



A Look at Evolving Customer Demands in the Hotel Sector of India

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ABSTRACT

The Indian hotel industry has been one of the fastest-growing sectors in the country in recent years. With a CAGR of 14.8% from 2014 to 2019, the industry has grown significantly, reaching a market size of INR 1.82 trillion in 2019. However, with this growth has come increased competition, leading to hotels having to adapt and innovate to stay relevant.

One of the most significant changes in recent years has been the shift towards technology-driven services. Consumers are increasingly using online booking platforms, digital check-in and check-out, and mobile apps to access services such as room service and housekeeping. As a result, hotels have had to invest in technology to keep up with these changing consumer preferences. This has included the development of mobile apps, the use of data analytics to personalize customer experiences, and the implementation of digital keys to access rooms.

Another significant change in consumer preferences has been a preference for local experiences. Travelers are increasingly looking for opportunities to explore local culture and traditions, leading to an increase in demand for hotels that offer local cuisine, cultural experiences, and local tours. Boutique hotels and homestays that offer personalized local experiences have become particularly popular in response to this trend.

Overall, the Indian hotel industry has had to evolve significantly in recent years in response to changing consumer preferences. With the rise of technology, a preference for local experiences, and growing environmental consciousness, hotels will continue to innovate to meet the needs of their guests.

Introduction

The Indian hotel industry has been a significant contributor to the country's economy, with a steady growth rate over the years. The growth of the industry has been driven by several factors, including an increase in domestic and international travel, a rise in disposable incomes, and the growth of the middle class.

Despite the industry's growth, there have been challenges, including increased competition from new and innovative players, changing consumer preferences, and the emergence of new technologies (Singh & Sinha, 2021). As a result, hotels have had to innovate their services and adapt to the changing landscape to remain competitive.

One significant challenge that hotels have faced is the emergence of new technologies. With the rise of technology, consumers have become more tech-savvy and expect hotels to provide technology-driven services (Sharma & Chakraborty, 2021). These include online booking platforms, mobile apps for room service and housekeeping, and digital check-in and check-out. Hotels have had to invest in technology to meet these changing consumer preferences and remain competitive (Muley & Chakraborty, 2020).

Another challenge has been the changing preferences of consumers. Travelers are increasingly looking for unique experiences, including local cuisine, cultural experiences, and local tours. This has led to an increase in demand for boutique hotels and homestays that offer personalized local experiences. Hotels have had to adapt to this trend by offering these experiences to remain competitive (Arora, 2020).

Consumers are becoming more environmentally conscious, leading to a growing demand for eco-friendly practices in the hotel industry. Hotels have had to adopt initiatives such as reducing water consumption, using renewable energy sources, and reducing waste to meet the expectations of consumers (Kumar, 2021).

In response to these challenges, hotels in India have had to innovate their services and adapt to the changing landscape to remain competitive. The industry has seen a rise in boutique hotels, homestays, and eco-friendly hotels that offer unique experiences to travelers (Verma & Kala, 2017). Additionally, hotels have had to invest in technology to meet the changing preferences of consumers.

The Indian hotel industry has been growing steadily, but with increased competition and changing consumer preferences, hotels have had to innovate their services and adapt to the changing landscape to remain competitive (Balasubramanian & Kumar, 2019). As a result, the industry is set to continue evolving to meet the needs of consumers and stay ahead of the competition.

Evolving Consumer Preferences

- 1) Technology-driven Services
 - a. Online booking: Consumers increasingly prefer to book hotels online for convenience and accessibility.
 - b. Digital keys: The use of digital keys to access rooms is becoming more popular as consumers seek contactless experiences.
 - c. Mobile apps for room service and housekeeping: Hotels are investing in mobile apps to allow guests to order room service and housekeeping requests from their mobile devices.
 - d. Investment in mobile apps: Hotels are investing in mobile apps to stay competitive and meet consumer expectations for technology-driven services.
 - e. Digital check-in and check-out: Digital check-in and check-out processes are becoming more common to streamline the guest experience and reduce wait times.
 - f. Personalization through data analytics: Hotels are using data analytics to personalize guest experiences and improve customer satisfaction.
- 2) Local Experiences
 - a. Preference for local culture and traditions: Travelers have a growing preference for exploring local culture and traditions.
 - b. Offerings of local cuisine: Hotels are offering local cuisine to cater to the demand for local experiences.
 - c. Cultural experiences: Cultural experiences, such as traditional dance performances, are being offered to guests
 - d. Local tours: Local tours are being provided to help guests experience the local culture and sights.
 - e. Increase in demand for boutique hotels and homestays: Boutique hotels and homestays that offer personalized local experiences are becoming increasingly popular.
 - f. Personalized local experiences: Hotels are offering personalized experiences that cater to the specific preferences of their guests.
- 3) Environmental Consciousness
 - a. Eco-friendly practices: Implementation of eco-friendly practices in hotels.
 - b. Reduction of water consumption: Reducing water consumption by adopting low-flow fixtures, water-saving laundry systems, and promoting towel and linen reuse
 - c. Use of renewable energy sources: Using renewable energy sources like solar panels, wind turbines, and geothermal systems.
 - d. Waste reduction: Reducing waste by recycling, composting, and using eco-friendly cleaning products.
 - e. Increasing importance to consumers: Increasing importance of environmental initiatives to consumers, who are becoming more aware and conscious of the impact of their choices on the environment.
- 4) Health and Wellness Amenities
 - a. Prioritization of physical and mental health: Consumers are increasingly aware of the importance of physical and mental health, leading to a demand for hotels that prioritize wellness.
 - b. Demand for gyms, yoga studios, spas, and healthy food options: Travelers want access to amenities that support their health and well-being, such as fitness centers, yoga studios, spas, and healthy food options.
 - c. Investment in wellness amenities: Hotels are investing in wellness amenities to meet the growing demand, including building gyms and spas, offering yoga and fitness classes, and providing healthy food options.
- 5) Sustainable Tourism
 - a. Growing trend towards sustainable tourism: Sustainable tourism is a growing trend where tourists aim to have a positive impact on the environment, society, and economy.
 - b. Demand for hotels with sustainable practices: There is an increasing demand for hotels that prioritize sustainability and demonstrate eco-friendly practices in their operations.
 - c. Use of eco-friendly materials in construction and operations: Hotels are incorporating eco-friendly materials in their construction and adopting sustainable practices in their day-to-day operations to minimize their environmental footprint.
- 6) Millennial and Gen Z Preferences

