



THE IMPACT OF DIGITAL MARKETING IN TRANSFORMING CUSTOMER EXPERIENCE IN THE INDIAN HOTELS

Surbhi Choudhary, Dr. Vinay Chauhan

Research Scholar, Professor

The Business School

University of Jammu, Jammu, India

Abstract: The rapid use of digital technology has forced businesses to re-evaluate their operations. The pervasiveness of digital technology necessitates a new perspective on marketing and a new comprehension of customers' happiness. This study aims to determine how digital marketing impacts the customer experience in Indian hotels. This paper's main objective is to investigate the usage of digital marketing tools and techniques and the impact of digital marketing on customer experience from hotel guests/customers' perspectives. The study uses a questionnaire survey with 240 hotel guests/customers to collect data through a convenience sampling technique. Multi Regression analysis is employed for data analysis to find the association between digital marketing and its tools and customer experience. The proposed model's result confirms a positive correlation and relationship between digital marketing and customer experience. The study's findings suggest that businesses using e-mail marketing, search engine marketing and social media marketing with high-quality content are more likely to rank highly in search engine results and have a better chance of exceeding expectations regarding customer experience.

Index Terms – Customer Experience, Digital Marketing, Indian Hotels.

1. Introduction

With the development of information technology (IT) and the rise in the use of the internet and internet-based tools, the corporate strategy has changed in favour of digitalization and has impacted marketing. The tools and actions utilised in digital marketing are used for advertising through digital media (Internet, mobile, or other digital media). Several new forms of electronic communication have emerged due to the ongoing development of technology, including social networking sites, emails, voicemails, and video conferencing. This is advantageous for both business and education. Most customers interact with businesses through various channels during various stages of the decision-making process (before, during, and after consumption). These physical, affective, behavioural, and intellectual sub-experiences help to shape the fundamental customer experience.

Given that the focus of the business has turned to digitalization and that there is fierce competition among companies, it is crucial for organisations to assess improvements made to the customer experience through digital marketing. Due to the digital marketing characteristics addressed in this research, numerous empirical studies have been done on the value of the customer experience to date.

While hotels will always offer customer-focused care, that service can be enhanced by utilising digital technology that reduces operational glitches. Introducing tangible tools like mobile check-in and room upgrades, self-service kiosks, mobile room keys, mobile concierge services, in-room AI-powered assistants, and more has improved hotels' ability to provide excellent service. Digital technology helps hotels relieve a lot of the operational stress that was previously put on workers, allowing them to concentrate more on the customer's

experience. This is preferable to relying on their personnel to promote guest engagement and perform fundamental operational tasks. Additionally, hotels now have the ability and, more importantly, the data to customize interactions with guests and ensure that each touchpoint is better customized to their needs.

Using the following channels to reach the desired target market is what is known as digital marketing. Websites, social media, multimedia advertising, online search engine marketing, interactive marketing (surveys, in-game ads, mobile marketing), and E-marketing. Digital marketing has been seen as a new type of advertising and has given businesses new ways to conduct business. Advertising campaigns through digital media allow businesses to quickly and anywhere in the world directly engage with potential clients. Digital marketing has recently been cited as one of the finest ways to cut through the clutter and engage with customers directly.

The current study aims to determine the role and importance of digital marketing tools on the customer experience and to rank them from the perspective of customer experience in light of the development of information technology over the past few years, as well as the widespread use of mobile and internet devices worldwide. This study investigates the usage of digital marketing tools while considering factors that could enhance the customer experience in the Indian hotel sector. This research aims to better inform marketers as they design their digital marketing strategies by highlighting the significance of customer experience for the success and longevity of Indian hotels.

2. Literature Review

Technology advances have created a variety of digital avenues for businesses and customers to interact, resulting in a vast data flow. Determining the "who" and "what" of marketing can be difficult for marketers. Several business analytics were created and tested to better understand customer demand and provide better customer value.

New methods of data collection and analysis for strategic organisational growth have been made possible by technological advancements. One of the most efficient ways for businesses to effectively present their brand to consumers and boost sales of their goods or services is through digital advertising and marketing. Because it is both significant and complicated, digital advertising and marketing necessitate the advice of specialists in the field (Bheekharry & Singh, 2019).

