

## AN EMPIRICAL STUDY OF INDIAN HOSPITALITY SECTOR AND CUSTOMER EXPERIENCE

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### ABSTRACT

*Ensuring customer satisfaction and maintaining long-term relationships with customers has become essential to surviving in a competitive service industry. In recent years, customer loyalty has been a favourable theme for numerous tourism studies and reports. The purpose of this paper is to examine the changing examples of customer experience in the hospitality sector, in particular the satisfaction gained by the hotel industry. The research type will be studied by surveying the existing knowledge in the field. Data was collected from 150 respondents in four- and five-star hotels using convenient sampling techniques. After reliability, the data were analysed by evaluation values, standard deviation, correlation, simple and multiple regression analysis. The results of the search indicate that the customer experience affects the customer's memory and loyalty. This paper examines the relationship between customer experience, memories and loyalty, which will be of immense use to marketing professionals.*

**Keywords:** Customer, Hospitality, Tourism

### Introduction

Customer experiences have attracted attention in recent years. Creating and managing experiences for the tourism and hospitality industries are still big challenges. The Indian tourism and hospitality industry has emerged as a major driver of growth and is the largest segment of the Indian economy in the service sector. The United Nations World Tourism Organization has also said that the importance of the hospitality industry is steadily increasing; however, it is surprising that not much attention has been paid to research in this area. The customer experience is of particular importance to the tourism and hospitality industry as tourists are more involved in tourism products and services. It is considered an important precursor to customer loyalty. Creating a consistent customer experience becomes synonymous with the brand and consequently increases loyalty. In the hospitality industry, customer experience plays an important role in the success of hotels; therefore, hoteliers are interested to know about it.

The Indian tourism industry has flourished due to the influx of foreign tourists and the increase in the number of Indians visiting the country. There has been a real growth from the domestic sector in the last few years as about 30 million Indians travel to the country in a year. A strong increase in per capita income, a growing young

population with changing lifestyles leads to higher spending on leisure services.

Hotels are an important component of tourism production. They contribute to the overall experience of tourism through the standards of facilities and services they offer. The fortunes of the hospitality industry have always been linked to the potential of the tourism industry and tourism is the most demanding driver in the industry. The contribution of tourism and tourism in capital investment during 201 & - 201 during the year growth is projected to be more than five per cent of the global average. The Government of India's Tourism Policy aims to accelerate the implementation of tourism projects, development of integrated tourism circuits, specialization in the hospitality sector and new marketing strategies.

### Customer Experience

The concept of consumer experience led to a growing interest among academics and professionals, especially as it shifted from a service-based economy to an experience-based economy. In addition to the value proposition, researchers criticized that competitive advantage cannot be achieved by focusing on traditional elements of price, quality, and service but by focusing on the customer experience besides, Kim and so on. In this context, he remarked that it is important for companies to have a memorable experience and create a state of great financial value,

rather than just making goods and providing services. Moreover, sales services are not enough to separate the offers; Hotel customers need to be given a memorable experience. As a result, customers who visit the company exclusively with products and services are willing to pay more for memorable experiences. The rapid development in the hospitality and tourism industry makes it very competitive and enables service providers to get an excellent and memorable experience for customers.

Experiences create a unique value for customers, make it difficult to emulate through competition, and have a profound effect on customer satisfaction, loyalty, and recommendation behaviour. Despite the critical importance of customer experience, researchers have seldom mentioned research on customer experience, and that too has been combined with satisfaction and fidelity to the literature. In addition, many researchers underlined the importance of memorable experiences in tourism; relevant empirical studies discussing this phenomenon are still limited. There are different opinions about the effects of definitions, ancestors, variables and customer experiences. In addition to more clear guidelines about experience and their contribution to organizational performance, established strategies for creating the desired customer experience can be ineffective. This study seeks to bridge the gap in knowledge and examine customer experiences in the tourism and hospitality industries in relation to the consequences of customer behaviour.

### **Tourism and Hospitality**

Privatization, liberalization, and the globalization of economies around the world have transformed the world-oriented tourism and hospitality industry into one of the world's largest and fastest growing industries. According to the World Travel and Tourism Council (WTTC), nearly 400 million jobs worldwide are supported by travel and tourism - directly in industry or in related fields. In addition, the United Nations World Tourism Organization estimates that international arrivals will reach about 1.2 billion by the year 2016. All of this has completely changed the industry in the last five years and will continue

to do so. The WTTC has named India as one of the fastest growing tourist destinations in the world for the next 10-15 years. Out of 11 million passengers in 2006 in, this number will reach 20 million tourists by 2016. The inbound MIS sector has the potential to grow by 10% to 18% in the last five years.

