

## **The Scope of Hotels in Punjab, Himachal and Chandigarh: Dynamism of Customers**

**Abstract:** The service organizations are shifting their focus from “transactional exchange” to “relational exchange” for developing mutually satisfying relationship with customers. Extended relationships are reported to have a significant impact on transaction cost and profitability and customer lifetime value. Serving the customers, in true sense, is the need of the hour as the customer was, is and will remain the central focus of all organizational activities. The pivotal priority demands to know thy customers, their demographics and their level of satisfaction to lend them the best possible services according to their expectations. This study was targeted on the hotel customers with the sample size of 300 of Punjab, Himachal and Chandigarh with an objective to study the socio-economic characteristics of the customers; the factors preferred for the hotel stay as well their level of satisfaction towards the services. The statistical tools used to analyze the given objectives were mean, percentage, ANOVA and Chi-square.

**Key words:** Hotels, relationship marketing, customers, demographics, satisfaction

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### **Introduction**

Getting closer to customers and effectively responding to their needs is a great way to boost their loyalty and encourage deeper business relationship. The task of getting and retaining customers requires even greater skill and effort. The business needs to ensure that the service provided is as the customer actually wants it and the customers want to do business in 'their' way, not to be forced to do it in the enterprise's way. Most companies consider them customer-focused and believe that in being so, they are servicing the customer. However, eventually, being customer focused means to have a consistent, dependable and convenient interaction with customers in every encounter. Hotels as one part of hospitality industry have evolved from the very modest beginning of families and landowners who opened their homes to travelers to the high rise of properties today which contain thousands of guest rooms. These lodging facilities can be classified by location, by room rate and by the number of rooms they contain. Nowadays, basic accommodation of a room with only a bed, a cupboard, a small table and a washstand has largely been replaced by rooms with en-suite bathrooms. Other features found may be a telephone, an alarm clock, a LCD TV, broadband internet connectivity, etc. Food and drink may be supplied by a mini bar, which often contains a small refrigerator containing snacks and drinks, and tea & coffee making facilities like dispenser.

In most parts of the world, hotels especially smaller ones are not familiar with the new concept of management. Most of the times, they face with a lot of problems such as increasing costs, decreasing revenues and dissatisfied guests while guest satisfaction is the main job of the hoteliers. The hotel industry is also experiencing increased globalization, competition, higher customer turnover, growing customer acquisition costs and rising customer expectations, meaning that hotels' performance and competitiveness are significantly dependent on their ability to satisfy customers efficiently and effectively (Olsen and Connolly, 2000; Gilmore and Pine, 1997).

### **Review of Literature**

**Metin Kozak, Mike Rimmington (1998)** the study examined the role of bench-marking within the small hospitality sector. It argued that there is considerable potential for improving service quality by this means, not only in the small businesses themselves, but also in tourist destinations, which often depend heavily on this sector. While benchmarking activity is growing in large organizations, there has been limited application among small hospitality businesses. It examined the reasons for this, and discussed how benchmarking, linked to external awards and grades, can offer advantages and bring about improvements in competitiveness for both small hospitality businesses and destinations. The study concluded that classification, grading schemes and awards have valuable roles to play in bringing about improvements in small businesses. Consequently, any action to encourage appropriate benchmarking participation by small tourist businesses is likely to have a positive effect on the performance of the overall destination.

**Hill, Geurs, Hays, John, Johnson and Swanson (1998)** conducted study on service guarantees and strategic service quality performance metrics at Radisson Hotels. Customer satisfaction measured by Radisson's own metrics and by a market research firm, showed increased “willingness to return” and “percent advocates”. Radisson analyzed that the guarantee decreased employee turnover, increased utilization and increased profitability for the pilot hotels. The survey evaluated a significant correlation between a new service quality metric called “employee motivation and vision” (EMV) and Radisson's service quality performance metrics.

Radisson uses four service quality performance metrics based on room comment cards being taken from hotel guests: willingness to return, percent advocates- percent of customers who indicate a willingness to recommend Radisson hotels to others, percent defectors- percent of customers who indicate that they are unwilling to return, percent complaints – ratio of complaints to room nights. The study conducted by Radisson through the focus group interviews revealed that the customers aren't that comfortable to receive a full refund for a minor complaint and giving away the room nights very conveniently actually discouraged customers from articulating their complaints. The main aspect of the service guarantee program was found to be employee training at Radisson. A service guarantee can exert the positive impact on the motivation and vision of employees. It leads to the improvement in service quality and enhances customer satisfaction.

