Impact of Choice of Distribution Channel on Marketing Strategy of Hotel Industry

KEYWORDS

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ABSTRACT *The distribution channels in the hotel industry are broadly divided into traditional and online distribution channels. Traditional Distribution Channels include GDS, Travel Agents and call centres. Online Distribution channels majorly consist of online travel Agencies, Direct Websites and Social Media. The paper focuses on the evolution of various distribution channels and its impacts on marketing strategies followed by the hotels. Online distribution channel require high tech technology to support its functioning. A detailed survey was conducted with 153 respondents to determine the preference of distribution channels used by consumers to book hotels. Various important attributes such as convenience, discount, trust, loyalty, value for money, etc. were taken into consideration and respondents were asked to rate them. Other important aspects were covered in the questionnaire such as type of hotel booked by them, frequency of hotel visits and amount of money spent during the stay. The survey declared that finally three segments were created.*

IIntroduction

India has capability to become the quantity one traveller destination inside the globe with the demand growing at 12 per cent once a year, the earth Travel and business Council has forecasted. The World Travel Organisation predicts that Republic of India will receive twenty five million tourists by year 2017.Major attractions in Republic of India can be determined as the world's highest mountains, miles of define with wonderful beaches, tropical forests and life, desert safari, legume backwaters, ancient monuments, forts and palaces, journey business and, of course, the Taj Mahal. According to Estis green and Lomanno, 2012 most of the rooms around 81 were set-aside through direct channels which can be complete.com hotel's own web site, property direct by walk-in or voice, whereas virtually 200th were set-aside by third party channels which can be international Distribution System, on-line agency. Also in 2010 bigger than common fraction (almost 35%) of the sleeping room bookings came to edifice digitally which can be on-line agency, international Distribution System or By Hotel's own web site, that was going at an increase from previous years as individuals are becoming aware of digital world and on-line media as a platform. As per HSMAI, 2012 report there looks AN inverse relationship between in customers and shoppers usage of on-line agency and Hotel's own web site.

Hotel's own web site was growing towards peak because it continues to capture a bigger share of revenue that's eighteen.5% that is increasing hugely over the years, thus hoteliers area unit finding it convenient and revenue generating to use this as a medium of distribution. Since customers area unit shifting progressively towards digital channels there has been seen a decline within the Voice Share or Central Reservation System whereas substantial increase was seen in international Distribution System because it is principally dominated by transient business travellers

Objective of the study

The main objective of the study is to check what factors are responsible in the distribution channel for the marketing strategy of the hospitality industry and how the selling of the rooms depends upon the online and offline marketing for the success of the hospitality business.

Also in 2010 bigger than common fraction (almost 35%) of the sleeping room bookings came to edifice digitally which can be on-line agency, international Distribution System or By Hotel's own web site, that was going at an increase from previous years as individuals are becoming aware of digital world and on-line media as a platform. As per HSMAI, 2012 report there looks AN inverse relationship between in customers and shoppers usage of on-line agency and Hotel's own web site. Buhalis, 2003). In such a dynamic trade that the building trade has become nowadays business strategy ought to be created with variations in rate booking and season. Specialised code solutions square measure accessible for that. one amongst the main challenges long-faced by the hotels is change this costs on the net travel Agencies (OTA's) because the changes ought to create all over at the same time due to worth parity. Because the OTA's have enough funds for promoting and have a hold over the client information, hoteliers ought to work with them to be visible. Therefore, the enhanced investment for on-line sales in info and communication technology and use of contemporary on-line sales channel square measure necessary not just for enhanced revenues however the survival of the building. Therefore automobile. Al focuses on the importance of incorporating latest code solutions within the building trade. Hotels will use social media as a platform for surveys and obtaining feedback from the client so on serve customers in an exceedingly higher manner. Social media will facilitate hoteliers to remain up thus far with desires and needs of the shoppers. Social media has become most popular tool for selling as a web marketing owing to its cheap nature and in the midst of high come back on investment. Social Media has big range of effects on the building trade likewise. Travel experiences, building Reviews and comments picked up from a reputable supply (Friend, blog, etc.) have way reaching implications. Hoteliers got to perceive social media selling can still grow and should perpetually renovate their properties. There is got to faucet on the mobile web chance, with the intersection of geo-locations (with the assistance of mobile internet) and social media (personal lik-

ings, preferences) so a more robust selling pitch is created to the client. Polishing off promotions on social media, sponsoring bound teams or events and making a presence will certainly cause a positive image. In the whole state of affairs vital role in compete by growing users of sensible cell phones that makes straightforward and instant access to on-line channel and media through their phones any-place at any time.

