

# INNOVATION STRATEGIES IN THE HOTEL INDUSTRY

<sup>1</sup>Dr. P. PRAVEEN KUMAR, <sup>2</sup>Ms. L. Sheryl Christina Preethi

<sup>1</sup>Asst. Professor, Saveetha School of Management, Saveetha Institute of Medical and Technical Sciences, Chennai – 77

<sup>2</sup>Student, Saveetha Institute of Medical and Technical Sciences, Chennai – 77

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**Abstract:** The hospitality sector is a massive industry which restrains discrete allotments in it like travels, entertainments, food and beverages, hotel and much more. Indian hospitality industry is one of the fastest growing sectors and generates further employment opportunities. In hospitality sector, populace pays attention to dribble away on luscious and leisure things. The flourishing tourism industry has lined the way for hotel sector in terms of room occupancy ratio and its value. The hotel industry embraces of lodging, restaurants, theme parks, etc and principally depends on the business travellers and medical tourism. The motive for the multimillion dollar hotel industry is owing to its escalating innovative activities. The present study gazes into a variety of innovations in hotel industry. Employees of hotel industries were scrutinized through questionnaire for spotting the innovations in that industry. Present literature employs frequency analysis, mean analysis and factor analysis for the collected data. Study reveals that bio gas plant and water recycling treatment are in custom to make eco-friendly environment.

**Keywords:** hotel industry, tourism industry, restaurants.

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## 1. INTRODUCTION

The Hospitality industry is blooming and dedicating almost ten percent to the world's GDP. The global requirement for travel and tourism has provided remarkable opportunities to the hospitality industry at the regional, national and global levels. The mammoth contribution by the hospitality industry makes the economy in setting up of fresh jobs. Secondary jobs are also created in the field of agriculture, food production and in retail industry. Among the service sectors in India, restaurants stand up as a third sub segment. All the expenditures incurred by the foreign tourists is the best earnings through foreign currency. The hospitality industry launching global hotel business is indulged as one among the top 15 sectors that fetches in utmost foreign direct investment. The tourist's attentions are essentially conspired by good infrastructure facilities and at the same time the infrastructure development seize place with the revenue spawned. Every nation covets to be recognized for their good service, thus hospitality is the intellectual route.

A necessary missile for innovation of an organization is progressing and launching exclusive and triumphant services. Some of the innovations are free shuttle service, digital menu card, self check in, QR code, finger print/retinal scan and much more. The other innovations include specialized accommodation facility by means of updating to European style, American style, etc. It has been said that the innovations in hospital industry are predominantly insubstantial which upshots in niggling to supervise and appraise.

## 2. REVIEW OF LITERATURE

Nieves and Segerra-Cipres (2015) scrutinized the hotel industry within the Spanish territory. The study examines about the consequences of internal and external factors towards the innovations made in the hotels. It is evident from the study that the management innovation is influenced by human capital, external relationships with the agents and integration capability in a positive manner.

Uen et al. (2018) argues that the newcomer's innovation performance is affected by various factors. Supervisor's capability, mentoring and the task autonomy prove an affirmative association with the newcomer's novelty concert. Supervisor potential in addition to the task autonomy will fortify the affiliation stuck between the newcomer's innovation act and supervisor's mentoring.

Rios and Ciobanu (2019) applied the innovation theories in the service sector in order to cram about the innovation strategies. The innovation strategies highly influence the performance in the service industry. There is a discrepancy between the innovations in the hospitality industry and other service industry. It is found that the slightest innovation activities are put into operation in the hospitality industry.

Sun and Lee (2018) depicts about the impacts of franchising in the service industry. The study explains that if an industry penetrates into more quantity of franchising it would upshot in quite a few downbeat effects. The dynamic competition and industry instability are dampened when an industry engross in franchising. This is more palpable in hospitality industry.

Rios et al. (2018) investigated the innovation theory in the food industry to learn about the food waste. The food waste innovations in radical and incremental manner are implemented by the food service professionals. This is prepared utterly based on the financial cost and benefit analysis. The learning strategies are based on the past experiences. The professionals fall short in the systematic execution of waste reduction tactics.

Perez et al. (2019) examines about the usage of glass ceiling. The study concludes that there is male ascendancy prevailing in the hospitality industry for the reason that it is a traditional industry. The study states that upgrading in women participation must be compulsorily done.