### **Customer perception and Service Quality**

**Johns and Howard (1998)** in their study on Customer Expectations versus Perceptions of Service Performance in the Food Service Industry were concerned to improve the measurement of service quality in food service operations. It measured and compared the expectations and perceptions of service on customers. The study employed the profile accumulation technique (Johns and Lee Ross, 1996), which allows qualitative data to be collected in a strongly customer-focuses manner, yet assessed quantitatively. Pizza restaurants were considered to be most suitable for investigation. In the study, "expectations" results obtained from street interviews were compared with the service perceptions of customer at two different pizza restaurants. The objective was "to examine the qualitative, quantitative and dimensional relationships between "performance" and "expectations" data in the light of quality attributes proposed by other authors". The study revealed that "food, staff, and atmosphere gained high scores among the positive performance perceptions than among expectations, whereas service and price were the most mentioned positive aspects". It seemed that customers' expectations were exceeded by the quality of the food at restaurant 1 and by the staff, the physical environment and the atmosphere at both restaurants. The study concluded that: Respondents structured their perceptions of quality from their meal experience such as service, food, price/value, environment, staff, atmosphere, drink and location. The service quality was measured as the difference between the performance and expectations scores of both aspects and attributes. These measurements were comparable with customers' overall satisfaction ratings for the restaurants. This implied that an alternative means of ratings quality could be developed based inductively on respondents' perceptions, rather than on reformulated questions.

**Chu and Choi (2000)** in their study on an importance – performance analysis of hotel selection factors in the Hong Kong hotel industry: a comparison of business and leisure travelers. It used an importance performance analysis (IPA) for examining the perception of business and leisure travelers towards the importance and performance of hotel selection factors in the Hong Kong hotel industry which are six in number.. The six hotel selection factors identified were: service quality, value, room & front desk, food & recreation and security. The perception of both business and leisure travelers was found to be at the same level towards all the six hotel selection factors. The results of the IPA grid found the value factor to be in the most concentrated quadrant. The service quality, room, front desk & security are found in the good work quadrant. The business facilities & food and recreation lies in the low priority quadrant. Thus the analysis revealed that the room & front desk and security are considered to be the foremost factors for business & leisure travelers, for their hotel selection criteria

**Kim and Cha (2002)** investigated the antecedents and consequences of relationship quality in the hotel industry. The study can be of ample help to hotel managers to develop and implement effective relationship marketing strategies. The right way and use of relationship marketing strategies will aid in improving the performance of the hotel in regard to share purchases, relationship continuity and word of mouth. The linear structural relationship (LISREL) model was used to identify the structural characteristics of relationship management between service providers and guests by analyzing the data gathered from twelve five star hotels in Seoul. The threefold result was revealed from the empirical results of this study. "Firstly, greater service providers' relational and customer orientation resulted in higher relationship quality". "Secondly, better attributes of the service providers resulted in higher relationship quality". "Thirdly, higher relationship quality resulted in higher share purchase and better relationship continuity and share of purchases". The objective of the study was "to investigate the antecedents affecting relationship quality between hotel employees and customers". As the relationship quality increases, it is likely to have a significant influence on the hotel guests' behavior. The findings of this study indicated that it is important for hotel employees to have professional appearance with a nice manner to make hotel guests satisfied. Well-groomed outlook of the employees flaunts a sense of confidence to the guests..To enhance physical appearances of employees there is a need to make a change in dress, color, design and intensity, varying with different operational units. It is important to keep in mind that not all customers are appropriate targets. "The 80/20 rule works out well here; that is, approximately 80% of the total hotel revenue typically comes from 20% of the customers."

**Cronin, Brady, Tomas and Hult (2000)** in their study on assessing the Effects of Quality, Value, and Customer Satisfaction on Consumer Behavioral Intentions in Service Environments reported an empirical assessment of a model of service encounters that simultaneously considered the direct effects of these variables on behavioral intentions. The study took into loop certain recent advances in services marketing theory and assessed the relationship between the identified parameters across multiple service industries.. Several empirical findings are identified to analyse whether service quality, service value, and satisfaction have direct relation with behavioral intentions when all of these variables are considered collectively. The results quoted that there are indirect effects of the service quality and value constructs contributing to the indirect impact on behavioral intentions. The objective of this study was “to clarify the relationships between quality, value, satisfaction and behavioral intentions”. When the effects of all three constructs are considered simultaneously quality, value, and satisfaction have directly influences behavioral intentions, as per the evidences. It is revealed that not only does quality affect perceptions of value and satisfaction but also have direct influence on the behavioral intentions. The implications of this study have several bearings for future research projects. This research also amplified the need for additional research on analyzing the impact of service value on consumer decision making and corporate profits.