Online travel agencies: OTA's

The online travel agencies have a bigger impact on the building sales in an exceedingly smart likewise as in an exceedingly dangerous manner. The travel agencies within the earlier age started acting as a way of communication between the hotels likewise because the customers. how-ever because the travel agencies started gaining impor-tance, they started developing with their own provide and packages, that crystal rectifier to distinction in worth struc-ture.

Each OTA's and Hotels Websites contend with one another to supply best deal on websites and mobile applications to encourage a lot of mobile inveterate users to book rooms through mobiles, tabs and alternative varied gadgets. Most of the applications or websites created for mobile users area unit user friendly that makes easier for the client to try and do the booking instantly.

Loyal customer-programme:

Develop a loyal customer-programme. It doesn't essentially need an identity card, solely a cooked system wherever to follow the purchasers and the way again and again they need stayed at the edifice. Perhaps provide them some bonuses or some reasonably alternative edges for his or her loyal customer ship. Gather and maintain a listing of things or alternative bonuses that the loyal client will re-ceive; discount on the space rate, higher area kind, choco-lates/free beverages / alternative things delivered to the space before arrival.

Campaigns

Plan and develop totally different styles of promoting cam-paigns and offers. They'll be derived as an example from the various seasons or holidays. They'll be directed to spe-cific client cluster, as an example a special loyal customer-month or throughout time of year special campaign for sport teams. Market these campaigns on the hotel's Web-Pages. Produce and develop new campaigns on monthly bases.

Conclusion

Indian travellers can be broadly segmented into 3 catego-ries on the basis of the purpose of their visit i.e. leisure, Business and Road trippers. Consumers booking a ho-tel for leisure purpose take time and book a hotel taking into considerations all the attributes namely; conveyance, amenities, price, Discounts, Extra Benefits and many more. There is no kind of emergency or urgency for them to book the hotel and they mainly book their hotel through the online medium and tours & Travels agents. Coming to the Business category, they do consider all the factors but urgency is the key attribute for them, while book-ing a hotel. Urgency is the most influential attribute for them while considering any Distribution channel to book a hotel. While the Road Trippers are those Segments who just need bed and breakfast and hence all these people are very less influenced by these attributes since they just need a shelter to stay in. There is rising trend in the planned booking compared to unplanned booking which

means that the consumers are taking all the attributes mi-nutely and then booking the hotel. There is a rising trend in the hotel bookings through the online media compared to the offline media, which means that the hotels should increase their focus on their online distribution channel. OTA's and Hotel Websites have gained a higher accept-ance rate from the consumer's perspective to book a ho-tel while intermediaries like OYO Rooms and Airbnb are coming up. Hence from the above analysis we can that there is an increase in the use of the online medium to book the hotel and hence we accept the null hypothesis i.e. online distribution channels are more preferred than of-fline distribution channels for the first hypothesis. In case of the second hypothesis we reject the null hypothesis and accept the alternate hypothesis. For(4star and above) Hotel Website and Online Travel Agencies have high busi-ness strengths and industry attractiveness this indicates that hotels should keep in mind these business channels while making their decisions for marketing. Attractiveness of Travel

Limitations

Perceptual Mapping assumes that the perception of the consumer is the reality. Different consumers have differ-ent perception about the same hotel and hence there is no particular reference or objective on which the respond-ents answers or responds. We couldn't get more hoteliers data and the research was more prone towards identifying the consumer choice of the particular distribution whereas we couldn't get those insights or data from the hotelier's perspective. Evaluations of the brand are limited to attrib-utes and hence there is no particular way with which the respondents have evaluated the brand.

Also the Research was limited to one region as well the respondents we got were majorly students or lying in the age group of Below 25 years. Hence we couldn't get in-sights or the preferences about the people who lie in the age group between 35 – 45 years

Future scope

Involving all the hoteliers with their financial data so that they can improve their Resource allocation as well as their strategies to improve their brand image or market share and generate more revenue. Moreover the research can be extended to different cities involving the various groups of the respondents as well as the different types of the ho-teliers. The GE matrix identifies increasing potential of the online distribution channels. Further expanding in the dif-ferent marketing activities that could be applied on various distribution channels will lead to more specific targeting. New technologies such as geo targeting and variable rates depending upon the demand could lead to more average occupancy and better profits.

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