industries positively and Hotel industry is one of it. It has gained tremendous boom due to globalization but at the same time hotels has neck to neck competition with each other. Not only these hotels have self-competition as well, everyone is striving hard to raise their bar through quality improvement and innovation.

With mushrooming of hotels and ample availability of hotels, hotels have to play smart for reaching out to their target customer as today's customer is very choosy when it comes to selecting hotels. This emphasizes the need of social media or digital marketing to offer hotel products to their customer at the same time attract them to buy your hotel product.

Digitalization plays a crucial role in today's competitive market with the involvement of business model using digital technologies, which is not only cost effective but and expands business globally. This in turn ensures quality and enhances transparency in the business because of which frauds can be minimised and there is highly competitive market so customers are free to make choice.

For customers its super easy to access information which is available on internet either on their mobiles or laptops. It has become a very convenient mode of communication amongst people. They can resolve any issues and queries through email, chat or website.

With its high reachability, hotels are using Digital Tools in big way as their promotion tools. Not only that digital tools helps hotels with storing customer data base which eventually helps in bettering their CRM strategies and go for attracting new customers and building stronger bonding with their existing customer base. Swati Dabas, Savita Sharma, Kamal Manaktola (2021) discusses the digital tools adopted by hotels for retaining their customers for a longer period. As it is equally important to retain than to attract the customer and digital tools play an important role in doing so.

Restaurants are highly dependent on social media platforms as well as delivery platforms as Zomato, Swiggy etc for their food delivery, especially in current pandemic scenario.

Reviews on social media not only helps customer for evaluating and choosing their products right but also keeps the sellers on their toes as they want to avoid any negative customer review.

The researcher has tried to analyses the extent to which social media or digital marketing is used by Hotels and restaurants as a promotion tool.

Literature Review

Swati Dabas, Savita Sharma, Kamal Manaktola (2021) Their paper aims to understand the various digital marketing tools adopted by restaurant owners and entrepreneurs in UK and India. The researchers have carried out in-depth interviews with entrepreneurs and owners to check adaptability of digital marketing techniques in running their routine business operations. They found that due to change in the recent times in the consumer behaviors, the entrepreneurs and owners had to show readiness in adoption of digital tools for marketing their restaurant business. This was mainly undertaken with the objective of retaining their customers for a longer period. The research also compares and identifies the gap in adoption of digital tools between UK and India.

Dieguez, T., Ly, N. T., Ferreira, L. P., & da Silva, F. J. G. (2021) The hotel industry is highly influenced and transformed with the new digital era which has a strong customer network. These digital customer networks are influencing their perceptions, decisions and attitudes and also impacting their satisfaction levels thus impacting the businesses. Hence it can be used as to promote sales by reducing cost, engage customers and influence their perceptions and decisions to purchase. This helps in accessing customer relationships, establish connection and collaborate. This research accessed the digital customer networks influence on hotel business. They also conducted interviews with five General Managers of different hotels in Portugal. This study shows that digital marketing is very effective in transforming stakeholders and requires immediate attention for incorporation of digital strategies in hotels. It is also cheaper and faster in reaching the customers by way of Search Engine Optimization and attractive websites. In the long-run it is cost effective and impactful if manages wisely.

Li, J., Kim, W. G., & Choi, H. M. (2021). The authors have studied and measured the engagement of customers and promotional activities through social media across different social networking sites (SNSs) for the casual-dining restaurant industry and the influence of its dimensionality. The metrics show that the engagement differs across channels and promotional activities and have a positive impact on the performance of casual dining restaurants. The research also provides an assessment to the marketers for selection of the most effective SNSs for implementation of best promotional activities within the budget of small and medium-sized casual-dining restaurants.