**Davidson (2003)** examined organizational climate and organizational culture within a hotel industry framework to analyze if it adds to the service quality in hotels Organizational climate was examined within the service quality framework to explore the effects of its integration into quality initiatives. A Theoretical model of organizational climate and service quality and performance was formed that provided the link between organizational culture, organizational climate, service quality, customer satisfaction and hotel performance. The Employees are considered to be one of the important factors to have a successful hospitality business. The overview of the organizational climate defined the difference in climate and culture and examines organizational climate within the service quality framework, and how to incorporate it into the quality initiatives. The several studies were analyzed upon performance and profitability to support its use within the hospitality industry. The casual links between organizational climate, service quality and customer satisfaction had been also examined.

**Jija, Jiju and Ghosh (2004)** in their study on Evaluating service quality in a UK hotel chain, a case study explored the relation between service quality and business performance followed by an assessment of service quality as a framework. Service quality is a growing concern for many service firms in the UK. Today service firms are paying more attention than ever, to the needs and expectations of the customers by consistently improving the quality if the service provided to their customers. The case study focused on the hotel group in UK, where service quality was measured at 6 different locations. The findings from the research unveiled that there were significant variations for service quality between the six hotels. The SERVQUAL instrument is used to evaluate the service quality. The customers were asked to rate the five dimensions of service quality. Responsiveness is perceived to be the most important dimension and empathy the least important dimension. A series of interviews with the management was also conducted to identify the service quality gaps. An evaluation of these gaps identified various areas of improvement. One of the ideas was to benchmark the service quality practice with other three star hotel groups for having a greater understanding of the strengths and weaknesses of the business.

**Festus Olorunniwo, Maxwell K. Hsu, Godwin J. Udo (2006)** in their study on service quality, customer satisfaction, and behavioral intentions in the service factor used an exploratory factor analysis. This study seeks to investigate, through the development of an operationalized service quality construct in the context of a service factory, whether the typology to which a service belongs may explain the nature of service quality (SQ) construct and its relationship to customer satisfaction (SAT) and behavior intentions(BI). The dominant dimensions of SQ construct in the service factory were found to be Tangibles, recovery, responsiveness, and knowledge. Further results indicated that, although the direct effect of SQ on BI is significant, the indirect effect (with SAT playing a mediating role) is a stronger driver for BI in the context of the service factory.

**Devi and Kanchana (2009)** conducted the study on customer preference and satisfaction towards restaurants in Coimbatore city to identify the customer perception, taste, factors considered in selecting a restaurant, variety of foods preferred and the restaurants preferred while dining out. It is evident from the study that majority of the consumers have visited different restaurants at different times. So the restaurant owners have to take steps to retain the customers and make them a permanent customer. Majority of the respondents came to know about the restaurants through their friends. Hence, the restaurants can advertise in the local Medias like Radio, Newspaper, magazines etc. to attract more customers. Quality and Taste are two major factors considered by the respondents in selecting a Restaurant and so the restaurant owners should not compromise on these aspects at any cost. Customers are more discerning and demanding. And they always want to experiment with the money they spend. With rapidly shifting loyalties, customers who are ready to experiment look for variety and do not have any specific likes or dislikes.

### **Need of the Study**

Today Indian industry is poised to enter new era due to global competitiveness.. The services currently offered by the hotels in India have only limited value added services. It is not comparable to the existing world standards. Indian hospitality has to understand unique value propositions and develop business support with the use of CRM which will bring ultimate satisfaction to the users. Communication technologies are changing fast with visible impact on our way of life. The internet today has dramatically changed the world. What could not be ascertained by personal visits now can be known with comfort and authenticity with a button click. Our hotel operators have to meet this challenge by updating their system. CRM is more than just the practice of collecting guest centric data to improve on the business fold from the Hotels perspective. The implementation and success of CRM lie in the hands of internal as well as the external customers. So we need to explore the perception and the mind- set of the employees using CRM for customer's data collection and also to know well about their experiences to retain them and get more references. Very few of the researchers have worked on CRM in the hospitality industry since 20 years, which didn't enable the environmental system to know about its importance in the customer satisfaction and growth of the industry.

