



Significance of Neuromarketing in Hotel Industry

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Abstract

Neuromarketing involves the scientific observation of brainwave activity, eye tracking, and skin response to determine how people's brains react to advertisements and other brand-related communications. The objective of this research paper is to study the significance of neuromarketing techniques in hotel industry from the perspective of employees working in star hotels in pune city. Researchers have collected the data from 120 respondents using survey method with the help of well-structured questionnaire. The researcher identified that descriptive research design and Non probability convenience sampling method is suitable for the research study. The findings of this study will be useful to many companies to modify their neuromarketing techniques and to design the new techniques for customer retention and customer acquisition. The findings of the present study will be helpful to Star hotels to design marketing strategies for the company. This research will be useful to online hotel business portals, to research and advertising agencies which are associated with hotel industry, to international star hotels that are planning to set up their business in India, and to other service sectors also.

Keywords: Significance, Neuromarketing, Marketing Mix, Hotel industry, Service quality etc.

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Introduction

Indian Hotel Industry

India has become a well-liked tourism destination over the past ten years, seeing a >2x increase in foreign visitors between 2010 and 2019. From 5.78 million in 2010 to 10.93 million in 2019, the number of foreign visitors grew. The tourism industry, which is fuelled by domestic and international travellers coming for business or pleasure, heavily influences the hotel industry. The sector has changed throughout the years in response to shifting consumer behaviour, the use of more modern technology like online reservation services and digital payments, and the demand for historic and boutique hotels. In 2019, the travel and tourism sector supported 40.1 million jobs and provided 6.9% of India's GDP. There were 31.8 million employment and a 4.7% contribution to the GDP in 2020.

In Indian hotel industry customer service is very important. Indian hotel wants that they provide best service to their customer so if they return to their home town they recommend your hotel to their friends and family members. The customer service also affect business if they not handled properly. SWOT analysis of hotel industry provides full insight of hotel industry to know which particular activities they are doing to achieve their goal. The roles for SWOT analysis are given as follow: Strengths (S) The cost of India hotel rooms are very low as compared to globe, this also attract many visitors to visit in India. Weakness (W) The major restrictions on the hotel industry is the cost of land, which is as high as 50 % of the total cost of the project, as compared to the lowest 15 % overseas. India also has a higher tax structureas compared to other countries, which greatly inflates the hotel



cost. Opportunities (O) In India, there are number of places to visit and these places also attract tourists to visit at least once. As a result, it increases the demand of hotel rooms. Additionally, both national and international tourists open opportunities for hotels. Threats (T) Many hotels in India have been replaced by guests' houses. Training is an important part of hotel industry. If the employee is not well trained it may affect the hotel reputation. Because employee not even know how to welcome guest.

The top 10 hotels of Pune in year 2020 are:

1. The Ritz-Carlton
2. Conrad Pune Koregaon Park by Hilton
3. JW Marriott
4. Marriott Suites
5. Vivanta
6. Hyatt Regency Hotel & Serviced Apartments
7. Sheraton Grand
8. DoubleTree By Hilton
9. The Westin
10. Sayaji Hotel

Concept of Neuromarketing

By studying the brain, these neuromarketing strategies can forecast how consumers will make decisions. Neuromarketing can also be used to try to influence consumer behaviour. Marketers acquire insight into customers' motives, preferences, and decision-making processes by using brain signals and other physiological signs. They additionally extrapolate from this study the performance of a specific commodity, service, or marketing initiative. Despite becoming commonplace approaches, consumer neuroscience and neuromarketing are still young fields. The fact that the technology is pricey and under development is one factor in this. More businesses will use neuromarketing techniques as the field of technology develops and becomes more widely available.

Neuromarketing Techniques used in Hotel Industry

1. Use eye tracking to view things from your customers' perspective.

Eye tracking, as its name suggests, involves monitoring study participants' eye movements. It is a technology that enables your company to see through the eyes of potential customers—not just in testing environments but also in actual purchasing situations. Modern eye tracking devices are so lightweight and compact that study participants can wear them while shopping or watching TV.

