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A study on 360 degree performance analysis at hotel industry, Bengaluru

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Abstract

Natural calamities, economic fluctuations, and civil instability frequently have a greater negative impact on the worldwide hospitality business than practically any other industry. The goal of this article is to investigate the influence of the services marketing mix on the operational efficiency of the Bengaluru hotel industry. This study renders the elements impacting the performance of the Hotel Industry in Bengaluru by drawing a historical summary on the roots of the hospitality sector.

In comparison to other major Indian cities, Bengaluru's hotel had the highest loss in Revenue Per Available Room (RevPAR), plummeting by 59% during the Covid -19 Pandemic. Even occupancy rates have fallen as compared to the same period last year. Many hotels were forced to close to minimize their losses. "Whatever little business hotels have got in the last six months has mostly been for repatriation and self-quarantine purposes, and room rates have been governed by government tariffs". This paper demonstrates that an optimal services marketing mix primarily improves operational efficiency. This study's findings contribute to the enduring literature by acknowledging the present efforts that define the factors impacting performance.

Keywords: Services marketing mix, operational efficiency, performance, COVID-19 and the hotel industry, Bengaluru

Introduction

In terms of responsiveness and vulnerability to changes in the international market, the hotel sector is recognized as one of the most sensitive industries in terms of global presence. The worldwide hospitality business is expanding. Natural disasters, economic volatility, and civil instability generally have a greater negative impact on the construction business than practically any other industry. Over time, the hotel business has exceeded the economy in terms of Gross Domestic Product. The average daily rate (ADR), revenue per available room (RevPAR), an occupancy rate of a hotel can be used to calculate the operational efficiency of the hotel business. The ability to define an effective marketing mix for the hotel business is important to the success of hotel marketing operations. The many marketing variables employed by the sales team to target specific visitors or market segments are referred to as a marketing mix (E.g.: Corporate, Transient, Group, Conference, Leisure, etc). The marketing mix is often prepared by the Director of Sales and Marketing/Sales Managers. The hotel should have adequate amenities and services, as well as effective promotional techniques (both online and offline), and, finally, reasonable pricing.

Service marketing has become price and quality-aware in today's industry. Challenges and rivalry are increasing to attract local and worldwide clients. Hoteliers are under pressure to innovate and provide a differentiated experience to increase visitor loyalty, showing a good trend. Though the hotel business has been impacted by the liberalization policy, the ruthless March of COVID-19 over the world is first and foremost a human disaster, harming the health of hundreds of thousands of people. Given that tourism generates 10.4% of global GDP and employs one out of every ten people on the planet, it is one of the most important employment producers.

Review of Literature

This article provides a summary of previous research on variables related to the current issue. The goal of examining previous research was to provide an overview of existing studies on the concepts that form the basis of this study.

Mihir P. Mehta, Gopal Kumar, and M. Ramkumar (2021) ^[5] In their article “Customers expectations in the hotel business during Covid – 19 pandemics: a worldwide view using sentiment analysis”. The goal of this study is to measure consumer happiness by using sentiment analysis and topic modeling on customer reviews of hospitality provided by hotels on multiple continents between January and September 2020, i.e. the COVID-19 pandemic. They create a detailed new metric scale to categorize customer pleasure as evaluated by sentiment analysis. Topic modeling was employed to acquire a deeper grasp of the different subjects that customers commonly mentioned. They believe North America and Europe can exceed customer expectations. In Asia, Sri Lanka outperformed, Indonesia was able to maintain customer contentment, while India consistently increased satisfaction ratings. They examined the 12 most frequently mentioned topics, and the biggest causes of dissatisfaction appear to be staff, service, accommodation, cleanliness, tardy booking, and hotel pandemic response. The study's findings will help senior hotel managers in both developed and developing countries provide new and effective services that will pleasure customers and reestablish their faith.

Yangyang Jiang and Jun Wen (2020)

In their article “Covid –19 Effects on Hotel Marketing and Management”. The goal of this study is to talk about the effects of COVID-19 on hotel marketing and management practices, as well as to provide a three- pronged research method to encourage knowledge growth in the hotel business. This article outlines a study agenda in three areas: artificial intelligence and robotics, hygiene and cleanliness, and health and health care. Given the COVID-19 pandemic, several types of AI (mechanical, thinking, and feeling) may offer up new study avenues at the intersection of health problems and hotel management. This report also advises that academics delve beyond standard viewpoints on the causes and consequences of hotel hygiene and cleanliness to investigate consumers' perceptions of the cleanliness of individual hotel surfaces. A more in-depth assessment of the growing link between hotels and the healthcare industry is also required.