The use of numerous integrated digital marketing techniques in this field, one of the ways to obtain it being to use the experiences of marketers, is one of the things that may help businesses compete in the internet market and lead them to progress. (Velasco et al., 2019). One of the consequences of adaptive processes resulting from digital technologies is the creation of added value to companies and institutions, which can be transferred from the institution to customers or vice versa (Kannan & Li, 2017), which leads to customer loyalty and business durability in competitive markets.

Digital managers also point out that creating a compelling online experience for cyber clients is crucial to gaining a competitive internet advantage. Nevertheless, little is understood about the elements that contribute to users' compelling experiences when using the internet and the key changes in consumer behaviour that result from these compelling experiences (Novak et al., 2000). Digital businesses are working harder and harder to use personally identifiable data on consumer search patterns, online reviews, social media interactions, and other ways that users connect with users. (Kannan & Li, 2017).

The study, Digital Marketing: A Framework, Study Program, and Research, presented a framework for digital marketing research. It addresses the dimensions of digital marketing (Social media, SEO, Two-sided markets, Conceptual interaction, and Consumer behaviour) and assesses the effects of these dimensions on customer experiences. Due to the absence of specific studies to analyse how these aspects of digital marketing affect customer experience, the following section discusses many studies in the same area.

Flavian et al. (2018) emphasise that the emergence of Virtual-Reality, Increased-Reality, and Mixed Reality technology is forming a new environment in which physical and virtual objects are combined at different levels in their article titled "The Impact of Digital Technology and Increased Reality on Customer Experience." By combining highly dynamic physical-virtual interactions with portable and embodied software, the customer experience environment is evolving into new forms of hybrid environments. The lines dividing these new realities, technologies, and experiences are still being firmly established by scholars and practitioners.

Stephen (2016) notes that the study "The Role of Digital and Social Media Advertising on Consumer Behavior" addresses newly released consumer research in digital and social media advertising contexts. Five themes were found: modern consumer culture, responses to digital advertising, effects of virtual settings on consumer behaviour, mobile environments, and online word-of-mouth (WOM). These studies collectively shed light on how consumers view, interact with, and are affected by the virtual worlds in which they live. There is much to learn, and current understanding is mostly focused on word-of-mouth marketing (WOM), which is merely one aspect of the online shopping experience.

In "Investigating the Influence of Intelligent Technology in Consumer Dynamics and Customer Experience," Foroudi et al. (2018) write that: "Increased use of smart technology by consumers helps to practitioners' appreciation of their effect on customer buying experiences." Yet, the academic literature does not consider how consumer behaviour and the use of smart technology affect customer dynamics and experience. This study examines this trend in a retail environment using preliminary explanatory research. Therefore, all the previous literature reveals the link between digital marketing and customer experience. Hence, the extant literature proves a significant relationship between digital marketing and customer experience.

Email marketing serves as a way for businesses to better connect with their customers on a regular basis and at a minimal cost. Customers like routine email correspondence because it saves them time and effort by giving them pertinent information and minimising their need to hunt for it, (Merisavo & Raulas, 2004). They continued by claiming that this communication also helps consumers feel confident they are using the proper brand, hence lowering cognitive dissonance. According to several studies (Brondmo, 2000; Fourier, 1998; Godin, 1999), customers who opt-in to mailing lists and are exposed to e-mail marketing frequently visit the sales outlet to make purchases and promote particular brands to their friends and family. Similarly, educating customers via email enhances their experience. Hence the following hypothesis is proposed:

H1a: There is a significant relationship between Email Marketing and Customer Experience.

A search engine is a middleman between customers and a company's website. A high level of search engine optimization may improve the quality of the search engine rankings and, as a result, the level of visitor satisfaction, according to (Berman & Katona, 2012) research. Bughin et al. (2011) said that search engines offer consumers better matching, time savings, and pricing transparency. For instance, it improves matching by assisting customers in obtaining information pertinent to their needs while expediting the discovery of information that simplifies decision-making and purchasing.