2. Pupillometry: Examine Your Clients' Eyes

Pupillometry performs a very straightforward task: it measures a person's pupils to determine whether or not they are dilated. Because a person's pupils enlarge while they are staring at something they appreciate, this statistic is significant. This can be helpful in marketing because it can be used to improve a variety of things, from websites to packaging, in addition to indicating whether or not consumers appreciate a product. A visually appealing website or advertisement will result in a higher rate of public involvement. Sales and brand recognition may consequently rise as a result.

3. Functional MRI or EEG: A Tour of the Brain

We can advance our discussion farther because of neuromarketing strategies. We can deduce what others are thinking by seeing what they are specifically looking at. How? By utilising equipment that focuses on reading the electromagnetic activity of the brain, such as electroencephalograms or functional MRIs (EEG). Marketers can utilise these to fully understand consumer preferences, such as whether a particular feature attracts or repels them and whether your brand piques their interest or bores them. In the end, we arrive at the same conclusions as traditional marketing studies, but with a lot more precision and evidence.

4. Facial Coding: A smile is worth a thousand words, according to facial coding. The art of reading facial emotions has become more of a science thanks to neuromarketing. Neuromarketing methods can be used to assess brain activity, eye movement, and facial expressions with unparalleled accuracy. It works



simply: we utilise our muscles to form facial expressions like a smile, an angry face, or any other type of facial expression. These little muscle movements can be precisely recorded by sensors to identify facial expressions and emotions that people aren't even aware they are experiencing.

5. Sensory Marketing

In addition to the techniques mentioned above, neuromarketing has more practical and functional applications, like sensory marketing. By applying neuromarketing discoveries, we can impact consumers without them even knowing that we're doing it. There are several forms of sensory marketing, such as through touch, sound, or smell. All of them, however, are based on influencing the audience to think of a certain brand in the presence of sensory stimulations.

Smell is a perfect example of the use of sensory marketing. Sometimes, getting a customer to make a purchase is as easy as influencing their senses with the right fragrance. A very common example are supermarkets who enhance the smell of fresh bread in order to attract people to the bakery section and encourage them to purchase.

Importance of Neuromarketing in Hotel Industry

Actually, it's quite simple. Traditional approaches include surveys, interviews, and focus groups, in which participants openly and consciously share their experiences and ideas. The unconscious aspect of tourist behaviour, on the other hand, is largely unmeasured by conventional techniques.

The use of neuromarketing to the travel and hospitality industries could help us understand the unconscious factors that influence a visitor's decision. For instance, the unconscious mind might provide crucial information regarding the hotel reservation process and consumer behaviour in a digital setting. By enhancing the digital hotel visitor experience such that the in-house guest experience, all of the aforementioned neuromarketing strategies boost bookings and brand value.

Literature Review

- Kalkaska Prasanna (2013), in the research paper entitled "Marketing strategies for standalone hotels", he observed that companies are using different marketing strategies today to increase their business. The main objective of researcher is to study new marketing strategies used by hotel industry. The researcher also analyzed the current trend used by hotels for marketing purpose. Social media marketing is one of the most important and good strategy for any business man. Through social media hotels can target many people at once. The marketing strategies are classified as 7 P's i.e. product, price, people, process, and physical evidence.
- Dr. Rishi pal (2014), in the research paper entitled "Customer loyalty towards hotel industry in India", providing good service to customer and collecting customer experience from them is an effective way to get customer satisfaction, customer retention and customer loyalty. India is gathering customer loyalty and trust by providing good service and fulfilling customers' requirements. To know customers requirement hotels are collecting their reviews. If customer get full satisfaction from hotels then they also suggest that hotels to their relatives and friends. Also, customer want to visit that hotel again.
- Garima Parkash & Kavita Khanna (2015), in the research paper entitled "Customer Behavior Study for Sugar Free Food Products in 5 Star Hotels of New Delhi", they observed that customers behavior about free food product in all over globe. The researcher also provides the information about quality, price and taste of these products. Also, how it affects the customer behavior after customer consuming them. To attract customer hotels are providing free food and product to their customer. Not only product they are also providing some extra services as customers' demands.
- Izabela Kapera (university school of physical education in krakow) (2015), in his research paper entitle "A Study of hotels promotion as viewed by customers", they observed that each hotels have their own websites where they providing all



information about hotels. The hotel website are also used to promote their hotels. Social media is another way of promoting hotels. The Facebook is most used and effective communication channel for tourist-oriented business. They also showed the different hotels brands with brand position, product development, market segmentation, promotion strategies, distribution channels, and pricing.

