

## **Innovative Marketing Strategies in Hotel Industry**

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### **Abstract**

The rapid growth, India's hotel industry is characterized by fierce rivalry. In this environment, independent hotels must thrive amidst major domestic and international hotel chains. Using conventional marketing techniques that priorities acquisition will not help you achieve this more important than ever. To do this, the hotels must create cutting-edge, aggressive marketing plans that look for new ways to attract, keep, and grow their clientele in order to survive and thrive in this cut throat environment.

Here, we concentrate on the as a single instance of the hospitality sector. The goal is to identify the numerous marketing techniques employed by the hotel and decide whether its current marketing approach may be enhanced. Therefore, the primary goal of this study is to develop various marketing tactics for this stand-alone hotel by offering various programmes that contribute to increasing the property's awareness. This analysis made it feasible to outline the hotel's strategic marketing plan and action strategies.

The 'Incredible India' and 'Atithi Devo Bhava' campaign have also played a vital role in the promotion of national and international tourism and consequently the hotel industry. The recently launched 'Namaste India' campaign will also be helpful in boosting the role of hotel industry, if innovative ideas are developed, effective making strategies are followed and implemented by this industry in general and the prominent group of hotels in particular to attract the potential travelers. This paper attempts to highlight the challenges before Indian hotel industry and strategies adopted to face these challenges. And also suggest certain measures to improve the operating efficiency and make viable this prestigious industry. This research aims at evolving a typology of customer-centric hospitality innovations. It attempts to explicitly capture the intrinsic DNA of hospitality innovations in the Indian context by exemplifying the typology posited with customer service innovations adopted by contemporary hoteliers that provide new ways of managing and enhancing customer experience.

### **Introduction**

Renting out space to passengers has existed since ancient times. Today's multibillion dollar hotel sector is one of the fastest expanding sectors worldwide, not only in India. Due to the fact that it comprises several service elements including food service, tourism, and hotels<sup>1</sup>, this service sector is the largest business in the Indian economy. Restaurants, hotels, transportation, cruise lines, amusement parks, events, and many more are included in the hotel section. The hotels offer a variety of services to their varied clientele segments, ranging from extremely deluxe to budget levels. However, other parties besides the hotels that gain directly or indirectly from them include tour operators, travel agencies, and transportation companies. The sectors from which the money is made for the hotels include providing rooms and banquet halls, restaurants, telephone call services, laundry services, travel services, and internet services. 2. The hotel business is characterized by fierce rivalry. The level of service and facilities offered affects the hotel costs. Budget hotels, economy hotels, residential hotels, resort hotels, suite or all-suite hotels,

commercial hotels, conference centres, airport hotels, business hotels, casino hotels, luxury hotels, heritage hotels, etc. are just a few of the several categories that the hotels fall under. Business travelers, vacationers, and airline cabin crew are the three categories of consumers in the hotel sector. In India, hotels are divided into five-star deluxe, five-star, four-star, three-star, two-star, one-star, and historical hotels based on the general amenities and services they provide. These are the categories that the Indian government's ministry of tourism has established. These ratings are examined every five years. The premium and luxury sector includes 5-star hotels, the mid-market group includes 3- and 4-star hotels, and the budget segment includes 1- and 2-star hotels. Heritage hotels are those that were constructed before 1950; they are palaces and forts that have been transformed into lodging. Many multinational hotel behemoths are moving to India to seize the market because of the possibilities there. By forming joint ventures with Indian hotels, signing management agreements, or purchasing franchisees<sup>3</sup>, these hotel companies are breaking into the Indian market. These massive hotel chains are mostly concentrating on low-budget markets and Tier II cities. The vast diversity of India's culture, environment, and geography has drawn both domestic and foreign travelers. The hotel sector is currently embracing new technology like customer relationship management software and cutting-edge security systems in order to expand into new markets like medical tourism, cruises, casinos, etc. Karnataka, however, is the state in India that receives the most attention when it comes to growth, whether it be in the economy or the hotel industry. The best hotels in south India may be found in Karnataka. This has encouraged visitors to return time and time again. The state is attracting an increasing number of business tourists as a result of its growing economy. The state also offers a variety of lodging options, from ultra-luxury accommodations to affordable lodging, to satisfy any visitor, regardless of class or region. As previously noted, the sector is seeing increased demand, and as a result, many national and international conglomerates are eyeing India for business. In this environment of intense rivalry, independent hotels must thrive. One cannot expect to compete without having a strong marketing plan in place. Therefore, the hotels must employ the proper techniques, set themselves apart from rivals, and achieve a competitive edge if they are to survive, sustain, and flourish in the market.

## **Objectives**

The primary goals of cutting-edge marketing techniques employed in the hospitality sector include: A marketing strategy in hotels is intended to have a defined path to go down in order to obtain new clients, strengthen relationships with current clients, increase sales, improve retention, and increase brand awareness.

## **Methodology**

I also interviewed a few key staffs of the hotel which helped me deeper understanding of the hotel operations. Two different types of data were collected, one is primary data which was obtained by interviewing the staff of the hotel which is also considered to be the first-hand data. The second is the secondary data which was retrieved from various internet websites, books and journals from the libraries. The first form of data provided me with the practical data which was further used to relate to the theories which was collected by the way of secondary data.

## **Challenges Faced by Hotels**

### ***1. Government Approvals and Licenses***

- Multiple windows of permissions are a big problem for the majority of Indian sectors, including the hotel sector. Every stage of the building of hotels, including the land purchase stage (where regulations vary from state to state) and clearance by numerous ministries & associations on various subjects, is subject to regulatory constraints for hoteliers.