Amol Kumar, Asif Ali Syed, Ajay Singh (2020) This research paper aims to find out the effectiveness of digital marketing for star category hotels in India who are classified by Hotel and Restaurant Approval & Classification Committee (HRACC), Ministry of Tourism, Government of India. This literature review also categorizes few research papers who examined related areas in India and abroad. It was found that digital

marketing is quite effective for star category hotels in India. The outcomes are confined to the star category hotels in India. This study would help the hotel marketers to know the effectiveness and importance of digital marketing tools and how to use them strategically. The study would also aid the digital marketing team for effective and optimal utilization of digital marketing strategies.

Gavrilts, O., Chuchka, I., & Gajdoš, M. (2020). They have investigated the holistic system of understanding the present situation of hotels in the conditions of intensified competition and what capabilities of digital tools will increase the efficiency of economic activity in such a market. They have studied digital tools like multimedia technologies, interactive hotel event management systems and customer service, etc. which are proposed to increase the efficiency of the competitiveness of the hotel industry and its role of digital marketing through the adaptation of its tools like social networks, SEO, contextual advertising etc.

Shaik Javed Parvez¹, H.M. Moyeenudin², S. Arun³, R. Anandan⁴, Senthil Kumar Janahan⁵ (2018) Their research paper aims at studying the “Role of Digital Marketing in Hotel Industry” and also tries to understand the best digital marketing technique for this industry. Digital Marketing is used for promotion of brands, products, businesses etc through the online mode. Recently hotels have also started using this method of marketing to promote their businesses. They are using Social Media Marketing (SMM), Search Engine Marketing (SEM) and Search Engine optimization (SEO) to rate themselves well on search engines like Google. Promotions are also done through video marketing using YouTube and Web portals. The customers have become web savvy and search hotels through various websites on phone, computer etc. These sites provide enhanced search options and results of the required content on the basis of inputs, user profile, managing citations etc.

Gurneet Kaur (2017) The study focuses the newer avenues available for reaching out to target audiences and Digital marketing has become an indispensable part of every big or small business. The growth of digital marketing has impacted the way organizations promote their offers to attract new customers. It also had a great impact on the hotel and tourism industry where the information is on the finger tips of the customers regarding latest offers and best prices. The study had examined the required determinants for digital marketing and its importance in the hotel and tourism industry.

Christou, E. (2011). The study had hypothesized, a cognitive–affective–cognitive multidimensional model which had incorporated all elements of how and why hotel customers utilize sales promotions offered over the Internet. The model had incorporated facts pertaining to customers’ exploitation of online sales promotions and focuses on the relationship between hotel customers' beliefs, attitude, and purchasing behaviour. The model fit was tested through structural equation modelling analysis and results indicated significant support for the hypothesized paths. The suggested pattern appeared to influence the behaviour towards online promotion deals, and certain trait variables which had considerable impact on the process.

Objectives:

- To understand the concept of Digital Marketing.
- To study the usage of Digital Marketing in hotel industry.
- To explore various options available for digital marketing in Hotel industry.
- To study the impact of Digital Marketing on customers. (Benefits)

Research Methodology

Type of Research: A descriptive research was used to study various aspects of digital marketing tools used for promotions, which had included surveys and fact finding enquiries of different kinds.

Data collection - The primary data was collected through the random survey based on a specially carved questionnaire filled by the local respondents of Pune City. A Stratified Random Sampling method was used for data collection.

Secondary data – was collected from published / unpublished literature on digital marketing platforms. Also the latest references available from the journals, newspapers, research publications and magazines, past records and other relevant sources available online.