The Indian tourism and hospitality industry grew by 22.3 per cent during the period 2009-2010. According to the report of the Planning Commission, the industry accounts for 6.3 per cent of the country's GDP and 8.9% of India's total employment is such a large foreign exchange earning country. It has significant links with other sectors such as agriculture, horticulture, transportation, handicrafts and construction. The tourism industry includes travel agencies, tour operating agencies and tourist transport operating agencies; Elements that facilitate cultural, adventure and wildlife tourism; Surface, air and water transport facilities for tourists; And convention / seminar units and organizations.

According to the Planning Commission, the sector generates more employment with an investment of Rs 10 lakh than other sectors of the economy and is able to provide employment to a wide spectrum of job seekers even from unskilled, specialized, even remote areas that country. The World Travel and Tourism Council (WTTC) has also highlighted the potential for job creation in the region, saying that India's travel and tourism sector will be the world's second largest employer, employing 30,45,000 people directly or indirectly by 2015-16.

### **Loyalty and Memories**

Based on relationship marketing, investigators claim that maintaining and building customer loyalty has become a necessary marketing strategy, especially in the hotel industry. Loyalty is considered an essential factor in achieving company success and long-term sustainability. Loyalty is seen as a means of maintaining or enhancing customer protection in the long run, thereby increasing customer value. A loyal customer is considered to be a customer who buys back from the same service provider whenever possible and who recommends or maintains a positive attitude towards the service provider. Yi and Gong

(200) state that in an effort to improve customer satisfaction and loyalty, it is important to pay close attention to the customer experience. Loyal customers are more likely to find the service-flicker and overall experience more satisfying than customers who are not unreliable.

He specifically quoted that "when a service buys a service, it buys a set of abstract actions performed on its behalf. But when he buys an experience, the company spends time enjoying the memorable events he does as a play to keep him personally engaged as a playwright. Memories are positively enhanced by the presence of exciting experiences. However, there are few studies that focus on customer experience in order to capture customer memories and shape their future loyalty in the context of the tourist and hospitality industry.

Data Collection (Sample Size): The sample size of the customer visiting various three-star

and five-star hotels in Pune and Mumbai city, these two cities are most popular cities of tourist visitors (Due to Industries) in Maharashtra. The sample size is determined by the number of items used to study customer experience, memories and loyalty. A minimum of five defendants and a maximum of 10 defendants are required for each item. It was decided to take 220 as the sample size as the construction of the study included 23 items. The study used convenient sampling techniques to collect data in various public places in the hotel lobby, mainly in receptions, restaurants, swimming pools, guest rooms and hotel gardens. For ethical reasons, the respondent's consent is required to measure the respondent's point of view and understanding through the surveys used in this study. Thus, only customers in the hotel can choose the answer. This approach is a non-random pattern.

### Data Analysis on Customer Experience of Descriptive Statistics of Dependent and Independent Variables

**Table 1.1 Customers Esthetics Experience**

Factors	M	SD	t	dt	sig
I Sensed a Actual Sense of Concord to this hotel	5.34	0.54	118.94	169	0.000
I feel satisfying to stay here	5.73	0.35	197.63	169	0.000
The Sitting was very striking to this hotel	5.63	0.45	148.87	169	0.000
The Sitting really showed courtesy to plan details	5.14	0.49	129.86	169	0.000
<b>Total Mean</b>	<b>5.46</b>	<b>0.46</b>	<b>148.82</b>	<b>169</b>	<b>0.000</b>

Source: Analysis

The above table 1.1 describes about the esthetic experience of the respondent and it was found that consumers were positively impacted by the dimensions of aesthetic experience, entertainment experience, learning experience, and escapism experience. The surveyors

(original values) indicated that they agreed with the average (5.46) of the overall aesthetic experience. The average values of variables of this factor range from 5.14 to 5.73. This means that most statements have more loading.

**Table 1.2 Customers Experience about Entertainment**

Factors	M	SD	t	dt	sig
The activities in the hotel were wonderful to watch and perform	5.32	0.58	118.42	169	0.00
The activities in the hotel were fascinating to watch and present	5.30	0.60	108.82	169	0.00
Watching and presenting the activities in the hotel was entertaining	5.04	0.71	86.34	169	0.000
It was fun to watch and present the activities at the hotel	4.97	0.73	84.94	169	0.000
<b>Total Mean</b>	<b>5.15</b>	<b>0.65</b>	<b>99.63</b>	<b>169</b>	<b>0.000</b>

Source: Analysis

The above table 1.2 describes about the customers experience on entertainment facilities available in hotels and it was observed that the total mean of the

entertainment is at 5.15%, and the mean value of this factor range from 4.97 to 5.32. It means the respondents are most satisfied with this factor.

