

# Antecedents of Consumer Preference towards Availing Hotel Services in Lavasa

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**Abstract** – The primary purpose of this article is to explore the role of consumer preference in availing hotel services. This paper also investigates the role of indoor activities, outdoor activities, preference for bakery items in availing hotel services. Using online and offline survey, primary data were collected from 143 responses using clustered sampling technique. The selected dependent and independent variables were tested using linear regression, frequency statistics, and descriptive analysis.

**Keywords** – Consumer Preference, Indoor Activities, Outdoor Activities, Bakery items, Hotel Services

## I. INTRODUCTION

One of the oldest industries which has been commercialized is known to be the hotel industry. The two industries, i.e. hotel and tourism industry combine to form a larger enterprise providing modes of transport, accommodation, recreational activities, food and drinks among other services which facilitates the present-day travellers. Hospitality when looked from outside seems to be a lucrative industry but there is a lot of hardship which undergoes behind the scenes to make it as such. The guests coming to hotels can have various different purposes like there are business travellers, there are people who come for vacation or to have an adventure trip and also people who come for medical treatment among others. To cater to such a diverse market, hospitality industry has to be on their feet at every moment. Hotel is not about just providing accommodation and food, it refers to the relationship between a guest and host, of being hospitable. It also talks about the cordial reception of guests, visitors or even strangers. Hospitality is the act of generously providing care and a warm reception with kindness to anyone who needs it [1]. Due to the diverse marketplace and a global presence, hotel industry gets highly impacted by the fluctuation of economy and the global happening taking place. Hotel Celebrations is a well-established brand in hotel industry all over India and recently they have also made their entry in Lavasa. Lavasa is a smart city, known as 'Mini Italy'. Lavasa was once growing at a rapid pace and working towards full-fledged stability but due to change in political and economic scenario, everything took a downward slide and currently Lavasa has been filed for bankruptcy in NCLT which makes hospitality a more complex business here.

### A. Problem Statement

As the marketplace is becoming more and more dynamic, hotel business has also gone through a lot of changes. Due to the ever-increasing competition, an increase in the number of road-side vendors and a rapid decrease in visitors coming to enjoy the scenic view of Lavasa, there has been observed an unpredictable dip in the hotel industry in Lavasa. In such a scenario, a new player in the Lavasa hotel industry like Hotel Celebrations should understand the likes and dislikes of the students residing in Lavasa, the old-age people living in 'Aashiana' and the tourists who visit Lavasa to have a peaceful vacation. It is widely accepted that in order to sustain in a complicated city like Lavasa, hotels have to understand the preferences of the residents of the city as well as of the tourists and also need to collaborate with them on a regular basis. They have to look up for the opportunities to serve the three above mentioned category of customers which affect their business and also guarantee a reasonable return to them.

### B. Objectives

1. To understand the consumer perception in availing hotel services.
2. To investigate the association of demographic factors with hotel services.

## II. LITERATURE REVIEW

- A. *Consumer willingness-to-pay for hotel room amenities*  
 Academics have extensively studied about the hotel amenities and the influence of these amenities on consumer preference. There is practical use of such information as it helps the revenue managers in order to attempt to match the availability of hotel rooms with the demands of the travellers for accommodation purpose, to maximize profits for the company [2]. Most profitable price schedule for various types of rooms can be determined by the revenue managers. Market segmentation have been used in this study by which the value of amenities has been determined for an aggregate group and more homogeneous groups. This segmentation allowed the study to segment markets into different homogeneous groups which thereby allowed to calculate consumer's willingness to pay for additional amenities. The study showed that consumers are willing to pay extra for kitchen and extra bedroom [2]. But they're not willing to pay extra for a second bedroom. By knowing these results, customers can be made to feel that they're getting high value for money.
- B. *The relationship between CRM, RQ and CLV based on different hotel preferences*  
 Structural Equation Modelling (SEM) has been used in this study to investigate the relationship strength between Customer Relationship Management (CRM), Relationship Quality (RQ) and Customer Lifetime Value (CLV) from the viewpoint of a consumer [3]. This study also checks that "is there any significant difference due to these relationship models" on different hotel type preference groups. On analysis of questionnaires, it was found that CRM influences the RQ positively and RQ influences the CLV positively. It was also observed that hotel preferences of different consumer groups reveal a partial interference effect on the relationship between CLV, RQ and CRM [4].
- C. *Determinants of customer relationship management*  
 Hospitality industry is growing faster and it has aggressive competition. In order to Increase the profits organizations needs to choose any one option between reducing the cost, increase sales or Retaining profitable customers [5]. Factor analysis has been used to identify the factors/determinants that influences the customer relationship management. The five factors that are extracted from the study are customer needs and preferences, complaint handling and customer satisfaction, customer offers and customer information, hotel employees' behaviour and customer treatment and feedback.
- D. *Identifying the magnitude of priorities in consumer preference of hotel choice*  
 Reference [6] proposed that customer loyalty is most essential factor for long term success of hotel. Hotels spends Huge capital expenditure to have competitive advantage in the industry. This study focuses on understanding preferences of prospective customers. This research also has significant role in understanding the resource allocation plan. It was found that cleanliness is the highly preferred factor for selecting the hotel services of consumers below age 30. The better understanding of preference of prospective consumers the better resources can be allocated. "With advanced statistical methods, one can estimate individuals or market segments preferences, rather than work with aggregates" [7].
- E. *A Tractable Approximation Approach to Improving Hotel Service Quality*  
 According to [8] cross sectional empirical study and analyse the service quality in hotel industry. To meet ever changing needs of the customers' quality service is important. In this paper theory of continued fraction interpolation and genetic algorithms are combined to present an innovative service prediction model. This paper is included with applications of the model [9].
- F. *The influence of customer engagement in value co-creation on customer satisfaction*  
 This paper has defined the suitable co creation activities and customer engagement activities that leads higher customer satisfaction and customer loyalty in the Russian hotel industry. Secondary data such as comments in social media and reviews in websites were used to analyse the role of customer engagement in customer satisfaction [10]. The method of co creating experience environment was done by public investigation and secondary data analysis of hotels websites and annual reports [11]. Feedback, co-production, Firm driven service innovation, customer driven customization and co creation are the five forms of co creation activities found during the course of study. Customization and service innovation are most often used strategy in co-creative activities. Co creation is the new strategy used to satisfy the customers [12]. It was found that luxury hotels more often use customization. This study had also helped to compare their service with global standards. The major limitation in the paper was the qualitative technique used to identify the insights related to customer engagement.