### **Research Methodology**

#### **Objectives of the Study**

- To study the socio-economic profile of the customers of the hotel industry.
- To examine the factors of the hotel preferred by the customers for their stay.
- To evaluate the level of satisfaction of the customers towards the hotel services.

#### **Scope of the Study**

- The scope of the study was limited to the State of Punjab, Himachal and union territory of Chandigarh.

#### **Target Population**

- Along with Chandigarh city, Jalandhar, Amritsar and Ludhiana cities from Punjab and Shimla, Dalhousie and Kulu Manali cities from Himachal Pradesh were selected keeping in view the diversified classes of hotels available in these cities.

#### **Sampling Design**

The sample of study was based on multistage stratified random sampling technique. Three regions namely Chandigarh, Punjab and Himachal Pradesh were selected in the 1<sup>st</sup> stage of sampling unit while cities became the 2<sup>nd</sup> stage. The selection of the hotel respondents was the third stage of sampling unit.

#### **Selection of the Hotels**

Star Category Hotels of Punjab, Himachal & Chandigarh

#### **Statistical Tools Used**

The statistical tools used to analyze the data were mean, percentage, ANOVA and Chi-square.

#### **Sample Size**

From the selected hotels, 300 customers were considered for data collection. This was done keeping in view the availability of customers in the hotels. The 100 customers were selected from Chandigarh, 100 from Punjab and 100 from Himachal Pradesh.

#### **Data Collection**

The data were collected from the primary sources. The survey was conducted with the help of questionnaire. Questionnaire was developed taking into consideration the opinion and advice of the experts.

#### **Socio-Economic Characteristics**

The pivotal aspect of social, economic and demographic factors embracing age, income, education, occupation, marital status were considered for the study of customers visiting the hotels. It was analyzed and found the kind of population commonly visiting the hotels to avail the services. The selection and purpose of their visit varies under the influence of their socio-economic characteristics. Therefore, the target customer needs to be tapped by studying the homogeneity of the customers having common socio-economic traits.

### Results and Findings of the Study

#### Age:

The age of the respondents was examined to analyze the customers which commonly fall in the particular type of age group and further enhancing the scope of positioning the right kind of target customers.

Table 1: Distribution of respondents according to their age

Age (years)	Chandigarh		Punjab		Himachal Pradesh	
	No.	%age	No.	%age	No.	%age
18-25	18	18.00	14	14.00	15	15.00
26-30	26	26.00	39	39.00	21	21.00
31-35	10	10.00	19	19.00	31	31.00
36-40	16	16.00	15	15.00	23	23.00
41-50	26	26.00	11	11.00	8	8.00
>50	4	4.00	2	2.00	2	2.00
Mean	34.48		31.97		32.78	
SD	3.62		4.18		3.91	
F-ratio			2.17			

Source: Author's work

The information given in Table 1 shows that in Chandigarh, the highest proportion i.e. 26.00 percent of customers belonged to the age group of 26-30 years and 41-50 years, while the lowest proportion i.e. 4.00 belonged to the age group of above 50 years. In Punjab, the highest proportion i.e.39.00 percent was from 26-30 years of age group and the lowest proportion i.e. 2.00 percent above 50 years of age. In Himachal Pradesh, the highest proportion i.e. 31.00 percent belonged to the age group of 31-35 years and the lowest i.e. 2.00 percent to above 50 years of age. The average age worked at 34.48, 31.97 and 32.78 in Chandigarh, Punjab and Himachal Pradesh respectively. The variation between the average ages was non-significant as conveyed by the F-ratio of 2.17.

#### Occupation

Table No.2 - Distribution of respondents according to their Occupation

Occupation	Chandigarh		Punjab		Himachal Pradesh	
	No.	%age	No.	%age	No.	%age
Service	21	21.00	41	41.00	22	22.00
Business	35	35.00	19	19.00	26	26.00
Agriculture	6	6.00	7	7.00	10	10.00
Housewife	7	7.00	9	9.00	15	15.00
Retired	4	4.00	7	7.00	4	4.00
Student	11	11.00	11	11.00	13	13.00
Industrialist	16	16.00	6	6.00	10	10.00

Source: Author's work

A perusal of Table 2 indicates that the highest proportion i.e. 35.00 percent of customers in Chandigarh were from business community, while it was 41.00 percent of customers in Punjab from service sector and again 26.00 of customers in Himachal Pradesh from business community. The lowest proportion i.e. 4.00 of customers each in Chandigarh and Himachal Pradesh were retired persons from job while this was 6 percent of customers in Punjab which were industrialists. This shows that retired persons were less interested in visiting the hotels due to their old age.

