Hotel Selection Criteria Among Customers with Reference to Bangalore City

Bharath Booshan M S [a], Dr. S. Manjunath [b]

[a] *Research Scholar, ISBR Research Center, Bangalore, Department of management University of Mysore-570006*
[b] *Associate Professor, ISBR Research Center, Bangalore, Department of management University of Mysore-570006*

Abstract:
Hotel industry is considered to be one of the reputed industry in India. The study is to analyse the attitude of the respondents towards discounting offers and attractive package given by hotels and to find out the impact of Price complexity, discounting offers and attractive package towards selection of hotels. For this purpose a sample of 120 was collected from the respondents were percentage analysis, descriptive statistics, factor analysis, Kruskall wallis test, one way ANOVA and multiple regression were used as tools to analyse the data. The conclusion of the study is that price complexity has higher impact on price complexity than other variables taken for the study. It is also concluded that the quality of service has to be enhanced in future period of time based on packages designed and discounting factors.

Keywords: Price complexity, discounting offers and Hotel industry.

Introduction

Particularly in recent years, due to the strong growth of the hospitality industry and hotel market, there is an increased need for management and industry experts to consider how visitors chose hotels to stay in and what decision-making factors prevail.

In recent decades, there has been a phenomenal increase in the number of visitors around the world, growing from 525 million in 1995 to 1.2 billion in 2016 in the hospitality industry. As a result of this large growth in visitors, a new push and pull factor has been found that demands commitment from the management of the hotel sector in order to optimize profits and appropriately capture targeted audiences.

Owing to the development of markets, stronger sales and also the steady and relentless economic expansion across the globe, customer purchasing power has shifted in a positive way thus rising visitor visits as well as higher revenues across the hospitality industry.

In the increasingly dynamic world of the hospitality industry, it is important for firms to consider the actions and decision-making of customers in order to achieve a competitive edge. One of the biggest obstacles for visitors in their decision-making process is the selection of lodging.

Choosing the most convenient place to stay can also be a very difficult job. A full model of hotel selection could help encourage hotel owners, general managers and the general tourism industry to decide on more successful indicators of high quality of service for a higher level of satisfaction. (Sohrabi et al., 2012).

In addition, firms need to have an in-depth understanding of their visitors' wide-range preferences, allowing them to consider the driving forces, attitude and principles that influence customer perceptions in making purchasing decisions (Niininen et al., 2006). In addition, the psychological, socio-demographic and customer behaviour hypotheses are focused on the exploration of user desires and interests that drive them to select a specific hotel. (Han and Kim, 2010).

STATEMENT OF PROBLEM

Hotel industry in one of the growing industry in India and its contribution towards the economy is much higher. As the expectation of customers towards quality of service provided by hotel industry got increased the hotels have to cope up with customer expectations and thus the following factors has been taken as problem towards the study,

- What do consumers perceive towards price complexity while selecting star hotels?
- What is the attitude of customers towards discounting offers and attractive package given by hotels?
- Does Price complexity, discounting offers and attractive package provided by the hotels have any impact on their hotel selection?

OBJECTIVES OF THE STUDY

- To evaluate the perception of customers towards price complexity while selecting hotel.
- To analyse the attitude of the respondents towards discounting offers and attractive package given by hotels.
- To find out the impact of Price complexity, discounting offers and attractive package towards selection of hotels.

SCOPE OF THE STUDY

Repetition of customers with hotel industry is based on the quality of service provided by them. Their perception and attitude towards quality of service is based on discounting offers and attractive package provided

by them. The main scope of the study is that it will be helpful for the hotels to know the perception and attitude of customers towards hotels and it will also help them to eradicate their barriers which may help them in increasing their service quality in near future.