Conceptual framework is represented in the following Fig 1:

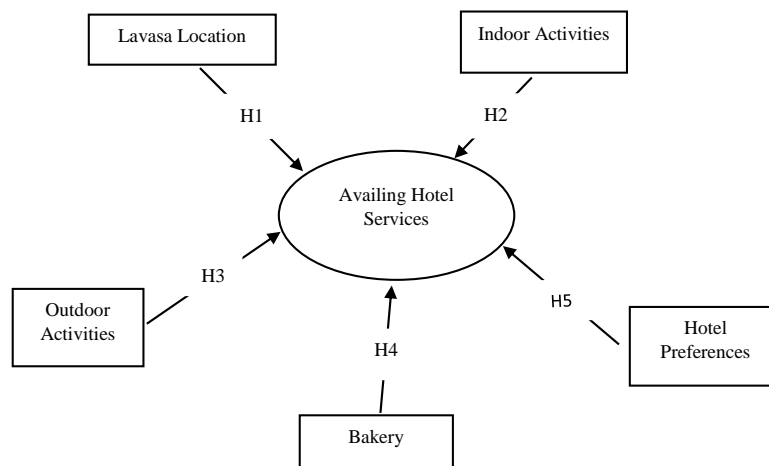


Fig.1: Conceptual Framework

**Hypotheses:**

- H<sub>1</sub> - Lavasa Location will significantly influence the decision to Avail Hotel Services
- H<sub>2</sub> - Indoor Activities will significantly influence the decision to Avail Hotel Services
- H<sub>3</sub> - Outdoor Activities will significantly influence the decision to Avail Hotel Services
- H<sub>4</sub> - Bakery will significantly influence the decision to Avail Hotel Services
- H<sub>5</sub> - Hotel Preferences will significantly influence the decision to Avail Hotel Services

**III. RESEARCH METHODOLOGY**

**A. Measures and Instrument Design**

This paper uses descriptive research by using survey method. For sampling, we used clustered technique as we separated our target population into three groups. It provided us with equal chance of surveying all our target groups fairly. 5-point Likert scale has been used in this study as it is well tried and tested scale. Our target population was: Students, senior citizens and the tourists visiting Lavasa and the guests staying in Hotel Celebrations. As these populations are the ones which makes their impact on the consumer preference in availing hotel services, we decided to take them as our target population. The reason for surveying these people is that Hotel Celebrations is thinking about coming up with new services in Lavasa marketplace which makes it important for them to understand the preferences of major factors which affects their business. This article is based on real-time study.

**B. Questionnaire design:**

The questionnaire had 4 sections. The first section was dedicated towards studying the demographics of the respondents. The second section was to know the reasons for respondents to come to Lavasa. The next section was to know the indoor activity preferences, outdoor activity preferences and the last section is to know the preferences with respect to availing room services in hotel. The students who were being surveyed aged between 21 to 29, senior citizens aged above 60 and tourists of all age group. We undertook the survey for a period of 1 and a half months. Most of the questions were designed using 5-point Likert scale, ranging from “not desirable” to “desirable” and others.