**Education**

Table 3: Distribution of respondents according to their education

Education	Chandigarh		Punjab		Himachal Pradesh	
	No.	%age	No.	%age	No.	%age
Senior Secondary	2	2.00	6	6.00	4	4.00
Graduation	41	41.00	25	25.00	41	41.00
Post graduation	49	49.00	53	53.00	45	45.00
Ph.D.	4	4.00	7	7.00	6	6.00
Professional	4	4.00	9	9.00	4	4.00

Source: Author's work

As per Table 3, the highest proportion i.e. 49.00, 53.00 and 45.00 percent of customers in Chandigarh, Punjab and Himachal Pradesh were postgraduates, followed by 41.00, 25.00 and 41.00 percent were graduates from the three regions. The lowest proportion i.e. 2.00 percent in Chandigarh, 6 percent in Punjab and 4.00 percent in Himachal Pradesh were having their education up to senior secondary. However, there were 4.00, 7.00 and 6.00 percent of customers in Chandigarh, Punjab and Himachal Pradesh respectively were Ph.D's. Moreover, 4.00, 9.00 and 4.00 percent respectively were having some sort of professional degree like doctors, engineers, advocates, etc. The analysis revealed that the people with higher educational level were more interested in visiting hotel as compared to those with lower educational levels.

**Annual Income**

Table 4: Distribution of respondents according to their annual income

Income (Rs./Annum)	Chandigarh		Punjab		Himachal Pradesh	
	No.	%age	No.	%age	No.	%age
<1 lac	10	10.00	12	12.00	11	11.00
1 lac-3 lac	21	21.00	36	36.00	17	17.00
3 lac- 5 lac	22	22.00	32	32.00	37	37.00
5 lac- 7 lac	17	17.00	12	12.00	26	26.00
>7 lac	30	30.00	8	8.00	9	9.00
Mean	477800		342960		416380	
SD	18256		20144		19348	
F-ratio			6.41**			

Source: Author's work

It can be seen from Table 4 that the highest proportion i.e. 30.00 percent of customers in Chandigarh were having an annual income of above Rs. 7 lac, followed by 22.00 percent having income of Rs. 3 lac to 5 lac, while the lowest proportion i.e. 10.00 percent of them had the income of less than Rs. 1 lac. In Punjab, the highest proportion i.e. 36.00 percent of the customers were having an annual income of Rs. 1 lac to 3 lac, followed by 32.00 percent having an income of Rs. 3 lac to Rs. 5 lac. The lowest proportion i.e. 8.00 percent of them had an annual income of above Rs. 7 lac. In Himachal Pradesh, the highest proportion i.e. 37.00 percent of customers were having an annual income of Rs. 3 lac to Rs. 5 lacs, followed by 26.00 percent with Rs. 5 lac to Rs. 7 lac. The lowest proportion i.e. 9 percent of them had an annual income of above Rs. 7 lac. The average income worked at Rs. 477800 in Chandigarh, Rs. 342960 in Punjab and Rs. 416380 in Himachal Pradesh. The annual income of customers from Chandigarh was the highest amongst the three states under study as conveyed by the F-ratio of 6.41.

**Marital Status**

Table 5: Distribution of respondents according to their marital status

Marital Status	Chandigarh		Punjab		Himachal Pradesh	
	No.	%age	No.	%age	No.	%age
Married	65	65.00	72	72.00	73	73.00
Single	35	35.00	28	28.00	27	27.00
chi-square value			1.81	d.f.=2		

Source: Author's work

A perusal of Table 5 shows that majority of the customers were married. This proportion came to be 65.00, 72.00 and 73.00 percent in Chandigarh, Punjab and Himachal Pradesh respectively. The remaining 35.00, 28.00 and 27.00 percent respectively were unmarried. The pattern of marital status was found to be similar in the three states as indicated by the chi-square value of 1.81.

