



A study on the growing trends of online hotel booking

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Abstract

The importance of hospitality technology in hospitality business is rapidly evolving. Hoteliers are no more looking at technology adoption as a choice. Rather, the whole thing has become necessity for them. Because, technology has an immense impact on guest expectation and in which hotels do their daily business. This study is to ascertain the satisfaction levels of customers while booking a hotel online. The primary aim is to determine the impact and reliance of technology in the forthcoming future online booking practice. The paper also explores the sharing economy through the case of Airbnb, rooms & apartment renting service online, its emergence in India where it is yet to find a "share of mind". It focuses on consumer understanding of sharing economy and the willingness to try that out. The findings reveal that over 75% of the respondents' book hotels online through hotel websites, online applications and third party booking websites wherein 57% of the respondents are willing to go for the sharing economy over the traditional budgeted accommodation.

Keywords: sharing economy, budgeted accommodation, online hotel websites

Introduction

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. Tourism and hospitality industry are related to each other. Hospitality is the act of welcoming, receiving, hosting or entertaining the guest. It involves ward and generous welcome of the tourist. Hospitality reflects courtesy and respect to the guest. It occupies local services such as entertainment, accommodation and catering for tourists. It is the business of providing catering, lodging and entertainment service and welcoming, receiving, hosting, or entertaining guests. Hospitality industry plays a major role in the overall economic growth of the country.

With a consistently growing middle class and increasing disposable income, the tourism and hospitality sector is witnessing a healthy growth and accounts for 7.5 per cent of the country's GDP. According to a report by KPMG, the hospitality sector in India is expected to grow at 16.1 per cent CAGR to reach Rs 2,796.9 thousand crore in 2022. The hospitality sector encompasses a wide variety of activities within the services sector and is a major job provider both direct and indirectly. The sector attracts the most FDI (Foreign Direct Investment) inflow and is the most important net foreign exchange earners for the country.

The revolution of E-Commerce industry boosts the immense growth and potential business opportunities of the online tourism market. The emerging online travel booking operators has become a global phenomenon and represents one third of total global travel sales (yStats, 2012). With a rise in online competition, popular models have come up with online travel agents (OTAs) offering a single marketplace for all travel-related needs. There are also seen meta search engines like Trip Advisor and Make My Trip, that operate like travel discovery platforms. Further, online accommodation reservation services like Oyo Rooms have gained popularity. Apart from this, branded hotels are seen operating direct bookings through their websites.

It should be noted that that the base for tourism in India is still

very low. The spurt in demand for hotel accommodation over the last few years has inflated hotel rooms in the country. However, a number of international brands across all hotel segments are planning to or have recently entered the Indian market. Furthermore, domestic hotel chains, too, are embarking on strong expansion and development plans across all hotel segments. This study is framed to analyse the usage of online platforms to book hotels online spread across South of India. It is an attempt to draw out results from the online hotel booking users, awareness on online hotel booking, and their satisfaction levels and to measure their priorities while booking a hotel online. With the introduction of peer to peer hospitality services which will bring a potential dynamic dimension to the hospitality industry, this study aims to find out whether the online users will prefer this community based hospitality services or not.

Objectives

The primary objectives of the study include:

- To find the awareness level of online hotel booking platform for holiday planning.
- To determine the level of satisfaction through online hotel booking.
- To study the impact of digital technology towards online hotel booking.
- To study whether the online users of hotel booking applications are inclined towards the share economy or budgeted accommodation.

Research Methodology of the Study

Primary data were collected from the consumers by distributing questionnaire. The survey research was done in the form of personal interviews with the help of questionnaire. The questionnaire was distributed online through a link to respondents located in and around Tamil Nadu. Customer satisfaction questions are mainly to gauge how satisfied the online users of hotel booking are. The study aimed at users of online hotel booking applications and

websites located within Tamil Nadu. The sample size for the study is 100.

Statistical tools used

Percentage Analysis, Chi- Square Test, Weighted Average Method.

Results

Percentage Analysis

Table 1: Frequency of booking hotels online

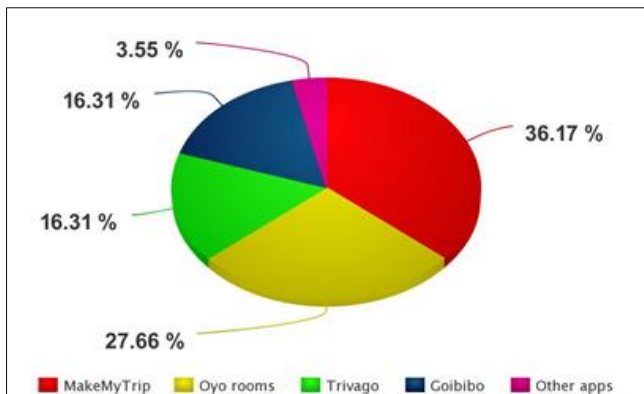
Frequency of booking hotels online	Frequency	Percentage
Rarely	56	56
Always	44	44
Total	100	100

From the table 1, it can be inferred that 56% of the respondents rarely book hotels online and 44% book hotels always online.

Table 2: Usage of various hotel booking applications

Usage of various hotel booking applications	Frequency	Percentage
Make My Trip	51	36.17
Oyo rooms	39	27.66
Trivago	23	16.31
Goibibo	23	16.31
Other apps	5	3.55
Total	100	100

From the above table 2, it can be inferred that over 36.17% of the online hotel bookers choose Make My Trip, 27.66% of them chose Oyo rooms, 16.31% chose Trivago, 16.31% prefer Goibibo and a meagre 3.55% chose other applications.