The holistic marketing concept guides modern marketing procedures and endeavours (Kotler & Keller, 2012). The holistic marketing concept guides modern marketing procedures and endeavours (Kotler & Keller, 2012). Each touch point or service interaction is important for a customer using the holistic marketing idea. The success of a company's marketing initiatives. A company's website, one of its points of contact, is critical in boosting customer experience through high placement in organic search results and quality website content. Hence the following hypothesis is proposed:

H1b: There is a significant relationship between Search Engine Marketing and Customer Experience.

The emotional components of services are increasingly important in the hotel sector for influencing clients' impressions and decisions. Social media is a significant avenue for hotel and consumer connection to achieve this (Faizal-Hashim & Abbood-Fadhil, 2017; Raab et al., 2016). Electronic relationship tools enable hotels to disseminate information about their services and special offers and to stay current on their guests' wants and preferences (Rosman & Stuhura, 2013; Yeng & Tang, 2015). Hotels employ social media to improve their marketing efforts since it enables customers to search for, compile, and cooperatively share their trip experiences on blogs, microblogs, online communities, and media-sharing websites (Abdallah-Alalwan et al., 2017; Leung et al., 2013). Hotels have discovered a helpful tool to connect with customers by interacting with guests and reading their opinions. Businesses can develop valuable reputational capital by responding to customer inquiries and grievances (Phillips-Melancon & Dalakas, 2018; Yeng & Tang, 2015). Because social networks have such broad applications, hotels also develop their brand strategies through them to build relationships with customers and brand loyalty (Medéia & Menezes, 2015). By incorporating connected users, social platforms also raise brand awareness among consumers, which boosts customer experience and loyalty levels (Nisar & Whitehead, 2016). Hence the following hypothesis is proposed:

H1c: There is a significant relationship between Social Media Marketing and Customer Experience.

3. Objectives of the Study

1. To study the digital marketing tools and techniques used in Indian Hotels.
2. To study the impact of digital marketing on customer experience.

4. Research Model

Figure: 1 depicts the proposed research model of the study showing the impact of digital marketing and its tools on customer experience.

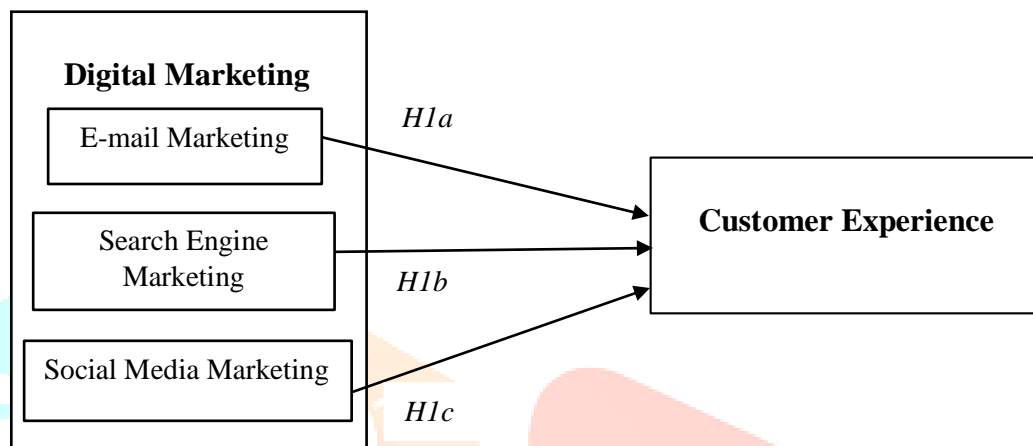


Figure: 1 (Research Model)

5. Research Design and Methodology

5.1 Data Collection

Both Primary and Secondary data were used in the investigation. Primary data was collected through a questionnaire survey from the hotel guests/ customers. The hotel guests/customer were questioned about the use of digital marketing tools and techniques in the hotel and how the usage of digital marketing tools and techniques have influenced their experience. Moreover, secondary data is gathered from hotel magazines, annual hotel reports, journals, and online websites. This study was done based on three parameters: hotel star category, hotel affiliation – chain/ independent, and use of technology.

5.2 Sampling Technique and Sample Size

The convenience sampling technique was used for data collection. A total of 50 hotels were visited, and questionnaires were distributed to 240 hotel guests/ customers, of which 220 responses were found relevant to the study.