Maisoon Abo – Murad, Abdullah AL – Khrabsheh (2019)

The purpose of this research is to acquire a better knowledge of how turnover affects crisis management approaches in Malaysian hotels. According to the data, Malaysian hotels are facing many issues, including rising employee turnover. Additional research revealed that employee turnover has a substantial impact on crisis management tactics. These ramifications have been presented. The turnover culture encourages poor performance, which impedes crisis management procedures. Turnover culture promotes a passive and irresponsible staff, as well as a distrustful environment, limiting efforts to forecast imminent problems and obstructing communication and information exchange in the aftermath of a disaster. Last but not least, turnover stymies the learning process and makes training more challenging. This is one of only a few studies that examine crisis management in the Malaysian hotel business, specifically the impact of turnover culture on crisis management in Malaysian hotels. Despite the modest sample size of the investigation, this paper makes three contributions. For starters, it broadens knowledge of crisis management in the context of the hotel sector and service businesses. Second, it investigates the impact of turnover

culture on crisis management methods. Third, it emphasizes to managers the significance of strategically managing turnover to overcome adverse barriers and influences on crisis management strategies. Future empirical studies will be required to include and expand the findings to other industrial situations.

Georgios Zervas, Davide Proserpio, and Jhon W. Byers (2017).

Peer-to-peer markets, often known as the sharing economy, have emerged as substitute suppliers of goods and services previously provided by well-established industries. The authors study the economic impact of the sharing economy on incumbent firms by using Airbnb, a popular website for short-term rentals, as an example. They investigate Airbnb's entry into Texas and estimate its impact on the state's hotel industry over the next decade. The causal impact on hotel income in Austin, where Airbnb supply is largest, is in the 8%– 10% range; furthermore, the impact is nonuniform, with lower-priced hotels and hotels that do not cater to business travelers being the most impacted. The most noticeable effect is lower hotel room prices, which helps all consumers, not just those active in the sharing economy. The pricing reaction is particularly noticeable during peak demand periods, such as the South by South-West festival, and is due to a distinctive feature of peer-to-peer platforms: the capacity of immediate supply to expand to match demand.

Shahril et al. (2015)

Examine the correlation between service assurances and customer satisfaction in Malaysian luxury hotels The authors examined the relationship between staff perspective and service assurances, as well as employee perception and customer satisfaction. The study also determined these linkages from the standpoint of a front- line hotel employee. The study's findings revealed that star hotels have a considerable influence on the service assurances provided and a modest link with customer satisfaction. Because of the equivalent service offers, the results showed that customers have about the same degree of happiness when staying at four or five-star hotels.

Wang et al. (2015)

Analyzed data from Expeida.com by using real booking numbers to gauge sales performance rather than proxy methodologies used by earlier studies. The study discovered four numerical Word-of-Mouth elements displayed on the Expedia.com website: the individual guest rating and review, the average Expedia guest rating, the guest recommendation rate, and the total number of reviews. The study's findings indicated that room price and hotel star rating have a negative and positive impact on hotel online booking. According to the study's findings, word-of-mouth harms hotel booking by moderating the effect of room pricing and star rating.

India Brand Equity Foundation (IBEF) (2014)

Prepared a tourist and hospitality report. The study looked into the current state of the tourism and hospitality industries. The article began with a summary of the evolution of the Indian tourist and hospitality sector, its segments, and India's advantages. In a graphical format, the report depicts GDP, its contribution to the economy, foreign arrivals, foreign exchange earnings, increases in foreign arrivals and foreign exchange earnings, major companies across segments, domestic consumers to lead the growth, increase in revenue, and upward trend of the tourism

industry. The study emphasized tourism growth drivers such as increased tourism expenditure, tourism policy and investment in tourism, increased investment, visa on arrival, Incredible India, and successful case studies of tourism in Gujarat and Kerala. The article emphasized pioneers in the private sector as well as different types of tourism such as medical, cruise, and rural tourism. According to the study, the top states and union territories in terms of foreign tourists, hotel capacity, airline industry, and so on are as follows. The report concluded with the exchange rate for foreign visitors.