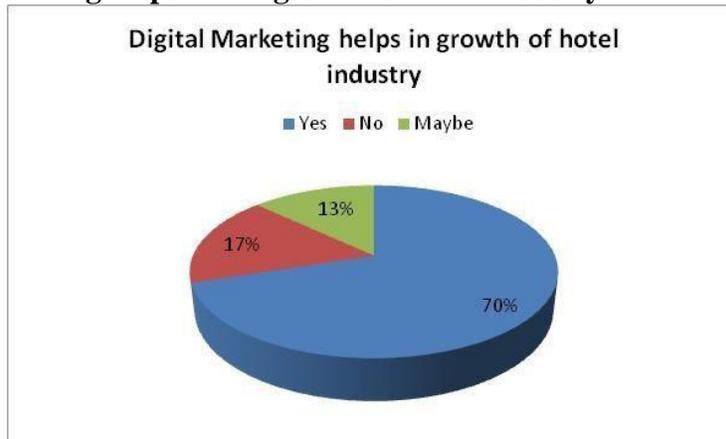
Questionnaire – Design and implementation: This was achieved with the aid of experts in statistical techniques and taking into account the measurement needs & objectives of the study. The questionnaire was then administered according to the sample population and sample size.

Sampling Techniques: To conduct this study different respondent working in star hotels were selected from various age groups and geographical location of Pune city.

Data Analysis & Interpretation

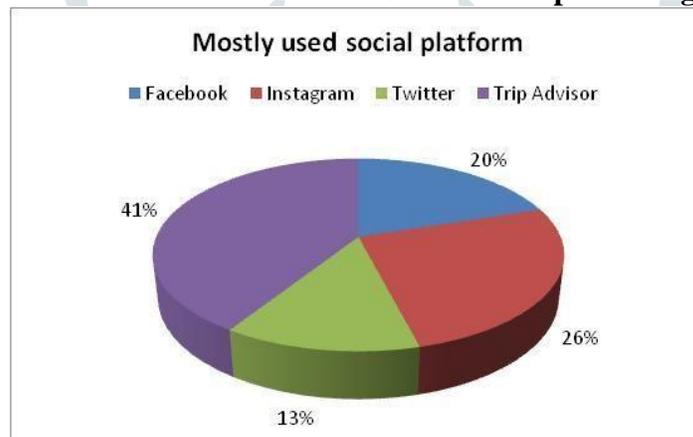
The data was collected and analyzed using both basic and advanced analytical tools. This also includes a detailed analysis of the data, which was carried out to attain the research objectives. The inferences are further analyzed, which is presented graphically for easier interpretation, is mentioned below. Following the study's analysis, the collected data was interpreted by drawing inferences from the gathered data.

1) Chart - I Digital Marketing helps in the growth of hotel industry?



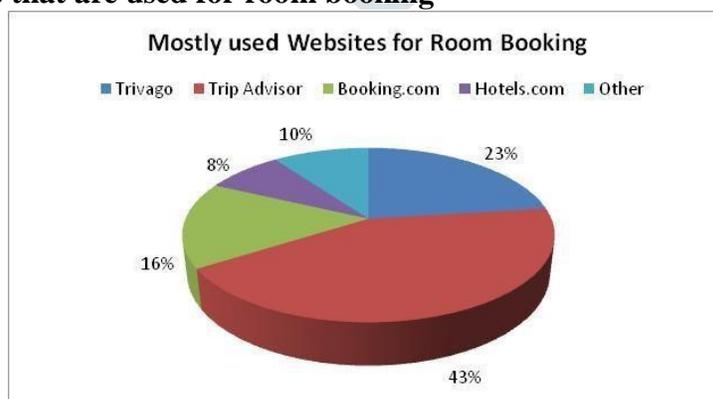
Observation: As per the chart it can be stated that 70% of the respondents were of an opinion that digital marketing helps in the growth of hotel industry, the ratio was comparatively less of the respondents those were not agreeing to the fact.

Chart - II The most useful and convenient social network used for promoting the hotel industry?

