Digitalization Space as Marketing Tool for Luxury Hotels

– Savita Sharma*
Associate Professor, Amity School of Hospitality, Amity University, Noida, drsharamasavi@gmail.com

– Sidharth Srivastava
Assistant Professor, School of Hospitality Management, Ansal University, Gurgaon, sidharthsrivastava2011@yahoo.in

– Sanjay Sharma
Associate Professor & Head, School of Culinary Excellence, Vedatya Institute, Gurgaon, sanjay.sharma@vedatya.ac.in

EDITORIAL BOARD EXCERPT Initially at the Time of Submission (ToS) submitted paper had a 21% plagiarism is an accepted percentage for publication as some of the references and works depict are overlapped by the author past research for which the author had already communicated and undertake. The editorial board is of an observation that paper had a successive close watch by the blind reviewer's which at a later stages had been rectified and amended by an authors (savita, sidhrath & sanjay) in various phases as and when required to do so. The reviewer's had in a preliminary stages remark with minor revision which at a short span restructured by the authors. The authors have attempted study that would add to the existing pool of knowledge in **Digitalization Space as Marketing Tool for Luxury Hotels**. The review paper is a well-directed effort in understanding how Hotel industry is moving towards seamless connections in which personalized, prompt and integrated services are required to be stable in this competitive world. The next attempt could be to substantiate with empirical evidences. The comments related to this manuscript are tremendously noticeable related to Digitalization Space as Marketing Tool both subject-wise and research wise by the reviewers during evaluation and further at blind review process too. All the comments had been shared at a variety of dates by the authors' in due course of time and same had been integrated by the author in calculation. By and large all the editorial and reviewer's comments had been incorporated in a paper at the end and further the manuscript had been earmarked and decided under **"Empirical Research Paper"** category as its highlights and emphasize the work in relation to use of Digitalization Space as Marketing Tool for Luxury Hotels which is an exploratory study

ABSTRACT In this digital age, technology has made the global market fast and error less. None of the industries have left untouched by the technology. In fact, the competition has become arduous when it comes to top tier of hotels, referred as luxury hotels. This paper aims to study the benefits of engagement of technology for experience-based guest services by the luxury hotels. It was found that when hotels were using semi-automated systems then services delivered were slow and was difficult to maintain the record of the guests. Whereas, fully automated systems benefited hotels to provide efficient services to the guests with more accuracy and hotels were also able to maintain the records in a better manner. Hotels are even digitalized to take the restaurant orders, booking rooms, analyze the room revenue reports and digitally controlled stay experience.

KEYWORDS Digitalization | Hotels | Guest Experience

Introduction

Digitalization has become a part of daily life so closely that we don't even realize that technology is used most of the time in one or other form. Hotel industry is moving towards seamless connections in which personalized, prompt and integrated services are required to be stable in this competitive world. New digital trends and smart technologyis increasing the level of competition amongst the hotels especially the luxury segment of hotels because they are considered to be the best service providers for elite group of customers. The continuous change in the technology has improved the standard of services and made the customer experience seamless, enjoyable and memorable. Digital technology has reduced the transactional friction and increased the customer satisfaction. In today's scenario, technology is growing at such a rapid pace that it is disrupting the innovative ideas in very short span of time. Therefore, customers' expectations are now moving towards the personalized and fast services so that they do not waste time in routine work. Customers are empowered with a lot of information online and becoming perceptiveabout their preferences and alternate options available to them. In today's hospitality market, there is endless options for a customer, therefore, ease of fulfilment is considered to be one of the keyfactor in the decision-making process.