CONCEPTUAL FRAMEWORK
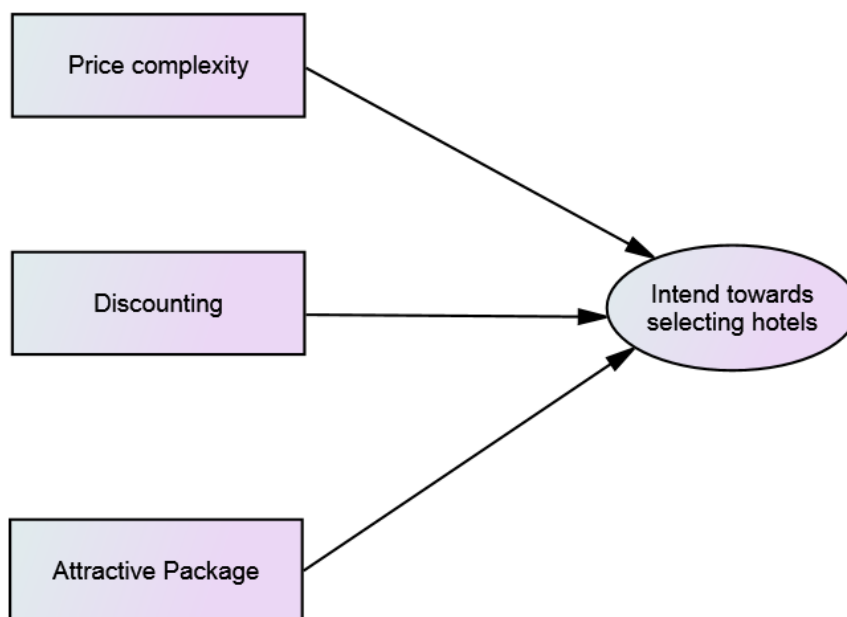
RESEARCH METHODOLOGY

Type of research: Descriptive research design has been used with the study.

Data collection: The study used both primary and secondary data for data collection.

Primary data: Primary data was used to collect the data from the customers who are using the service of star hotels in Bangalore city.

Sample design : As the population size is large convenience sampling method has been used with the study and a total of 150 customers were targeted with same 120 was considered to be valid and thus the sample size of the study is restricted to 120.

Tools used for the study: Percentage analysis, Descriptive statistics, Factor analysis, Kruskall Wallis test, One way anova and Multiple regression.

LIMITATIONS OF THE STUDY

- The sample size is limited to 120.
- The area of the study is limited to Banglore city.

ANALYSIS AND INTERPRETATION

Demographic variables	Particulars	No of respondents	Percent
Gender	Male	46	38.3
	Female	74	61.7
	Total	120	100
Age	Below 20 years	18	15
	21-30 years	59	49.2
	31-40 years	32	26.7
	Above 40 years	11	9.2
	Total	120	100
Marital status	Married	72	60
	Unmarried	48	40
	Total	120	100

Education qualification	School Level	16	13.3
	Diploma	30	25
	Under Graduate	52	43.3
	Post Graduate	19	15.8
	Other	3	2.5
	Total	120	100
Nature of Family	Joint	111	92.5
	Nuclear	9	7.5
	Total	120	100
Annual Income	Below Rs.100000	40	33.3
	Rs.100000-Rs.150000	37	30.8
	Rs.150001-Rs.200000	32	26.7
	Above Rs.200000	11	9.2
	Total	120	100

The above table shows about the demographic variables of the respondents. Out of 120 respondents 38.3% are male, 61.7% are female. 15.0% from the age group below 20years. 49.2% from the age group between 21 -30 years, 26.7% between 31-40 years, and 9.2% from the age group above 40 years. 60.0% are married, 40.0% are unmarried. 13.3% have completed their school level, 25.0% completed diploma, 43.3% have completed their under graduation, 15.8% completed post-graduation, and 2.5% have completed other qualifications. 92.5% are joint family, and 7.5% are nuclear family. 33.3% are earning Below Rs.100000, 30.8% earning between Rs.100000-Rs.150000, 26.7% earning between Rs.150001-Rs.200000, and 9.2% are earning Above Rs.200000.

Acceptance towards price complexity

Factor analysis

A total of 11 variables were taken for the purpose of factor redemption towards Price complexity.

KMO and Bartlett's Test for acceptance towards price complexity

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.619
Bartlett's Test of Sphericity	Approx. Chi-Square	184.081
	df	55
	Sig.	.000

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy is at 0.619 which is greater than 0.5. It depicts that the KMO value is adequate and the factors are normally distributed.