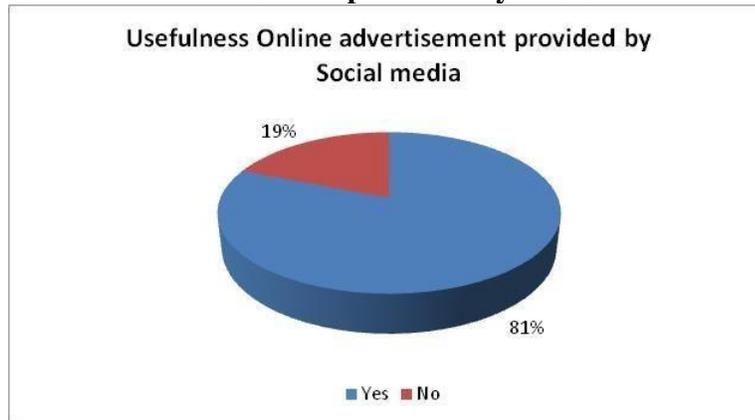


Observation: As per the chart it can be stated that the mostly used social media platform for promoting the hotel was Trip advisor i.e. 41%, whereas Instagram and Facebook were found to be preferred 26% and 20% respectively and twitter were preferred by 13% of the respondents.

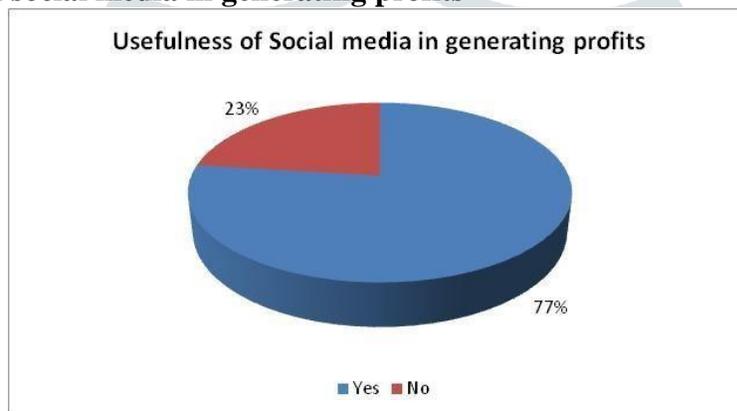
Chart - III The websites that are used for room booking



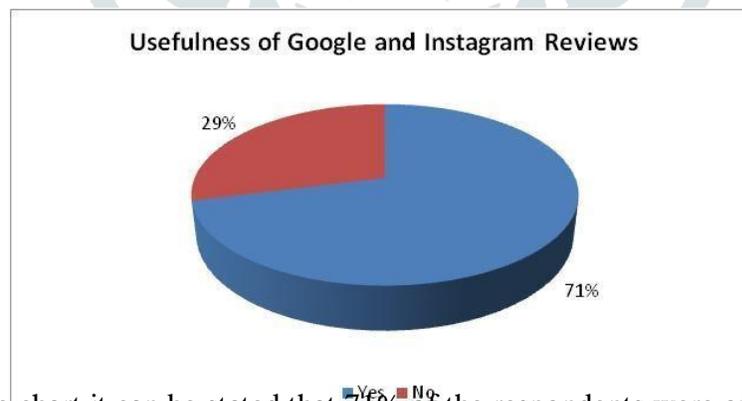
Observation: As per the chart it can be stated the most commonly used website for room booking was Trip Advisor i.e. 43% and Trivago were found to be used by 23% of the respondents. Booking.com and hotel.com were used by 16% and 8% of the respondents whereas 10% of the respondents preferred other websites for booking the hotel room.

Chart - IV Usefulness Online advertisement provided by Social media

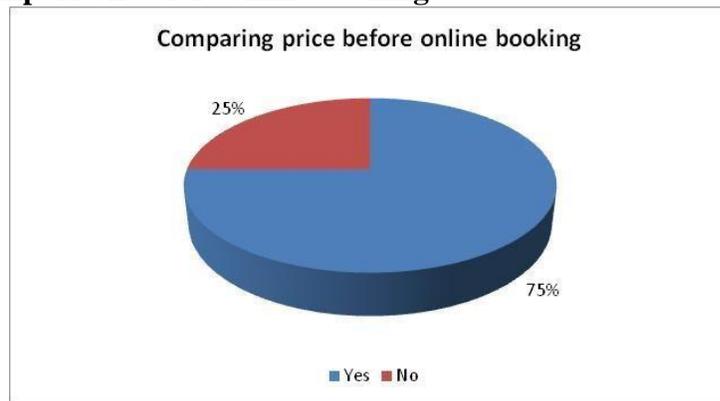
Observation: As per the chart it can be stated 81% of the respondents do believe that the advertisements that are provided on various social media platforms is a very useful tool in promoting business whereas 19% of the respondents did not agree with the fact.