Pena et al. (2016) demonstrates that the customers are ready to pay even a generously proportioned amount, if there is something innovative in the hotels. The customization, quality and diversification afforded augment the agreeableness to pay for the hotels. The study discusses about the issues in co linearity and substitutive methods to overcome it.

Filimonau and Brown (2018) introduced a concept called last hospitality in this study. The study explains about the need for hospitality and its implications on the business. Furthermore, the study also explains about the necessity for the funeral directors to give hospitality services to deceased as well as their family members and friends.

Goh and Lee (2018) explain that working in the people industry gives positive attitude. It is perceived as complicated to pact with people and makes people reluctant to join the hospitality industry. Their career choice is mostly influenced by the family. The study concludes that the perceptions about people regarding hospitality industry are positive and they think it will be exciting to work and also travel opportunities are available. In spite of these benefits, they also have issues about the odd working hours, safety aspects and dealing with people.

Koseoglu et al. (2018) projects that the hospitality industry has marketing as its significant sub field. The study focuses on the tourism and hospitality articles between the period of 1971 and 2016.

Bowie (2018) demonstrated about the innovations that collectively influenced the English hotel evolutions. The data was collected from the business directors and newspapers of 19<sup>th</sup> century. There was a tremendous raise in the growth of English hotels after 1870. The transitions from English inns to hotels were mainly to enhance the comfort and service quality to the customers.

Jung and Hoon (2018) revealed regarding the conflicts that arises due to the communications with the customers in the front office. These conflicts can gradually increase the performance when it is administered well. The innovative behaviour and employee engagement can be boosted with the assistance of the climate existing due to conflict management.

Horng et al. (2016) collected data from 854 hospitality and tourism practitioners. The study concludes that there are five main attributes for creativity. They are satisfaction, proactive personality, culture, creativity and process.

### 3. INNOVATION IN HOTEL BUSINESS

In order to investigate the innovations in hotels business, questionnaire has been developed and employed to the 102 employees of hotel business. The employees are working as manager, chef, front office executives, executive in food and beverage section, housekeeping and maintenance. The demographic profile of this study includes gender, age, qualification and designation. The frequency analysis for all those above mentioned demographic profile is shown in Table 1.

**Table 1: Demographic Profile**

<i>Age</i>	<i>Frequency</i>	<i>Percentage</i>	<i>Designation</i>	<i>Frequency</i>	<i>Percentage</i>
< 25 Years	22	21.6	Housekeeping	21	20.6
25 to 35 Years	51	50	Maintenance	14	13.7
> 35 Years	29	28.4	Chef	14	13.7
<b>Total</b>	<b>102</b>	<b>100</b>	Manager	11	10.8
<i>Education Qualification</i>	<i>Frequency</i>	<i>Percentage</i>		<i>Frequency</i>	<i>Percentage</i>
Schooling	7	6.9	Food and Beverage	21	20.6
UG	46	45.1	Front office	21	20.6
PG	36	35.3	<b>Total</b>	<b>102</b>	<b>100</b>
Others	13	12.7	<i>Gender</i>	<i>Frequency</i>	<i>Percentage</i>
<b>Total</b>	<b>102</b>	<b>100</b>	Male	76	74.5
			Female	26	25.5

Table no.1 shows that majority of the employees of hotel business are male (74.5%) and nearly 50 percent of the employees belong to 25 to 35 years old followed by more than 35 years (28.4%) and less than 25 years (21.6%). Employees possess minimum of under graduation (45.1%) as their educational qualification followed by post graduation (35.3%), other courses (12.7%) and schooling (6.9%). It is inferred from the table that hotel business requires more employees for housekeeping (20.6%) and food and beverage section (20.6%). Their responses related to innovations in hotel business are measured using Likert's five point scale. The mean analysis is performed and results are shown in Table 2.