Source: primary data

Fig 1: usage of various hotel booking application

Weighted Average Method

Table 5: Weighted Average for measuring satisfaction levels when hotels are booked online

Factors	Weight (Satisfaction levels)					Calculation	Weighted Average
	HS (5)	S (4)	N (3)	NS (2)	HNS (1)		
Time saving	49	41	9	1	0	$(49 \times 5 + 41 \times 4 + 9 \times 3 + 1 \times 2 + 0 \times 1) / (100)$	4.38
Price comparison between hotels	43	46	10	1	0	$(43 \times 5 + 46 \times 4 + 10 \times 3 + 1 \times 2 + 0 \times 1) / (100)$	4.31
Cancellation charges	10	32	40	15	3	$(43 \times 5 + 46 \times 4 + 10 \times 3 + 1 \times 2 + 0 \times 1) / (100)$	3.31
Various filter options	22	53	20	5	0	$(22 \times 5 + 53 \times 4 + 20 \times 3 + 5 \times 2 + 0 \times 1) / (100)$	3.92
Discounts provided	16	48	27	7	2	$(16 \times 5 + 48 \times 4 + 27 \times 3 + 7 \times 2 + 2 \times 1) / (100)$	3.69

HS- Highly satisfied, S- Satisfied, N- Neutral, NS- Not satisfied, HNS- Highly not satisfied

Chi- Square Test

Chi-square test for highest educational qualification and awareness about the shared accommodation concept:

Null hypothesis H₀: There is no significant relationship between highest educational qualification and awareness about the shared accommodation concept.

Alternate hypothesis H₁: There is a significant relationship between highest educational qualification and awareness about these hared accommodation concept.

Table value: 5% or 0.05

Table 3: Highest educational qualification and awareness about the app Airbnb

χ^2 or Chi-square statistic	Table value	Significant value (p)
Pearson Chi-Square	0.05	0.008
N of Valid Cases	100	

From the above table, it can be interpreted that, the significant value 0.008 is lesser than the table value 0.05, the null hypothesis is accepted and the alternate hypothesis is rejected stating that, there exists no relationship between highest educational qualification and awareness about the shared accommodation concept.

Chi-square test for age and how long the respondents have been booking hotels online

Null hypothesis H₀: There is no significant relationship between ages and for how long the respondents have been booking hotels online.

Alternate hypothesis H₁: There is a significant relationship between ages and for how long the respondents have been booking hotels online.

Table value: 5% or 0.05

Table 4: Age and for how long the respondents have been booking hotels online

χ^2 or Chi-square statistic	Table value	Significant value (p)
Pearson Chi-Square	0.05	0.104
N of Valid Cases	100	

From the table 4, it can be interpreted that, the significant value 0.104 is greater than the table value 0.05, the null hypothesis is rejected and the alternate hypothesis is accepted stating that, there exists a significant relationship between ages and for how long the respondents have been booking hotels online.

From the table 5, the following information of weighted average has been obtained,

- Time saving- 4.38
- Price comparison between hotels- 4.31
- Cancellation charges- 3.31
- Various filter options- 3.92
- Discounts provided- 3.69

Overall, it can be seen that of the five factors, time saving factor has been rated high, with an average weighted score of 4.38 followed by, price comparison between hotels and various filter options.

Suggestions

From the analysis, it is evident that many respondents may choose to rent a property instead of a hotel room which is clearly indicating that the shared economy accommodation aided by online websites can be done in a full-fledged manner more than what is prevalent now in India.

As far as the information about the hotels that is being provided by the hotel booking websites, a few respondents have put forth their suggestions that, sometimes the information about the hotel are deceptive. In order to curb this, the website personnel can conduct a half yearly or annual visits to the hotels which are a part of their option amidst thousands of other hotels, to monitor whether the information provided in the website is true or false information.

Considering the huge growth of technology in the hotel industry, it essential for the people who do not know how to book hotels online, to be aware of such online websites and make good use of the technology. The suggestion would be to advertise more about the presence of these online websites across various media.

Attractive discounts such as seasonal discounts, vacation discounts can be provided to the customers for providing a better experience within a reasonable price.

Conclusion

The main objective of this research to find the awareness level of online hotel booking platform wherein the respondents are fully aware of online booking system and are frequent bookers of hotels online. It also suggests that, in the coming days there can be a rapid increase in the rate of people who book hotels online. The hotel industry is already generates a huge revenue usually in big numbers. There is no doubt that this industry, is set to grow as years pass by, only when correct mix of strategies are applied to attract customers. As far as the satisfaction levels are concerned, from the data collected, gone are those days where people hesitated to put in trust to the online booking system. Not only the customers believe what is provided on the internet but, the hotels have also been looking to fit into this technologically aided booking system failing which, the business has to shut its door down. Moving forward, hotels will need to continue to re-invent themselves and respond to the rapidly changing environment they operate in, in order to stay competitive. It is clear, however, that the industry is now on a steady recovery path. After strong resistance from a fluctuating demand environment and excess room inventory, the hotel industry is now well placed with the pace of room addition slowing down and domestic demand showing sure signs of stability and growth.

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