Musunuri and Bharwani (2014)

Analyzed the strategic growth concerns confronting the Indian hotel sector and developed a viable marketing strategy in the form of recommendations to meet those challenges successfully. According to the survey, the primary growth constraints of the Indian hospitality industry are external, such as regulatory framework, real estate pricing, strong rivalry, country image, and client expectations.

Tewari. J. R (2012)

In his book *Hotel Front Office: Operations and Management* is a syllabus-oriented textbook written specifically for hotel management and hospitality management students. The fundamental ideas of front office operations and management have been described using examples from the industry, flow charts, tables, formats, and images. The book is broken into three sections. The first section of *The Hospitality industry* introduces students to the hospitality industry and familiarises them with hotel classification and organization. The second section on *Front Office Operations* goes into front office organization, internal and external communication, and room tariffs. The book goes into great detail about the visitor cycle, which encompasses the stages of pre-arrival, arrival, stays, and departure. In addition, detailed chapters on front office accounting, night auditing, guest safety and security, and front office computer applications have been provided. The last section on *Front Office Management* teaches fundamental managerial principles like revenue management, forecasting, budgeting, and human resource management. The book also discusses contemporary concerns such as environmental management and comprehensive quality management.

Ali Yousuf (2011)

Presented a research report on "The Impact of ICT in the Eyes of Hotel Managers" for his master's dissertation (Cyprus). The study relied on both primary and secondary data. The study included a sample of four hotels ranging in star rating from two to five. According to the researcher, ICT has made a significant change in the recent decade, which is the new means of communication with visitors and is critical in standard operating processes. In this regard, the function of the general manager is critical. The researcher attempted to discover the ICT business framework, ICT functions in everyday programs, the importance of ICT in providing services to hotel guests, and future ICT aspirations. According to the study, ICT has created both opportunities and risks. ICT has primarily been used for marketing rather than operations. More research on the influence of ICT on productivity, employee satisfaction, service quality, and creativity is needed. Wright (2010)

The development of standard operating procedures (SOP) was related to the formation of total quality excellence in hospitality operations in the article "Hotel Total Quality Excellence in Operations". According to him, employee

management and running a hotel serve separate purposes. This fact demonstrates the significance of service operation procedures, which specify the required duties to fulfill a collection of functions for achieving a given goal. The author defines major operational goals in this regard as comprehensive quality excellence, satisfied and competent personnel, and satisfied guests. This study demonstrated that the SOP development process is a good way for managers and employees to collaborate for the benefit of everybody. According to the article, the SOP's objective is to identify operational problems, remedy inadequacies, and create overall quality awareness throughout the hotel. The author proposes seven steps module for the development of effective SOP for a hotel in the context of human resource management as Adoption of a Total Quality Excellence Program; The Process of Development; Producing The First Draft; Conduct Internal Reviews; Conduct External Reviews; Development of an Outline for Standard Operating Procedure and Outlining Operations Management Profess.

Objectives of the Study

The following are the objectives of the current study:

- To identify variations in hotel operational processes in the departments of the front office, food and beverage, housekeeping, and room service.
- To make recommendations on how to close or remove gaps to improve visitor happiness and, as a result, business relevance.
- To understand the needs and functions.
- To identify factors affecting hotel performance during the epidemic (Covid - 19).

Research Methodology

Data Collection Method

There are several data collection methods available in questionnaire-based research projects, including self-administering surveys by e-mail, phone, online forms via the internet, or manually administering the questionnaire. The current study collected data from survey participants who decided to participate and intentionally complete the survey responses via Google forms via the internet by sharing the Google form URLs to them via WhatsApp, e-mails, and other social media platforms.

Period of Study

The data was collected between April and June of 2021.

Statistical Tools Used

Chi-Square Test.

Research Hypothesis

Hypothesis 1 Type of hotel and use of technology/software

H0: The use of technology is independent of the type of hotel.

H1: The use of technology is dependent on the type of hotel.

Hypothesis 2 Type of hotel and room occupancy during the pandemic

H0: There is no association between room occupancy and the type of hotel during the pandemic.

H1: There is an association between room occupancy and the type of hotel during the pandemic.

Data analysis and Interpretation

Hypothesis 1 Type of hotel and use of technology/software
 H0: The use of technology is independent of the type of

hotel.

H1: The use of technology is dependent on the type of hotel.