Total Variance Explained for acceptance towards price complexity

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.347	21.337	21.337	2.347	21.337	21.337	2.291	20.830	20.830
2	1.733	15.754	37.090	1.733	15.754	37.090	1.687	15.334	36.163
3	1.250	11.361	48.452	1.250	11.361	48.452	1.290	11.724	47.887
4	1.169	10.631	59.083	1.169	10.631	59.083	1.232	11.196	59.083
5	.975	8.864	67.947						
6	.788	7.164	75.111						
7	.708	6.433	81.543						
8	.644	5.853	87.396						
9	.517	4.697	92.093						

| 10 | .487 | 4.431 | 96.523 | | | | | | |
| 11 | .382 | 3.477 | 100.000 | | | | | | |

The components having Eigenvalue more than 1 are taken as components for the study. With the study the first component contributes 21.33%, the second component contributes 15.75%. the third component contributes 11.36% the fourth component contributes 10.63%.

Scree plot for acceptance towards price complexity
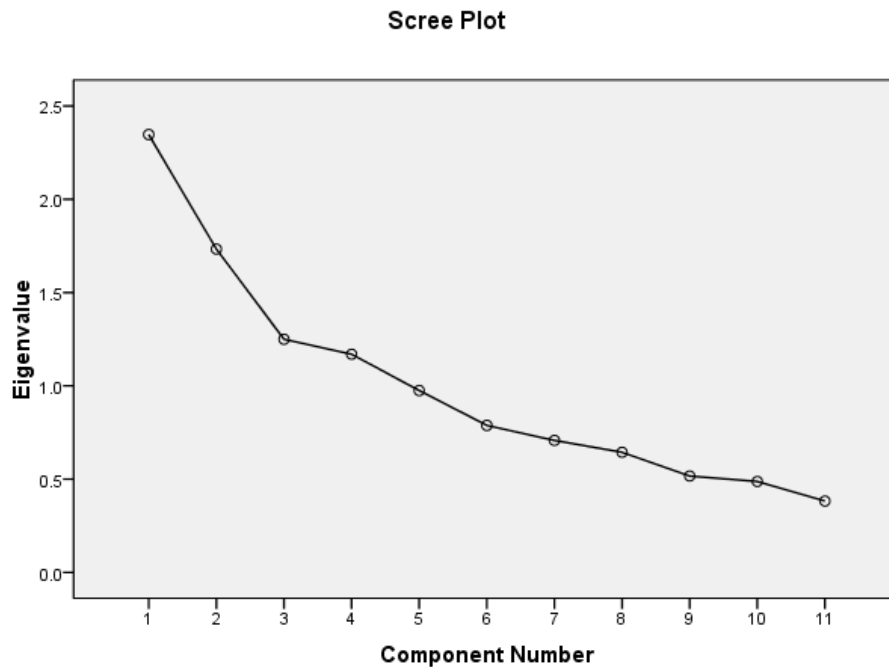
The Eigen value for the components taken for the study are plotted with the above chart.

Rotated Component Matrix for acceptance towards price complexity

Rotated Component Matrix				
	Component			
Particulars	1	2	3	4
PC 1	.044	.265	-.273	**.646**
PC 2	**.797**	-.019	.102	.047
PC 3	.514	.296	.350	.340
PC 4	**.639**	.278	.038	.137
PC 5	**.748**	-.154	-.050	-.188
PC 6	**.635**	-.103	-.155	-.131
PC 7	.001	-.087	**.631**	-.084
PC 8	-.002	**.810**	-.081	.008
PC 9	.004	-.818	.054	.043
PC 10	.000	-.037	**.800**	.006
PC 11	.133	.286	-.085	-.785

The common variables above 0.5 are taken for decision making process of the study. The variables are consumers having hard time towards understanding all the price factors with various prices available with hotel websites (0.646), usually feeling difficult for the customers to have an overview of all the prices among booking websites (0.639), having difficulty in understanding charges and fees listed for their reservation (0.635), having multiple calculations for their reservation (0.631).