**Table 1.3 Customers Experience about Education**

Factors	M	SD	t	dt	sig
This experience has given me more knowledge for this hotel	4.93	0.72	83.52	169	0.000
I learned a lot during my experience of visiting this hotel	4.82	0.64	87.56	169	0.000
I was curious to learn new things here	4.16	0.95	54.02	169	0.000
It was a real learning experience here	4.93	0.49	113.90	169	0.000
<b>Total Mean</b>	<b>4.71</b>	<b>0.70</b>	<b>84.75</b>	<b>169</b>	<b>0.000</b>

Source: Analysis

The above table 1.3 describes about the customer experience about education factor of the hotel and it was observed that the total mean of the customer experience about the

education is at 4.71% and the mean value of this factor range from 4.16 to 4.93, it means most of the respondent are somewhat satisfied with this factor.

**Table 1.4 Customers Experience about Memories in Hotel**

Factors	M	SD	t	dt	sig
Having wonderful memories to visit this hotel	5.52	0.61	121.64	169	0.000
Never forgot my experience of going to this hotel	5.48	0.62	119.87	169	0.000
Remember many good things about this hotel	5.52	0.64	123.61	169	0.000
<b>Total</b>	<b>5.20</b>	<b>0.62</b>	<b>121.70</b>	<b>169</b>	<b>0.000</b>

Source: Analysis

The above table 1.4 describes about the customer experience about memories in hotel and it was observed that the total mean of the customer experience about the memories in

hotel is at 5.2% and the mean value of this factor range is between 5.48 to 5.52%, it means most of the respondent are strongly satisfied with this factor.

**Table 1.5 Customers Loyalties with Hotel**

Factors	M	SD	t	dt	sig
I will visit this hotel	5.49	0.61	119.12	169	0.000
I will definitely visit again this hotel	5.34	0.54	118.62	169	0.000
I will definitely give the reference of this hotel to others	5.81	0.53	145.94	169	0.000
I will inform to my family and friends to visit this hotel	5.71	0.50	140.43	169	0.000
<b>Total</b>	<b>5.59</b>	<b>0.54</b>	<b>131.02</b>	<b>169</b>	<b>0.000</b>

Source: Analysis

The above table 1.5 describes about the customers loyalties with the hotel and it was observed that the total mean of the customer loyalty with the hotel is at 5.59% and the mean

value of this factor range is between 5.34 to 5.81%, it means most of the respondent are strongly loyalty factor with hotel.

**Table 1.6 Pearson Co-relation Analysis**

Factors			
Customer Experience	Memories	Loyalties	Sig
Esthetic Experience	0.62**	0.64**	0.000
Entertainment Experience	0.59**	0.62**	0.000
Education Experience	0.60**	0.67**	0.000
Memories	1	0.79**	0.000
Loyalties	0.79**	1	0.000
<b>Overall Experience</b>	<b>0.70**</b>	<b>0.73**</b>	<b>0.000</b>

Source: Analysis

Pearson correlation techniques were used to identify relationships between variables. One of the objectives of this study is to examine the relationship between customer experience, memories and loyalty. The above table 1.8

describes the correlation analysis of esthetic, entertainment, education, memories and loyalty experience of the customer and it was observed that customers dimensions of experience are strongly correlated with memories esthetic

$r=0.62$ , entertainment  $r=0.59$  and education  $r=0.60$  and the overall experience value of correlation between customer experience and memories are 0.70.

The table also describes about the correlation between dimensions of experience and loyalty and it is observed that esthetic  $r=0.64$ , entertainment  $r=0.62$  and education  $r=0.67$  and the overall experience value of correlation between customer experience and loyalties are 0.73. Furthermore, memories and loyalty also show a positive and significant relationship at 0.1 with a strong correlation value of 0.79. Therefore, overall, the findings suggest that there is a positive correlation between customer experience, memories and loyalty. Therefore, the prediction is a strong proof that the customer's memories and loyalty are with both.

## Conclusion

The results suggest that when enhancing the customer experience that influences memory and loyalty managers, each of the four dimensions of the customer experience should be focused on enhancement. In terms of exodus dimensions, customers should consistently show their respect, and such efforts can be more effective if evacuation needs to be joined. In terms of the educational dimensions of the customer experience, it requires active participation, so that customers play an important role in determining their overall experience. Furthermore, in the educational dimension, different hotels offer guests some opportunities to enhance their knowledge and skills, such experiences are important for developing such memories and positive behaviors. If service delivery and performance integrate a sense of escapism, the customer experience will be much more memorable.

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