Table 1: Cross-tabulation of hotel type and technology/software used

		Use of Technology/ Software in your organization			Total
		No	Yes		
Hotel is into	Lodging	Count	1	2	3
		Expected Count	0.9	2.2	3
		% within Hotel is into	33.30%	66.70%	100.00%
		% of Total	1.70%	3.30%	5.00%
	Lodging and Boarding	Count	16	41	57
		Expected Count	16.2	40.9	57
		% within Hotel is into	28.10%	71.90%	100.00%
		% of Total	26.70%	68.30%	95.00%
Total	Count	17	43	60	
	Expected Count	17	43	60	
	% within Hotel is into	28.30%	71.70%	100.00%	
	% of Total	28.30%	71.70%	100.00%	

In the Lodging industry, 66.70 % of hotels use technology/software, while 33.30 % do not. In the Lodging & Boarding category, 71.90% of the 57 hotels use

technology/software, while 28.10% do not. In total, 71.70 % of the 60 hotels use technology/software, while the remaining 28.30 % do not.

Table 2: Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.039a	1	0.044
Likelihood Ratio	0.038	1	0.046
Linear-by-Linear Association	0.038	1	0.045
N of Valid Cases	60		

The Pearson Chi-Square value is 0.039 with 1 df and the P-value is 0.044, i.e. 0.05, according to the preceding table. As a result, H1 is accepted. The type of hotel influences the use of technology/software.

Hypothesis 2 Type of hotel and room occupancy during the pandemic

H0: There is no association between room occupancy and the type of hotel during the pandemic.

H1: There is an association between room occupancy and the type of hotel during the pandemic.

Table 3: Cross-tabulation of hotel type and room occupancy during the pandemic

		What is the percentage of room occupancy in the pandemic				Total
		1% to 20%	21% to 40%	41% to 60%	None of the above	
Hotel is into	Lodging	Count	3	0	0	3
		Expected Count	2.4	0.1	0.1	0.4
		% within Hotel is into	100.00%	0.00%	0.00%	0.00%
		% of Total	5.00%	0.00%	0.00%	0.00%
	Lodging and Boarding	Count	45	2	2	8
		Expected Count	45.6	1.9	1.9	7.6
		% within Hotel is into	78.90%	3.50%	3.50%	14.00%
		% of Total	75.00%	3.30%	3.30%	13.30%
Total	Count	48	2	2	8	
	Expected Count	48	2	2	8	
	% within Hotel is into	80.00%	3.30%	3.30%	13.30%	
	% of Total	80.00%	3.30%	3.30%	13.30%	

All three hotels in the Lodging business, representing a ratio of 1 to 20% of rooms, are fully occupied. In terms of lodging and boarding, out of 57 hotels, the percentage of 1

to 20% rooms is 78.90% occupied, 21 to 40% and 41 to 60% rooms are each 3.50% occupied, and 14 % of hotels are closed during the pandemic.

Table 4: Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.789a	3	0.032
Likelihood Ratio	1.378	3	0.711
Linear-by-Linear Association	0.695	1	0.404
N of Valid Cases	60		

The Pearson Chi-Square value is 0.789 with 3 df and a P-value of 0.034, i.e. 0.05, according to the table above. As a result, H1 is accepted.

During the pandemic, there is a link between room occupancy and the type of hotel.

Findings

- The vast majority of hotels offer both lodging and boarding.
- The vast majority of hotels rely on technology/software.
- During the pandemic, only essential workers were permitted to enter as visitors.
- Due to the pandemic, only around 20% of hotel rooms were filled.

Suggestions

- Though they utilize a variety of techniques to attract clients, it is recommended that they use social media advertising and place greater emphasis on it because it is the odor of the day.
- Because the current market trend is backed by the Internet of Things (IoT), it is vital to pay attention to and adopt e-marketing to increase hotel companies.

Conclusion

The Indian hospitality and tourism sector has emerged as a crucial development engine in the Indian services sector. Tourism in India has significant potential, given the country's rich cultural and historical heritage, diversity in ecosystems, landscapes, and natural beauty. Tourism, in addition to being a significant source of foreign currency for the country, has the potential to create a significant number of jobs. This article demonstrates that an optimal services marketing mix primarily improves operational efficiency. This study's findings contribute to the enduring literature by acknowledging the present efforts that define the factors impacting performance. With the growing importance of services in the global economy, the service marketing mix has become a prominent issue that must be considered.

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