- For a corporation to open an upper category hotel in India, about 100 permits are necessary. Multiple federal agencies must grant the permissions. It takes a lot of time and is tiresome.

### **2. Land Availability and Cost Issues**

Finding fresh land parcels that meet the needs of hotels is a laborious procedure in India. In India, land expenses often vary from 40 to 50 percent of the overall project cost, which is higher than the international average of 15 to 20%. This is also one of the reasons that mid-range and budget hotels have not developed as much as premium luxury hotels, as lower-priced budget hotels are unlikely to be profitable given the high land costs. Hotel owners have initiated mixed-use development projects with hospitality, business, residential, and retail components as a solution to the issue.

### **3. Human Capital**

- The lack of skilled workers, particularly at the manager and supervisor levels, remains a problem for Indian hotels. The majority of businesses struggle to fill qualified positions at their hotels. Lack of structured training and educational institutions for the growth of skilled workers, particularly in aviation and other service industries, is a major contributor to this shortfall. Only a few significant Indian companies, like Taj, Oberoi, and ITC, have established their training facilities in conjunction with a few foreign companies, including IHG, Carlson, and others. Additionally, the All India Council of Technical Education (AICTE)-approved colleges for hotel and catering management are subpar, and many of the talented students who graduate each year are unqualified for direct work in the sector because they lack the necessary qualifications.

- Keeping employees on board

### **4. Management Contract related Issues**

- The performance clause in management agreements is one of the points of contention between hotel owners and operators. It is frequently the only provision that gives an owner a window to end the management agreement with the brand. Contrary to other businesses, where a client can refuse or stop a service,

a good or service Hotel owners do not have this luxury and must instead pay a substantial termination fee to end their relationship with the operator if they are unhappy with the performance.

### **Innovative Marketing Ideas Will Act as a Boon for Hotel Industry**

It might be difficult to draw in modern travelers who have quick access to authoritative information. A cutting-edge sales strategy and marketing campaign are more complex than they appear. Every endeavor to increase business should start with demonstrating your concern for your visitors. I want to offer some straightforward but cutting-edge (proven) advice with you to liven up your sales and marketing tactics and attract attention to your property..

### **Use Artificial Intelligence within the Hospitality**

#### ***In-Person Customer Service***

The use of AI to provide in-person customer service is an illustration of artificial intelligence in the hospitality sector. Artificially intelligent robots are already being created, and this technology has immense growth potential. It can already handle simple customer-facing situations.

The Hilton company's adoption of an AI robot named "Connie" serves as the greatest illustration of this so far. Customers who engage with the robot can obtain tourist information from it. The ability to adapt

to different people and learn from human speech is what is most astounding. In the end, this implies that as more users interact with it, the better it will become.

### **Chatbots and Messaging**

Front-facing customer service is perhaps the most obvious use of artificial intelligence for individuals in the hotel industry. Particularly when it comes to direct messaging and online chat services, which reply to straightforward inquiries or requests, the technology has shown to be quite efficient.

For example, On social media platforms, AI chatbots have been used to enable clients to ask questions and receive replies nearly immediately, seven days a week, twenty-four hours a day. Because it offers the kind of reaction times that are nearly hard to sustain with human-to-human interaction, this is extremely beneficial to hotels.

### **Better Serve Guests who Speak a Variety of Languages**

You can better serve visitors who come from diverse nations and speak a variety of languages with the aid of various AI technologies. You may add a live translation tool into your website that adjusts to the audience based on artificial intelligence, or you can develop chatbots to speak a range of languages. Your hotel will be able to appeal to a larger spectrum of visitors and become less reliant on recruiting multilingual employees if you have the technology in place to service a multilingual population.

### **At the End of the Day, Surprise Your Guests**

Offering all amenities as promised won't be enough to provide a WOW experience. Delivering something that isn't promised to your visitors is a novel method to surprise them. Making your guests remember their visit to your property can be done by giving them small notes of love and romance while they are on their honeymoon, paying attention to their little quirks, and giving them unexpected tokens of inexpensive gifts (especially when they eat at your restaurant or check out). This might develop into your social currency and encourage additional business. These modest deeds go a great way to demonstrating your concern. There aren't any deals or freebies.

### **Purpose**

Maximizing a hotel's income is the responsibility of a marketing manager in the hospitality business. The management achieves this by creating initiatives to boost hotel room occupancy, F&B revenue, and other amenities. From this standpoint, the hotel sector is hardly an exception. Marketing is crucial since it raises brand recognition, fosters brand legitimacy, and fosters consumer trust in a hotel's or resort's offerings. The marketing strategies must match the goods and services that hotels and resorts provide, and they must always fulfil the promises given to clients in advertisements. Otherwise, the hotel or resort's reputation may suffer, and significant financial losses may result.

### **Conclusion**

In order to provide clients with services that are truly delightful, the Indian hotel business will need to be evaluated in the upcoming years. In order to create the moment of truth for their consumers, marketers must strategically examine the 7 P's of the hospitality marketing mix. Since they are the major source of service delivery and efficacy in the Indian hotel sector, internal customers require special attention. As a result, they must go through regressive training to close any gaps in service provision.

Service Concept: Focuses on satisfying the customer, Service Content: Defines what is included in the services itself, Service Style: Describes how the service will be delivered.

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