Literature Review:

Hotels are considered to be an organization which provides basic needs to a customer such as accommodation and food. Hotels which provide services more than the basic needs with high standards of comfort and convenience to the guests are known as luxury hotels (Becker, 2009). Where, Mobile Travel Guide, 2013 has defined luxury hotel as an upscale hotel which costs more than the average accommodation, which shows that it is difficult to define luxury hotel for a simple reason that it is even more challenging to freeze the word 'luxury' because luxurious experience is interconnected with each person's hopes, dreams and perception (Michman&Mazze, 2006). One person's perception regarding luxury may be other person's necessity and vice-versa. It is truly a class apart in various ways when considering accommodation providers. The luxury hotel industry has evolved as an outlet for travelers to dream of and fantasize about other lifestyles (Curtis, 2001). These hotels are volatile in nature because of top-line service, opulent facilities and its high operational costs. The entire hotel runs upon the occupancy percentage of customers. Luxury hotels has become a topic for researchers and academicians and there have been numerous studies done on the luxury hotels over 20 years. Narteh et al. (2013) studied marketing and its relationship with customer of luxury hotels,Walls et al. (2011) have explored customers' experience of luxury hotels, Chen &Peng (2014) have studied customers' staying

Methodology

Luxury hotel segment provides best of the services to the customers and its focus is generally on the sparking customers' imagination. This paper providesthe customers' views on the technology used by the luxury hotels. Hotel guests go through various stages which is called as stages of guest cycle and consists of majorly five stages (refer table 1) named as pre-arrival, arrival, during the stage, departure and post departure which performs various functions like booking of rooms, check-in, food delivery, message handling, wake-up calls, feedback, complaint handling, check-out, making rapport with customer after they leave the hotel. For all the functions and systems, all the luxury hotels are using automated systems which helps the employees to work efficiently and effectively and they are able to complete the work at lesser time than previous methods which were used by non-automated and semi-automated systems. Mode of services provided to guests can be done directly by hotel staff or it can also be done electronically, therefore, customers were asked about their preferred way of receiving services through a questionnaire.

behavior of luxury hotels in China, Wu and Liang (2009) have observed the effect of experiential value on customer satisfaction with service encounters in luxury-hotel restaurants, Judy et al. (2006) have found the difference and similarities between loyal (regular) and transient (for shorter time) guests of luxury hotels, Chan (1998) observed guests' decision process of luxury hotels in China, Oh (2002) investigated the problem of overpriced strategies in upscale hotels,Zheng et al. (2009); Kim (2009); Hyun and Kang (2013) have focused on customer retention and customer satisfaction, many authors (Sanders and Frenkel (2012); Taylor and Finley (2008); Davidson et al. (2006)) have worked on human resource management in luxury hotels. Lee and Hwang (2011) have studied behavioral features of consumers for luxury hotels from both psychological and demographic perspective, but there is lack of input towards the customers' point of view on the use of digitalization, especially in Indian luxury hotels.In today's world, customers mostly rely on technology and want their work to be done on a faster pace. Therefore, it becomes significant for luxury hotels to understand the customers' point of view towards the importance of digitalization.

Present research was conducted with by sending survey forms to customers who have stayed at luxury hotels in Delhi, NCR in India.Total 200 survey forms (online and hardcopy) were received from the customers who generally opt to stay at luxury hotels, out of which 58 were females and 142 were males. Profile of these kind of customers were vice presidents, chief executive officers, chairmen, general managers, deputy managers, vice chancellors, senior executives, owners of companies and others.

Table 2: Preferred Mode of Providing Services

Functions	Mode of Providing Services	N= 200
Reservation (booking of rooms)	Reservation on phone	65
	Online booking	135
Check-in of guests (registration)	Registration at desk	70
	Self-Check-in	130
Order taking Message handling Wakeup calls Complaint handling	Hotel Staff	100
In-room Services Feedback	Online	100
Settling bills Check-out	Express Checkout	145
	Check-out at Casher's Desk	55
Making rapport with guest	Phone calls	50
	Emails, Text Messages	150

Table 1: Guest Cycle, its Functions and Mode of Providing Services

Stages of Guest Cycle	Hotel Functions	Mode of Providing Services
Pre-arrival Stage	Reservation (booking of rooms)	Reservation on phone Online booking
Arrival Stage	Check-in of guests (registration)	Registration at desk Self-Check-in
During the Stay Stage	Order taking Message handling Wakeup calls Complaint handling In-room Services Feedback	Hotel Staff/ Online
Departure Stage	Settling bills Check-out	Express Checkout Check-out at Casher's Desk
Post Departure	Making rapport with guest	Phone calls Emails, Text Messages