**Table 2: Innovations in Hotel Business**

<i>S. No</i>	<i>Innovations in Hotel Business</i>	<i>Mean</i>	<i>Rank</i>
1	Self check in process is in practice to save time and avoid crowd in the reception. (Self Check In)	3.20	11
2	Digital menu card enabled for the guests to choose and order their food directly from ipad. (Digital Menu Card)	3.40	9
3	A free shuttle service to airport is provided to the customers. (Free Shuttle Service)	3.20	11
4	Free home delivery is available to the customers to increase their satisfaction level and number of orders. (Free Home Delivery)	3.86	5
5	Instead of key cards, finger print or retinal scan have been allowed to the customers to open the door.(Finger Print/Retinal Scan)	3.49	8
6	City map and transport services details are given to the customers while they check in the hotel. (City Map)	4.04	2
7	Plastic money payment methods are in use for convenience of both customers and employees. (Plastic Money)	4.01	3
8	Software to streamline the administrative tasks is up to date, cloud based and secured. (Software)	3.55	7
9	QR code system is being provided to know about the benefits available in dining. (QR Code)	3.36	10
10	Bio gas plant and water recycling treatment are in practice to make eco-friendly environment. (Eco-Friendly)	4.14	1
11	Kettle and iron box are placed in rooms for customer convenience. (Convenience)	3.79	6
12	Franchises or special event stalls are established to enhance business. (Establishment)	3.95	4

Table no. 2 shows the mean analysis of innovations in hotel business. It is clear from the table that the variable "eco-friendly" has the highest mean value of (4.14) followed by city map (4.04), plastic money (4.01), establishment (3.95), free home delivery (3.86), convenience (3.79), software (3.55), finger print/retinal scan (3.49), digital menu card (3.40), QR code (3.36), free shuttle service (3.20) and self check in process (3.20). Hotels are trying to create eco-friendly environment by establishing bio gas plant and water recycling treatments. The relationships among the stated innovations are measured using factor analysis.

**Table 3: Measure of Data Sufficiency**

<i>Kaiser-Meyer-Olkin (KMO)</i>		0.7
<i>Bartlet's Test of Sphericity</i>	Approx chi-square	347.928
	Sig	0.000

Table no.3 shows the results of KMO and Bartlet's test for innovations in hotel industry. This test measures the data sufficiency. It is clear from the table that KMO rate is greater than 0.6 and significant value is 0.000. The collected data is sufficient for conducting factor analysis.

**Table 4: Total Variance Explained**

<i>S. No</i>	<i>Total</i>	<i>% of Variance</i>	<i>Cumulative %</i>
1	2.721	22.677	22.677
2	2.184	18.200	40.877
3	2.013	16.772	57.650

Table no. 4 explains the variance of component. Table reveals that 10 variables have been grouped into three components and collectively explains 57 % of variance.

**Table 5: Rotated Component Matrix**

<i>S. No</i>	<i>Innovations in Hotel Business</i>	<i>Component 1</i>	<i>Component 2</i>	<i>Component 3</i>
1	Free Shuttle Service	0.786	-	-
2	Digital Menu Card	0.773	-	-
3	Self Check In	0.700	-	-
4	QR Code	0.684	-	-
5	Finger Print/Retinal Scan	0.655	-	-
6	Software	-	0.693	-
7	Eco-Friendly	-	0.687	-
8	Convenience	-	0.622	-
9	Establishment	-	0.611	-
10	City Map	-	-	0.798
11	Free Home Delivery	-	-	0.767
12	Plastic Money	-	-	0.605

It is clear from Table no. 5 that variables such as free shuttle service, digital menu card, self check in, QR code, finger print/retinal scan are grouped in first factor. Second factor takes software, eco-friendly, convenience and establishment. Final factor includes city map, free home delivery and plastic money. Based on the nature of variables, factor 1, 2 and 3 are named as Information Technology, Customer oriented innovations and Innovations in financial aspects respectively.

#### 4. CONCLUSION

The impact of hospitality industry in our global economy is influential and through this the travel and tourism industry provides more than 266 million jobs all over the world. The global industry is under the shade of the travel and tourism industry. As a consequence, ascend in travel and tourism results in the amplification of global occupancy rate of hotels in most of the regions. There is a steady growth of global lodging which in return paves the way for emerging new hotels universally. The outlook of the hospitality industry is intrinsically correlated with that of the tourism industry where both the foreign and national tourists play a vital role. The hospitality industry is moving towards budget accommodation without adjusting on standards. As businesses are ramping digitalized, hotel industry is also moving towards entire digital operation.

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