- Harit Kumar, Priyanka Singh (2015), in their research paper entitled “Neuromarketing: An Emerging Tool of Market Research” they found that neuromarketing is becoming a new tool to conduct market research by tapping of brain sense of the consumer to attract them for further buying.
- Amit Kumar, Amrit Kumar, Dipayan Chakraborty, Pallav Abhishek, Purba H. Rao (2017), in the research paper entitled “Analyzing Consumer Preference for Online Booking of Tourism and Hospitality in India”, they observed that there are many travel booking portals in India, they are providing various facilities to their customers for booking of travel and accommodation. These travel agencies offers packages/products to their customers which includes travel & accommodation, which are apart from acting as an interface for rail, road and air booking.
- Hanna Górska-Warsewicz and Olena Kulykovets (2020), in there research paper entitled “Hotel Brand Loyalty- A Systematic Literature Review”, they observed the customers loyalty for hotels. The aim of research paper is to observed hotel brand loyalty by guests. These research paper providing information about brand equity, brand awareness, brand image, brand engagement and quality of brand. They conclude that there are many factors which are influencing loyalty of customers to hotel brands. To maintain hotel image it is important to maintain relationship with customer.
- Mr. Adheer Goyal, Dr. Shriram Joshi, Dr.Mustafizul Haque, Miss. Swati Parmar (2021), in their research paper entitled “Neuromarketing: A Rising Appratus of Statistical Surveying” they found that

neuromakreting can be used to identifying consumer behaviour and drawing them for additional purchase.

Research Methodology

Finalizing the research objectives helps in eradicating the wastage of time and efforts in later stages of research. The research objectives should always be clearly acknowledged in consideration to the topic under study.

Researcher has decided to study the following objectives with reference to the present study.

Objectives of the study

- To study the concept of neuromarketing.
- To study the significance of neuromarketing in designing marketing mix for hotel industry.
- To identify significance of neuromarketing as per customer segment in hotel industry.

Hypothesis of the Study

- H1: Neuromarketing tools are highly important in designing marketing mix.
- H2: Neuromarketing tools are significant to achieve service quality goals.

Research design

Type of Research Design	Descriptive Research Design
Sampling Technique	Non-Probability Convenience Sampling
Sampling Area	Pune City
Sample Size	120 (Employees in Hotel Industry)
Primary Data	Well-structured questionnaire
Secondary Data	Research papers, Articles, Books, Journals etc.
Data Analysis tools	IBM SPSS-20



Data Analysis

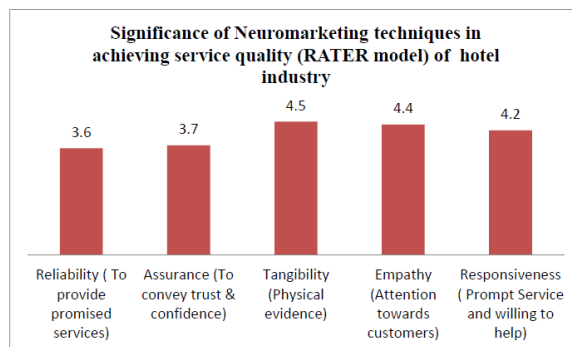
Measurement Tool	Very less Important	Less Important	Average	Important	Very High Importance
Rating Scale	1	2	3	4	5

Empathy (Attention towards customers)	4.4
Responsiveness (Prompt Service and willing to help)	4.2
Mean	4.0