Booking of rooms fall under the first stage of guest cycle where a guest chooses the hotel for the stay, decides the type and standard of room. This survey reflects that guests prefer online booking (135) of rooms instead making a call to the hotel reservation department (65) because it gives a clear comparison of room tariff and faster booking. Check-in procedure falls under the second stage of guest cycle where a guest registers by filling up and signing the hotel registration form. This survey reflects that 130 guests prefer to register through self-check-in procedure rather going to reception counter and filling up the registration form, 70 guests would not mind going at the reception counter for registering themselves. Guest services like order taking, in-room services, wakeup calls, complaint handling, feedback, etc. falls under third stage of guest cycle where guests use the services and facilities while actually staying in the hotel. This survey reflects that 50 percent of the guests would like to interact with hotel employees when they are staying in the hotel and 50 percent of the guests doesn't have any problem going electronically for the services during their stay. Check-out falls under the fourth stage of guest cycle where hotels prepares the final bill for guests' review and take the payment from guests to finally settle the bill and close the guest account. This survey reflects that 145 guests prefer express check-out where 55 guests would like to go to the cashier's desk for the final settlement of their account. Being in touch with the guests for event promotions, discounts and other activities fall under fifth stage of the guest cycle. This survey reflects that 75 percent of the guests would like to receive text messages and emails for the discounts, event promotions, etc. where 25% of the guests would like telephone call from the hotel employees.

Guests were also asked few open ended questions such as:

• How open you are to download hotel app on your handset?

• Do you read the reviews about the hotel before deciding the stay in a particular hotel?

• Would you like to receive services from robotic process automation (RPA)?

• If shown a clear comparison of room tariff using latest app, would you like to download the app?

• What is view on the advertisements scrolling on social networking platforms, does it help you?

Reviewing all the data carefully, it is observed that guests prefer using online applications because they can use it anytime without disturbing other people around them. Guests are comfortable using digital technology because it is convenient for them and it saves their time. Most of the guests accepted that they are ready to download new apps on their handset, they would like to read the reviews about the hotels' services and facilities before making reservation. They are even happy to receive services from robotics if machines can understand their necessarily in similar manner the way hotel employees do, in fact it will more exciting for them. They would like to download any latest app on their mobile phones if it benefits them in long way without wasting their time and resources. They also believe that social networking platforms are also helping them to follow certain discounts, event promotions, etc.

Conclusion

This paper presents different areas where digitalization is playing central role in the luxury hotel industry. It has been found that the customers of luxury hotels expect the hotel procedures on a faster pace because they don't want to waste their time by standing in long queue for the check-in and check-out, making reservations through phone where a reservation agent asks for many personal and professional details which a lot of time instead they would like to opt for a self-booking reservation form to be filled by themselves. Therefore, as per customers' point of view, they would like hotels to make the provision where customers do not have to spend a lot of time in providing information and talking to the hotel employees for the regular

operational procedures. They want fast and user friendly technology which help the customers to compare the services amongst all the luxury hotels and saves their time. Therefore, it can be said that digital marketing can be used to embrace the guests' requirements and convenience. It is a new discipline which is beneficial for hotels and convenient for guests. Hotels are incorporating digital marketing into their strategies to provide better services to the guests and attract them towards their hotel mechanism. Use of digitalization even assist the hotelsto generate errorless and faster reports for analysis of their hotel's performance, requirement for improvements. Hotels can provide more personalized services through digitalization to the guests which can make their stay even more memorable.

Future Research and Suggestions

Digital marketing for hotels is becoming more and more complex because hotel managers have to plan to deliver services to the guests, manage rooms, availabilities and pricing and also have to think for the solutions which are competing in the marketing and guests are indulged into new channels for deciding their preferences. Digitalization is spread all across in the hotel industry which gives a threat to the luxury hotel market to keep them at the niche market. Mangers of luxury hotels have to think ahead from other hotel categories and create a platform which is totally different from non-luxury hotels. Objective of finding out various digitals way to differentiate between the service provided and exceeding their expectations could be a subject area for further research.

Reference

1. Becker, E. J. (2009). The proximity hotel: A case study on guest satisfaction of sustainable luxury environments (Master's thesis). University of North Carolina, Greensboro, NC.