Chart - V Usefulness of social media in generating profits

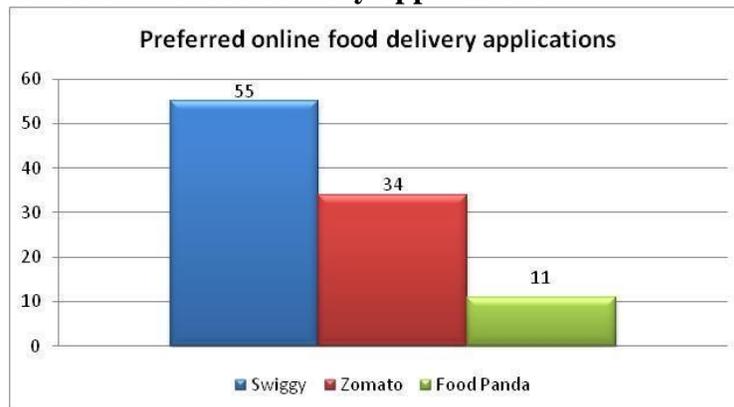
Observation: As per the chart it can be stated that 77% of the respondents do believe that various social media platforms are a good source for generating profits, the ratio were found to be less i.e. 23% of the respondents those were not agreeing to the fact.

Chart - VI Google and Instagram reviews helps your hotel or restaurant business to get new customers

Observation: As per the chart it can be stated that 71% of the respondents were of an opinion that the reviews of Google and Instagram are very useful in attracting new customers in hotel and restaurant industry whereas 29% of the respondents believe that these reviews are not so very important.

Chart - VII Price comparison before online booking

Observation: As per the chart it can be stated that 75% of the respondents do compare price before online booking on various digital marketing platforms and 25% of the respondents were not agreeing with the fact.

Chart - VIII Mostly preferred online food delivery applications

Observation: As per the chart it can be stated that 55% of the respondents were using Swiggy application for their food delivery and restaurant table bookings, 34% were found to be using Zomato and 11% were using Food Panda for their food deliveries and restaurant table bookings.

Findings and Conclusions

- The study shows that Digital Marketing is adopted by the Hotel Industry for the purpose of branding, promotion and various customer services and also found to be an effective tool for the growth of hotel and tourism industry.
- The most preferred social media platform for promoting the hotels was Trip Advisor followed by Instagram, Facebook and Twitter and also for the purpose of Room Booking most preferred social media platform was Trip Advisor followed by Trivago, booking.com, hotel.com
- Advertising on the social media platforms was found to be very effective tool for promoting the hotel business and moreover these platforms are also a good source for generating profits in various ways.
- It was found that the reviews of Google and Instagram were very useful in attracting new customers in hotel and restaurant industry and also the consumers accessed the digital marketing platforms for comparing prices before online booking of any hotel or hotel service.
- The findings also had revealed that the most preferred food delivery and restaurant table booking application was Swiggy followed by Zomato and Food Panda respectively.
- Digital Marketing is the most effective tool adopted by the Hotel Industry for branding, promotion and rendering various customer services. The growth of any hotel business would largely dependent upon the effective use of various social media platforms and they are also a good source for generating profits.
- The customers nowadays have become more aware about the best offers and discounts that were offered by various hotels and restaurants and it would also be used for comparing prices having a best deal, this has been only possible because of strong advertising on various digital marketing platforms.
- Reviews that were written on Google and Instagram were not only found to be the best source for increasing business but also an important tool for attracting and retaining new customers.

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