Descriptive Statistics for acceptance towards price complexity

Particulars	N	Mean	SD

PC 1	120	1.61	1.176
PC 4	120	2.14	.665
PC 6	120	3.76	1.223
PC 7	120	1.62	.936

The consumers strongly agree towards having hard time towards understanding all the price factors with various prices available with hotel websites (1.61) and having multiple calculations for their reservation (1.62).

The respondents agree toward feeling difficult for having an overview of all the prices among booking websites (2.14). Meanwhile, the consumers disagree towards having difficulty in understanding charges and fees listed for their reservation (3.76).

Comparison between demographic variables and level of acceptance towards price complexity

H01: There is no relationship between demo graphic variables and level of acceptance towards price complexity with reference to Intend towards selecting hotels.

		N	Mean Rank	Chi-Square	Asymp. Sig.
Gender	Male	46	61.82	3.114	0.036
	Female	74	59.68		
	Total	120			
Nature of Family	Joint	111	61.32	0.878	0.349
	Nuclear	9	50.39		
	Total	120			

There is a relationship between gender (0.036) and price complexity with reference to Intend towards selecting hotels.

There is no relationship between nature of family (0.349) and price complexity with reference to Intend towards selecting hotels.

Comparison between demographic variables and level of acceptance towards price complexity

H01a: There is a significant difference between demo graphic variables and level of acceptance towards price complexity with reference to Intend towards selecting hotels.

		N	Mean	SD	F	Sig
Age	Below 20 years	18	1.97	0.581	4.829	0.003
	21-30 years	59	2.04	0.618		
	31-40 years	32	1.95	0.573		
	Above 40 years	11	1.32	0.337		
	Total	120	1.94	0.609		
Educational Qualification	School Level	16	2.03	0.591	1.055	0.382
	Diploma	30	1.82	0.594		
	Under Graduate	52	1.96	0.625		
	Post Graduate	19	1.92	0.607		
	Other	3	2.50	0.500		
	Total	120	1.94	0.609		

There is no significant difference between age (0.003) and level of acceptance towards price complexity with reference to Intend towards selecting hotels.

There is a significant difference between educational qualifications (0.382) and level of acceptance towards price complexity with reference to Intend towards selecting hotels.

Descriptive statistics for acceptance towards discounting

Particulars	N	Mean	SD
Dis1	120	2.71	1.299
Dis2	120	3.00	1.188

Dis3	120	3.07	.994
Dis4	120	3.11	1.121

The consumers agree towards preferring booking with hotels due to interest rates (2.71). Meanwhile, the respondents are neutral towards preferring booking with hotels as it is offering offers lower price than other category hotels (3.0). The respondents disagree towards attractive discounts available on bookings (3.07) and consumers not preferring booking due to getting more discounts while booking with other category hotels (3.11).

Comparison between demographic variables and level of acceptance towards discounting

Ho2: There is no relationship between demo graphic variables and level of acceptance towards discounting with reference to Intend towards selecting hotels.

		N	Mean Rank	Chi-Square	Asymp. Sig.
Gender	Male	46	62.68	4.297	0.005
	Female	74	59.14		
	Total	120			
Nature of Family	Joint	111	59.27	1.870	0.171
	Nuclear	9	75.67		
	Total	120			

There is a relationship between gender (0.005) and level of acceptance towards discounting with reference to Intend towards selecting hotels.

There is no relationship between nature of family (0.171) and level of acceptance towards discounting with reference to Intend towards selecting hotels.

Comparison between demo graphic variables and level of acceptance towards discounting

Ho2a: There is a significant difference between demo graphic variables and level of acceptance towards discounting with reference to Intend towards selecting hotels.

		N	Mean	SD	F	Sig
Age	Below 20 years	18	2.83	0.702	0.721	0.541
	21-30 years	59	3.14	0.743		
	31-40 years	32	2.92	0.691		
	Above 40 years	11	2.43	0.643		
	Total	120	2.97	0.737		
Educational Qualification	School Level	16	2.67	0.717	2.914	0.024
	Diploma	30	2.78	0.803		
	Under Graduate	52	3.01	0.743		
	Post Graduate	19	3.32	0.478		
	Other	3	3.58	0.144		
	Total	120	2.97	0.737		

There is no significant difference between education qualifications (0.024) and level of acceptance towards discounting with reference to Intend towards selecting hotels.