2. Chan, Y.K. (1998). Choice process of luxury hotels in China. Journal of Hospitality & Leisure Marketing, 5 (4): 5-21.

3. Chen, A., &Peng, N. (2014). Examining Chinese consumers' luxury hotel staying behavior. International Journal of Hospitality Management, 39, 53-56.

4. Curtis, E. (2001). Hotel: Interior Structures. Great Britain: Wiley- Academy.

5. Davidson, M., Guilding, C., &Timo, N. (2006). Employment, flexibility and labor market practices of domestic and MNC chain luxury hotels in Australia: Where has accountability gone. International Journal of Hospitality Management, 25 (2), 193- 210.

6. Kim, T., Kim, W-G., & Kim, H-B. (2009). The effect of perceived justice on recovery satisfaction, trust, word of mouth, and revisit intention in upscale hotels. Tourism Management, 30 (1), 51-62.

7. Hyun, S. S., & Kang, J-H. (2013). A better investment in luxury restaurants: Environmental or non-environmental cues? International Journal of Hospitality Management, 39, 57- 70.

8. Lee, J-H., & Hwang, J. (2011). Luxury marketing: The influences of psychological and demographic characteristics on attitudes toward luxury restaurants. International Journal of Hospitality Management, 30 (3), 658- 669.

9. Michman, R., &Mazze, E. (2006). The affluent customer: Marketing and selling the luxury lifestyle. Westport, CT: Praeger Publishers.

10. Narteh, B., Agbemabiese, G. C., Kodua, P., &Braimah, M. (2013). Relationship marketing and customer loyalty: Evidence from the Ghanaian luxury hotel industry. Journal of Hospitality Marketing & Management, 22 (4), 407-436.

11. Oh, H. (2002). Price fairness and its asymmetric effects on overall price, quality, and value judgments: The case of an upscale hotel. Tourism Management, 24 (4), 387-399.

12. Taylor, M., & Finley, D. (2008). Strategic human resource management in U.S. luxury resorts- a case study. Journal of Human Resources in Hospitality & Tourism, 8 (1), 82-95.

13. Walls, A., Okumus, F., Wang Y-C. (2011). Understanding the consumer experience: An exploratory study of luxury hotels. Journal of Hospitality Marketing & Management, 20 (2), 166-197. DOI: 10.1080/19368623.2011.536074

14. Wu, H-J., & Liang R-D. (2009). Effect of experiential value on customer satisfaction with service encounters in luxury-hotel restaurants. International Journal of Hospitality Management, 28 (4), 586-593.

15. Zheng, T-S., Youn, H., & Kincaid, C. S. (2009). An analysis of customers' e-complaints for luxury resort properties. Journal of Hospitality Marketing & Management, 18 (7), 718-729.

GJEIS Prevent Plagiarism in Publication
The Editorial Board had used the ithenticate plagiarism [http://www.ithenticate.com] tool to check the originality and further affixed the similarity index which is 21% in this case (See Annexure-I). Thus the reviewers and editors are of view to find it suitable to publish in this Volume-10, Issue-3, July-Sep, 2018

Annexure 1

Digital space as marketing tool for luxury hotels

ORIGINALITY REPORT

21%	21%	11%	19%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	lib.dr.iastate.edu Internet Source	10%
2	Submitted to University of Southern California Student Paper	2%
3	Submitted to Bournemouth University Student Paper	2%
4	Submitted to The Hong Kong Polytechnic University Student Paper	1%
5	Submitted to Al Ain University of Science and Technology Student Paper	1%
6	Submitted to University of Exeter Student Paper	1%
7	Submitted to University of Sheffield Student Paper	1%
8	libres.uncg.edu Internet Source	1%
9	docplayer.net Internet Source	1%
10	link.springer.com Internet Source	<1%
11	Annie Chen, Norman Peng. "Examining consumers' intentions to dine at luxury restaurants while traveling", International Journal of Hospitality Management, 2018 Publication	<1%

Conflict of Interest: Author of a Paper had no conflict neither financially nor academically.

Scholastic Seed Inc.