5.3 Study Area

This study was conducted in Jammu & Kashmir, Delhi, Punjab and Haryana. The three categories of hotels: 3-star, 4-star and 5-star hotels, including chain-affiliated and independent hotels, were included in the scope of the study.

5.4 Data Analysis

The data were analyzed using SPSS software version 26. Reputable marketing professionals received the questionnaire to validate the data collection tool. This aided in proving the accuracy of the material of the instrument. A test-retest technique was used to determine the instrument's dependability. The researchers identified some abnormalities during this pre-test that might have compromised the accuracy of this research equipment. Regressions and correlation were used as the data analysis approaches to analyse the acquired data. A reliability and validity analysis was undertaken to examine the usage of digital marketing tools and techniques

in the Indian hotel sector. To investigate the impact of digital marketing on customer experience, multi regression analysis was conducted. Correlation analysis was also conducted to examine the association among the study variables.

Table 1: Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .901 | 20 |

Table 2: Model Summary

| Model Summary | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .952 ^a | .866 | .865 | .47517 |

a. Predictors: (Constant), Email Marketing, Search Engine Marketing, Social Media Marketing

Table 3: Fitness of the Model

| Anova ^a | | | | | |
|--------------------|----------------|-----|-------------|---------|-------------------|
| Model | Sum of Squares | Df | Mean Square | F | Sig. |
| Regression | 58.200 | 1 | 58.200 | 257.770 | .000 ^b |
| Residual | 44.705 | 198 | .226 | | |
| Total | 102.906 | 199 | | | |

a. Dependent Variable: Customer Experience

b. Predictors: (Constant), Email Marketing, Search Engine Marketing, Social Media Marketing

Table 4: Multi Regression Analysis for Components of Digital Marketing and Customer Experience

| Coefficients ^a | | | | | | |
|---------------------------|-------------------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -2.796 | .452 | | .066 | .000 |
| | E-mail Marketing | .398 | .048 | .247 | 7.870 | .000 |
| | Search Engine Marketing | .225 | .040 | .376 | 8.671 | .000 |
| | Social Media Marketing | .245 | .39 | .345 | 8.222 | .000 |

a. Dependent Variable: Customer Experience

6. Findings

The results of reliability and validity analysis depicted the usage of digital marketing tools and techniques all the items had values above the threshold limits. The Cronbach alpha value was .901, more than the recommended value of above 0.7 for each construct (Fornell & Larcker 1981). The results of the correlation analysis were significant. After conducting the regression analysis, all the values were significant, proving the direct influence of digital marketing on customer experience. From the results, it can be interpreted that digital marketing plays a significant role in enhancing customer experience. The hypothesis examines whether digital marketing significantly affects the customer experience. To test the hypothesis, the dependent variable was regressed on the predictive variable of digital marketing. The resultant p-value of 0.0001 indicates that the impact of digital marketing and its tools on customer experience is substantial H1a ($\beta = .247$, $p < 0.01$), H1b ($\beta = .376$, $p < 0.01$), H1c ($\beta = .345$, $p < 0.01$) and H1a, H1b, H1c ($r = .000 < 0.05$), indicating the positive impact of digital marketing and its tools on the customer experience is evident in these outcomes. Moreover, the R^2 depicts digital marketing, and its tools reveal 86% variation in customer experience. The findings reveal that all digital marketing tools strongly and significantly impact customer experience.

7. Conclusion

By connecting customer experience and digital marketing to hotel strategies, the current study advises businesses to enhance their customer experience using digital marketing tools and techniques. This study intends to provide new insights that are crucial to the success of Indian hotels as well as build tactics that improve their customer's experience by creating a conceptual model and evaluating its determinant variables. The findings thus offer that hotels must use e-mail marketing, search engine marketing and social media marketing to avail benefits for hotels' success. Use email marketing as much as possible since the worth of customers has been made clear in every interaction, educating customers in the same way that it is utilised for sales as part of the connection between the hotel and the customer. Social media marketing's capacity to provide marketing information in a tailored and flexible participatory manner, unconstrained by space or time. Customers will therefore be more receptive to marketing communications with interactive content. Lastly, businesses with high-quality websites perform better in search engine results and are better positioned to increase customer experiences.

Future studies should examine how various hotels should create a digital experience that attracts customers and what new technologies should be employed to build customer value and outperform rivals.

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