There is a significant difference between gender (0.541) and level of acceptance towards discounting with reference to Intend towards selecting hotels.

Descriptive statistics for level of acceptance towards attractive package

Particulars	N	Mean	SD
I prefer online bookings because it provides more attractive packages	120	3.17	1.252
I prefer online booking because it provides customized travel options for me	120	2.77	1.531
I prefer online booking because it provides wide range of travel packages	120	2.87	1.472
I avoid online booking because there are no attractive package options	120	2.84	1.778

Particulars	N	Mean	SD
I prefer online bookings because it provides more attractive packages	120	3.17	1.252
I prefer online booking because it provides customized travel options for me	120	2.77	1.531
I prefer online booking because it provides wide range of travel packages	120	2.87	1.472
I avoid online booking because there are no attractive package options	120	2.84	1.778
Valid N (listwise)	120		

The consumers agree towards preferring booking with star hotels for customized travel options for them (2.77), having preference towards booking star hotels due to wide range of travel packages provided by star hotels (2.87) and also agree towards avoiding star hotels due to lag of attractive package options (2.84). Meanwhile, the consumers disagree towards star hotels providing attractive packages (3.17).

Comparison between demo graphic variables and level of acceptance towards attractive Package

Ho3: There is no relationship between demo graphic variables and level of acceptance towards attractive Package with reference to Intend towards selecting hotels.

		N	Mean Rank	Chi-Square	Asymp. Sig.
Gender	Male	46	57.02	0.752	0.386
	Female	74	62.66		
	Total	120			
Nature of Family	Joint	111	61.16	0.541	0.462
	Nuclear	9	52.33		
	Total	120			

There is no relationship between gender (0.386), and nature of family (0.462) and level of acceptance towards attractive Package with reference to Intend towards selecting hotels.

Comparison between demo graphic variables and level of acceptance attractive Package

Ho3a: There is a significant difference between demo graphic variables and level of acceptance towards attractive Package with reference to Intend towards selecting hotels.

|		N	Mean	SD	F	Sig
Age	Below 20 years	18	3.04	0.871	3.452	0.019
	21-30 years	59	2.85	0.833		
	31-40 years	32	2.86	0.887		
	Above 40 years	11	3.20	0.843		
	Total	120	2.91	0.851		
Educational Qualification	School Level	16	3.02	0.803	0.132	0.970
	Diploma	30	2.90	0.939		
	Under Graduate	52	2.92	0.789		
	Post Graduate	19	2.87	0.933		
	Other	3	2.67	1.258		
	Total	120	2.91	0.851		

There is no significant difference between age (0.019) and level of acceptance towards attractive Package with reference to Intend towards selecting hotels.

There is a significant difference between educational qualifications (0.970) and level of acceptance towards attractive Package with reference to Intend towards selecting hotels.

Age

The respondents from the age group Above 40 years (3.20), and below 20 years of age (3.04) disagree. The respondents from the age group between 21 – 30 years (2.85), and between 31-40 years (2.86), agree towards attractive Package with reference to Intend towards selecting hotels.

Impact of Price complexity, discounting offers and attractive package towards selection of hotels.