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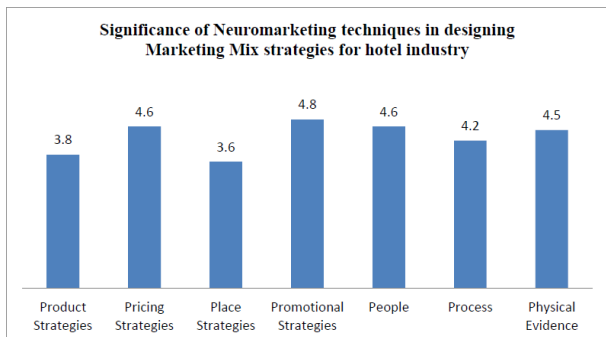
Significance of Neuromarketing techniques in designing Marketing Mix strategies for hotel industry

Marketing Mix	Mean
Product Strategies	3.8
Pricing Strategies	4.6
Place Strategies	3.6
Promotional Strategies	4.8
People	4.6
Process	4.2
Physical Evidence	4.5
Average Mean	4.2



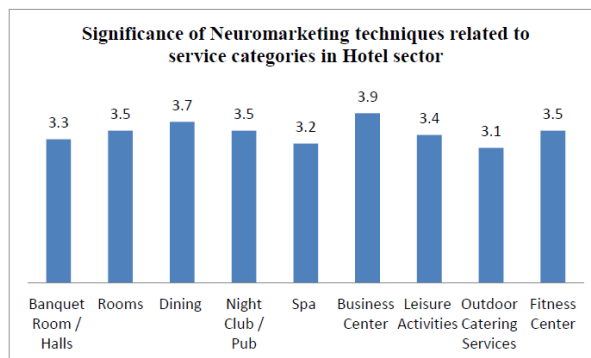
Significance of Neuromarketing techniques related to service categories in Hotel sector

Product / Services categories	Mean
Banquet Room / Halls	3.3
Rooms	3.5
Dining	3.7
Night Club / Pub	3.5
Spa	3.2
Business Center	3.9
Leisure Activities	3.4
Outdoor Catering Services	3.1
Fitness Center	3.5



Significance of Neuromarketing techniques in achieving service quality goals (RATER model) of hotel industry

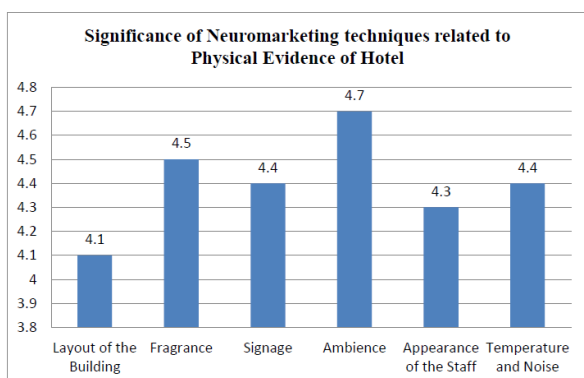
Service Quality	Mean
Reliability (To provide promised services)	3.6
Assurance (To convey trust & confidence)	3.7
Tangibility (Physical evidence)	4.5



Significance of Neuromarketing techniques related to Physical Evidence of Hotel

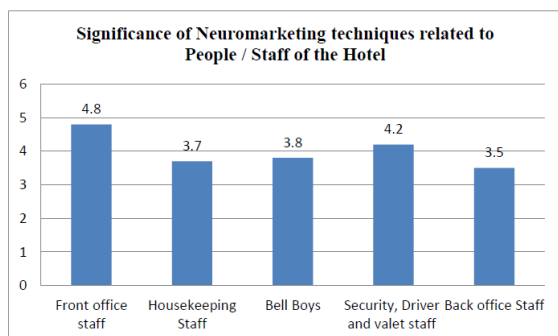


Physical Evidence	Mean
Layout of the Building	4.1
Fragrance	4.5
Signage	4.4
Ambience	4.7
Appearance of the Staff	4.3
Temperature and Noise	4.4