TABLE I  
DEMOGRAPHIC INFORMATION OF RESPONDENTS

S.NO.	Classification	Categories	Frequency	Percent
1	Gender	Male	87	60.8
		Female	55	38.5
		Others	1	0.7
		<b>Total</b>	<b>143</b>	<b>100</b>
2	Age	Below 21	14	9.8
		21-30	95	66.4
		31-40	9	6.3
		41-50	5	3.5
		51-60	8	5.6
		Above 60	12	8.4
		<b>Total</b>	<b>143</b>	<b>100</b>

The above table I reveals that out of 143 total respondents, 87 respondents are male which is 60.8 % of the total whereas 55 respondents are female which is 38.5% of the total sample. Maximum respondents were between age group 21-30 which is 66.4 % of the total. The second highest respondents were of the age group below 21 i.e., 9.8% and third highest was for age group above 60 which is found to be 8.4%.

Table II  
DESCRIPTIVE STATISTICS

Priority for Lavasa	N	Mean	Std. Deviation
Peaceful	143	3.99	0.86
Activities	143	3.32	1.19
Business	143	2.23	1.25
Studies	143	2.90	1.59
Pollution	143	3.98	1.00
Traffic	143	3.99	0.98
Excitement	143	4.08	0.83
Memories	143	3.93	1.12
Bikeride	143	2.69	1.42

Analysis : From the above table II, it shows reasons why people come to Lavasa and it can be said that maximum number of people comes because of the excitement for hills, mountains, lakes, etc. i.e., 4.08 and after that 2<sup>nd</sup> highest is because Lavasa is a peaceful destination (3.99) followed by the factor that it is away from traffic and less polluted. Lavasa is least preferred by business purpose. Corporates shows least interest to visit to this place for their official work

Table III  
DESCRIPTIVE STATISTICS FOR INDOOR ACTIVITIES

Indoor Activities	N	Mean	Std. Deviation
Badminton	143	3.23	1.17
Table Tennis	143	2.71	1.22
Swimming	143	2.97	1.31
Snooker	143	2.39	1.27
Chess	143	2.55	1.25

From table III, it can be seen that people favours Badminton the most (average 3.23) which is followed by Swimming (average 2.97) and Table Tennis (average 2.71) and the least favoured indoor activity is snooker (average 2.39).

Table IV  
DESCRIPTIVE STATISTICS FOR OUTDOOR ACTIVITIES

Outdoor Activities	N	Mean	Std. Deviation
Trekking	143	3.96	1.10
Water sports	143	3.58	1.23
Wall climbing	143	3.22	1.44
Water laser	143	3.27	1.35
Cricket	143	2.88	1.44
Houseboat	143	3.46	1.34
Cycling	143	3.55	1.24
Karting	143	3.41	1.38
Paintball	143	3.44	1.39
Bungee	143	3.44	1.42
Camping	143	3.90	1.16

From the above table IV, it can be inferred that the most preferred outdoor activity is trekking (preferred by average 3.96 people) which is followed by camping (average 3.90) and Water sports (average 3.58). The least preferred outdoor activity has been found to be Cricket (average 2.88 ).

Table V  
TABLE DESCRIPTIVE STATISTICS FOR BAKERY ITEMS

Bakery Preference	N	Mean	Std. Deviation
Puff	136	3.69	1.13
Desserts	137	3.97	1.13
Pastries	139	3.94	1.11
Beverages	138	3.81	1.19
Cakes	138	4.07	1.03
Donuts	135	3.79	1.24
Pizza	139	4.03	1.16
Muffins	137	3.72	1.17
Biscuits	135	3.57	1.09
B Cupcakes	135	3.79	1.19

The above table shows that the highest preferred bakery item is Cakes with a mean of 4.07 and least standard deviation from the mean i.e., 1.03 and it is followed by pizza and desserts with a mean of 4.03 and 3.97 respectively. From the table it is inferred that biscuits are least preferred with a mean of 3.57.

TABLE VI  
DESCRIPTIVE STATISTICS FOR HOTEL SERVICE PREFERENCES

Hotel Preference	N	Mean	Std. Deviation
Bed	143	4.27	0.85
Food	143	4.31	0.83
Spa	141	3.09	1.21
Gym	143	3.20	1.19
Swimming	141	3.63	1.19
Rooms	141	4.12	0.93
Hygiene	142	4.64	0.69
Ambience	141	4.36	0.83
Location	143	4.42	0.78
Support	142	4.23	0.90
Washrooms	142	4.50	0.86

From the above table, it can be understood that Hygiene is the most important thing in an hotel with mean of 4.64 and a standard deviation of 0.69. The second most important thing is washroom with a mean of 4.50, followed by location of the hotel and ambience around it having a mean of 4.50 and 4.42 respectively.