R=0.872
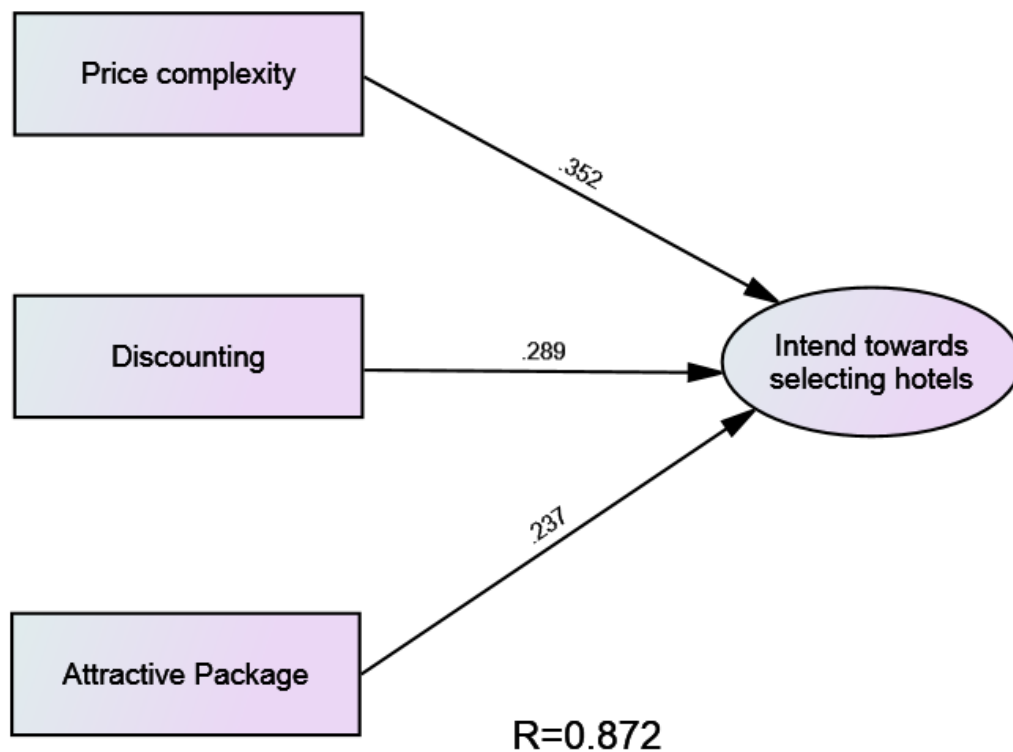
The above tables reveals that the R value for the model framed is at 0.872 which reveals that higher relationship exists between compared variables. It also reveals that price complexity has higher impact on price complexity than other variables.

FINDINGS

- 61.7% of the respondents are from the gender female.
- 49.2% of the respondents are from the age group between 21 -30 years.
- 60% of the respondents are married.
- 43.3% of the respondents completed their under graduation.
- 92.5% of the respondent's belongs to joint family
- 33.3% of the respondents earning a annual income of Below Rs.100000.

Comparison between demo graphic variables and level of acceptance towards price complexity

Male respondents have higher level of acceptance towards price complexity.

The respondents from the age group below 20 years, between 31-40 years, and Above 40 years strongly agree. The respondents from the age group between 21 – 30 years agree towards price complexity with reference to Intend towards selecting hotels.

Comparison between demographic variables and level of acceptance towards discounting

Male respondents have higher level of acceptance towards discounting with reference to Intend towards selecting hotels.

The respondents who have completed their school level, completed diploma agree, and respondents who have completed their under graduation, completed post-graduation, and completed other qualifications disagree towards discounting with reference to Intend towards selecting hotels.

Comparison between demographic variables and level of acceptance towards attractive Package

The respondents from the age group above 40 years, and below 20 years of age disagree. The respondents from the age group between 21 – 30 years, and between 31-40 years, agree towards attractive package with reference to Intend towards selecting hotels.

Impact of Price complexity, discounting offers and attractive package towards selection of hotels

Price complexity has higher impact on price complexity than other variables.

SUGGESTIONS

Recommendation for hospitality industry and hotel sector definitely involves more investment from management and owners side into educational institution in order to provide more data in regards to selection

and decision making process. This will lead industry professionals into making more data driven decision rather than assumption based. Furthermore, more education is needed in hospitality industry to employees as well as management on important factors that bring business to their establishment. Training to be provided to hoteliers in order to establish correlation between back of house data driven decision and front of house execution on those important factors that drive business forward.

CONCLUSION

The study is to analyse the attitude of the respondents towards discounting offers and attractive package given by hotels and to find out the impact of Price complexity, discounting offers and attractive package towards selection of hotels. The conclusion of the study is that price complexity has higher impact on price complexity than other variables taken for the study. It is also concluded that the quality of service has to be enhanced in future period of time based on packages designed and discounting factors.

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