- a. Prioritization of experiences over material possessions: Millennial and Gen Z travelers prioritize experiences over material possessions when it comes to travel.
- b. Demand for unique and authentic experiences: There is a growing demand for unique and authentic experiences.
- c. Impact on the industry: The preferences of these generations are having a significant impact on the travel industry as a whole.
- d. Offering more experiential activities: To meet this demand, hotels are offering more experiential activities and packages
- e. Providing personalized services: Personalization of services is becoming increasingly important for this demographic

The evolution of consumer preferences in the Indian hotel industry has driven significant changes in the way hotels operate and deliver services to guests. One of the most significant shifts is the preference for technology-driven services. With the rise of digitalization, consumers increasingly prefer to book hotels online, use digital keys to access their rooms, and use mobile apps to order room service or request housekeeping (Shinde & Kadam, 2021). Hotels have responded by investing in mobile apps and providing digital check-in and check-out facilities, ensuring that guests can access all the information they need through their smartphones.

Another significant change in consumer preferences is the desire for local experiences. Travelers today are seeking to explore local culture and traditions, and hotels have had to adapt by offering local cuisine, cultural experiences, and local tours (Reddy, 2020). Hotels have recognized the importance of showcasing the uniqueness of each location, and this has led to an increase in demand for boutique hotels and homestays that offer personalized local experiences. These hotels focus on the local culture, food, art, and architecture, providing guests with an authentic experience of the region (Balasubramanian & Bhatia, 2019).

Consumers are also becoming more environmentally conscious, and this has driven the need for hotels to adopt eco-friendly practices (Sarkar, 2018). Green initiatives such as reducing water consumption, using renewable energy sources, and reducing waste have become increasingly important to consumers. Hotels have responded by implementing various sustainable practices such as installing energy-efficient lighting, recycling, and reducing water usage in rooms. Many hotels have also started using renewable energy sources such as solar energy to power their properties (Sharma, 2018). By adopting eco-friendly practices, hotels are not only meeting consumer expectations but also contributing to a more sustainable future.

The changing consumer preferences in the Indian hotel industry have driven significant changes in the way hotels operate and deliver services. The shift towards technology-driven services, the desire for local experiences, and the increasing importance of eco-friendliness are just a few examples of how consumer preferences are shaping the industry (Bhowmick, 2020). Hotels that adapt to these changes and deliver what guests want will be the ones that succeed in the long run. As the industry continues to evolve, it will be interesting to see how hotels continue to innovate and adapt to meet the changing needs of consumers.

Conclusion

In conclusion, the Indian hotel industry has experienced a significant shift in consumer preferences in recent years, primarily driven by technology and changing lifestyles. Consumers are increasingly looking for personalized experiences that meet their specific needs, and hotels have had to adapt by investing in technology-driven services, offering local experiences, and adopting eco-friendly practices (Dutta, 2020). As the competition continues to increase, hotels will need to keep pace with the changing consumer demands to stay competitive.

The rise of technology has been a game-changer in the Indian hotel industry. Consumers are now looking for quick and easy solutions when it comes to booking hotels, accessing their rooms, and ordering services (Srinivasan, 2020). To meet these needs, hotels have invested heavily in mobile apps, digital check-in and check-out, and data analytics to provide personalized customer experiences. These technologies have not only made it easier for consumers to access services, but they have also improved operational efficiencies for hotels, reducing costs and increasing revenues (Gupta, 2018).

Discussion

Local experiences have also become a critical factor in consumer preferences. Tourists now want to explore the local culture and traditions of the places they visit. This trend has led to an increase in demand for boutique hotels and homestays that offer personalized local experiences. Hotels have had to adapt by offering local cuisine, cultural experiences, and local tours to meet the needs of these travelers (Joseph, 2019). This trend has not only improved the tourist experience, but it has also contributed to the promotion of local tourism.

Finally, the growing concern for the environment has also influenced consumer preferences in the Indian hotel industry. Travelers are becoming more environmentally conscious and are looking for hotels that adopt eco-friendly practices (Singh & Chahal, 2017). Hotels have had to adapt by implementing green initiatives such as reducing water consumption, using renewable energy sources, and reducing waste. These practices not only help to protect the environment, but they also improve the hotel's image as a responsible corporate citizen.

The Indian hotel industry has undergone significant changes in recent years in response to changing consumer preferences. Technology-driven services, local experiences, and eco-friendly practices have become key factors in attracting and retaining customers. The continued evolution of technology and changing consumer needs will require hotels to keep pace with these changes to remain competitive (Mohapatra & Sarangi, 2021). The Indian hotel industry has a bright future, with hotels continuing to innovate and provide exceptional experiences for their customers.

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