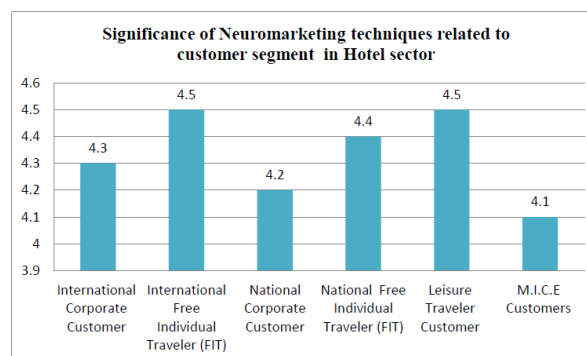
Significance of Neuromarketing techniques related to People / Staff of the Hotel

People / Staff of the Hotel	Mean
Front office staff	4.8
Housekeeping Staff	3.7
Bell Boys	3.8
Security, Driver and valet staff	4.2
Back office Staff	3.5



Customer Segment	Mean
International Corporate Customer	4.3
International Free Individual Traveler (FIT)	4.5
National Corporate Customer	4.2
National Free Individual Traveler (FIT)	4.4
Leisure Traveler Customer	4.5
M.I.C.E Customers	4.1

Significance of Neuromarketing techniques related to customer segment in Hotel sector



Hypothesis Testing

Hypothesis 1

- Null Hypothesis (H0): Neuromarketing tools are not important in designing marketing mix.
- Alternative Hypothesis (Ha): Neuromarketing tools are highly important in designing marketing mix.
- The researchers have tested the null hypothesis with the help of IBM SPSS 20. The researchers have applied Z test to check the null hypothesis. The P value identified is 0.01 which is less than 0.05 so the null hypothesis is rejected and alternative hypothesis is accepted at 5% level of significance.



Hypothesis 2

- Null Hypothesis (H₀): Neuromarketing tools are not significant to achieve service quality goals.
- Alternative Hypothesis (H_a): Neuromarketing tools are significant to achieve service quality goals.
- The researchers have tested the null hypothesis with the help of IBM SPSS 20. The researcher has applied Z test to check the null hypothesis. The P value identified is 0.01 which is less than 0.05 so the null hypothesis is rejected and alternative hypothesis is accepted at 5% level of significance.

Findings

It is observed that neuromarketing techniques are important in designing marketing mix for hotel industry as the average mean identified is 4.2. Neuromarketing helps to study consumer behaviour and ultimately proves significant in developing marketing mix strategies. Promotional strategies are highly correlated with neuromarketing tools (Mean 4.8)

Service quality goals are achievable with the help of neuromarketing as the mean observed is 4.0. Physical evidence (Mean 4.5) and Empathy (4.4) are the important dimensions of service quality where neuromarketing plays a vital role.

When it comes to study consumer behaviour or other marketing research related to service categories neuromarketing is of moderate importance.

Neuromarketing tools have high importance related to physical evidence of hotel. Ambience (Mean 4.7) is the most important parameter where neuromarketing plays important role specially colour psychology.

Compared to back office staff, front office staff (Mean 4.8) is have high significance while studying consumer psychology and designing neuromarketing techniques.

As consumer psychology is not unique neuromarketing also varies as per customer segment. In hotel industry neuromarketing tools are highly crucial for leisure traveller customer (Mean 4.5) and International free individual (Mean 4.5).

Conclusion

Studies in neuromarketing could fundamentally alter our knowledge of customer behaviour. Further research might be done on basic marketing concepts like attitudes, buying intention, response to advertising, and satisfaction. The limits of present neuromarketing research can be removed or at least improved with technology miniaturisation. Neuromarketing can significantly increase a marketing manager's capacity to assess product attractiveness, test advertising efficacy, and choose the best media mix.

Hotel neuromarketing, focuses on the tourist mind to optimise hotel marketing actions, don't forget that important points in the hotel value chain show that the guest experience does not begin at the hotel main entrance but rather at home, from the very booking decision process at their PCs or TTOOs. The best experiences from the hotel website to the hotel facilities must be provided for guests in order to raise the Client Life Value and boost the hotel brand value.

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