Table VII  
DESCRIPTIVE STATISTICS FOR RATING HOTEL SERVICES

Availing Hotel Services	N	Mean	Std. Deviation
Hotel standard	120	3.20	1.03
Food quality	120	3.15	1.12
Beverage quality	117	3.17	1.07
Staff	118	3.43	0.99

From table VII, it can be inferred that people give the maximum attention to the staff interaction which can be seen by mean, i.e., 3.43 and standard deviation of 0.99. After staff interaction, there comes the standard of hotel, quality of the beverage provided and the least attention has been given to the food with a mean of 3.20, 3.17 and 3.15 respectively.

Table VIII –  
REGRESSION

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.407 <sup>a</sup>	0.166	0.129	0.916
<i>a. Predictors: (Constant), Hotel Preferences, Indoor Activities, Bakery Lavasa, Outdoor Activities</i>				

The table provides the R and R<sup>2</sup> values. The R value represents the simple correlation and is 0.407. The R<sup>2</sup> value indicates how much of the total variation in the dependent variable i.e., availing hotel services, can be explained by the independent

variable i.e., priority to come to Lavasa, indoor activities, outdoor activities, and preferences for hotel services. In this case, it is 16.6% can be explained, which is very small and this indicates that the facilities to attract guests is not at par as expected.

Model	Sum of Squares	df	Mean Square
Regression	18.84	5	3.76
Residual	94.96	113	00.84
Total	113.80	118	

a. *Dependent Variable: Availing Hotel Services*

b. *Predictors: (Constant), Hotel Preferences, Indoor Activities, Bakery, Lavasa, Outdoor Activities*

The above table is the ANOVA table, which reports how well the regression equation fits the data (i.e., predicts the preference of people in availing hotel services). Sig. column shows the significance of the regression model. Here sig. or p is 0.001, which is less than 0.05, which indicates that it is good fit for the data.

Table IX  
COEFFICIENTS<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.273	0.588		2.164	0.033
	Lavasa Location	0.250	0.145	0.193	1.719	0.048
	Indoor Activities	0.271	0.112	0.258	2.420	0.017
	Outdoor Activities	-0.004	0.105	-0.004	-0.038	0.970
	Bakery	-0.037	0.106	-0.036	-0.346	0.730
	Hotel Preferences	0.123	0.130	0.087	0.946	0.346

a. *Dependent Variable: Availing Hotel Services*

Out of all the variables, only the indoor activities show a significant relationship with availing the hotel services which can be seen from the above table showing significant value for indoor activities as 0.017, which is less than 0.05. Rest all are above 0.05 which cannot be considered for the study. So, it can be concluded that indoor activities affect the choice in availing hotel services.

### CONCLUSIONS

The paper suggests that majority of population in Lavasa is aged between 21-30 years of age. Male respondents constituted 60.8% and female respondents constituted around 30.5% and others category constituted 0.7%. We have also observed that people mostly visit Lavasa because of the excitement of the unknown and also because of the peacefulness of the city. Excitement has the highest mean of 4.08 and followed by peaceful destination with a mean of 3.99. Less pollution in the Lavasa is also third highly influencing factor that is attracting the customers. In coefficient analysis Indoor activity holds the significance value of 0.17 and peaceful destination of Lavasa holds the significance value of 0.48. Badminton is the indoor activities which people thinks, is necessary to have, along with swimming pool. Indoor swimming pool attract students during summer season as it holds the second highest mean (3.97) in indoor activities. Descriptive analysis of Hotel service preferences in choosing a hotel overall hygiene and washrooms plays major in influencing customers to avail hotel services. They have mean of 4.64 and 4.50 respectively. Gym and Spa are the least proffered services by respondents in availing hotel services. It is advised for the hotels in the Lavasa to not to invest in any gym and spa services in the hotel. Gym holds the mean of 3.20 and Spa holds the mean of 3.09 and the standard deviation is 1.19 for both the factors. The people coming to Lavasa likes to go on trekking and camping both of which attract the people to visit Lavasa with a mean 3.96 and 3.90 respectively. Bakery items that people require here are cakes, pizza and other desserts by inferring to the collected data. It can also be concluded that the thing which is most important for the customers in a hotel is the hygiene. People rates the hotel mostly on the basis of the behavior of the hotel staff and the hotel standards. Out of all the variables considered for the study, only indoor activities and destination have a significant relationship in availing hotel services, So, it can also be inferred that the hotel does not have the required resources to fulfill the requirements of the customers. It also indicates that they have not understood the things which people coming to Lavasa wants. They need to understanding the Lavasa market dynamics in order to survive here. Also, in addition to the variables undertaken in this study, the Hotel should look at other variables which will help them attract the customers and run their business well in such a complex environment. distribution. It shows that indoor activity contributes 16% and destination contributes 48% for availing hotel services. Hotels should understand the other factors that influences tourists, old age people and students to avail hotel services.

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