**Rank of Factors for Staying in a Particular Hotel**

The customers were asked to rank the hotel factors from one to seven in their order of preference for visiting a particular hotel. The 1<sup>st</sup> rank being considered as the prior most factor followed by the other ranks in descending order. The 7<sup>th</sup> rank being considered as the least preferred factor. The weighted mean scores of ranks were calculated. The results are presented in Table no.6

Table No.6: Average Mean rank score of factors for staying in the particular hotel

Factors	Chandigarh		Punjab		Himachal Pradesh	
	Mean	Rank	Mean	Rank	Mean	Rank
Quality food	3.17	1	1.70	1	1.45	1
Ambience	3.23	2	4.60	6	4.84	6
Empathy/waiters' services	4.32	5	3.97	3	4.08	3
Quality Rooms	5.08	7	4.25	4	5.67	7
Price/discount offers	3.85	4	3.33	2	2.80	2
Personal attention	4.92	6	5.11	7	4.18	4
Goodwill/star category of hotel	3.38	3	4.53	5	4.72	5

Source: Author's work

It is evident from Table No.6 that the 1<sup>st</sup> rank was given to quality food provided by the hotel in all the three states under study, followed by 2<sup>nd</sup> to ambience in Chandigarh, price/discount offers in Punjab and Himachal Pradesh. The 3<sup>rd</sup> rank was assigned to goodwill/star category of hotel in Chandigarh while it was empathy/waiters' services in Punjab and Himachal Pradesh. The least 7<sup>th</sup> rank was assigned to quality rooms of the hotel in Chandigarh and Himachal Pradesh, while it was personal attention in Punjab. Therefore, the foremost factor responsible for staying in a particular hotel came to be the quality food served to the customers by the hotel

**Satisfaction among Customers with the Services of the Hotel**

The customers were asked to register their level of satisfaction with the service of the hotel in terms of 'highly satisfied', 'satisfied', 'neutral', 'dissatisfied' and 'highly dissatisfied'. These responses were given score in the respective order of 5, 4, 3, 2 and 1 and weighted mean scores of satisfaction were calculated and compared with the help of Analysis of Variance i.e. F-ratio. The results are presented in Table no.7

Table No.7: Level of satisfaction among customers with the services of the hotel

Level of Satisfaction	Chandigarh		Punjab		Himachal Pradesh	
	No.	%age	No.	%age	No.	%age
Highly Satisfied	19	19.00	16	16.00	23	23.00
Satisfied	43	43.00	39	39.00	45	45.00

Neutral	17	17.00	21	21.00	17	17.00
Dissatisfied	14	14.00	16	16.00	11	11.00
Highly Dissatisfied	7	7.00	8	8.00	4	4.00
Mean	3.53	S	3.39	N	3.72	S
SD	0.60		0.60		0.60	
F-ratio			4.59**			

Source: Author's work

The highest proportion i.e. 43.00, 39.00 and 45.00 percent of customers in Chandigarh, Punjab and Himachal Pradesh respectively were satisfied with the services of the hotel and 19.00, 16.00 and 23.00 percent respectively were highly satisfied. As much as 21.00 percent of customers in Chandigarh, 24.00 percent in Punjab and 15 percent in Himachal Pradesh were dissatisfied with the services of the hotel. However, 17.00, 21.00 and 17.00 percent of customers in Chandigarh, Punjab and Himachal Pradesh could not express any definite view on the same. The average extent of satisfaction came to be 3.53 (satisfied) in Chandigarh, 3.39 (neutral) in Punjab and 3.72 (satisfied) in Himachal Pradesh. The extent of satisfaction among customers with services of hotel was significantly less in Punjab as compared to Chandigarh and Himachal Pradesh as indicated by the F-ratio of 4.59.

### Conclusion

The study revealed that the majority of the customers visiting the classified hotels of Chandigarh, Punjab & Himachal belong to the age group of 34, 31 and 32 which implies that hotels must incline its target in the age group of 30-35 to bring in more profits. A perusal of Table 1 indicated that the highest proportion i.e. 35.00 percent of customers in Chandigarh was from business community, while it was 41.00 percent of customers in Punjab from service sector and again 26.00 of customers in Himachal Pradesh from business community. As per Table 3, the highest proportion i.e. 49.00, 53.00 and 45.00 percent of customers in Chandigarh, Punjab and Himachal Pradesh were postgraduates, followed by 41.00, 25.00 and 41.00 percent graduates. The analysis revealed that the people with higher educational level are more interested in visiting hotel as compared to those with lower educational level. The average income worked at Rs. 477800 in Chandigarh, Rs. 342960 in Punjab and Rs. 416380 in Himachal Pradesh. The annual income of customers from Chandigarh was the highest among the three states under study as conveyed by the F-ratio of 6.41. A perusal of Table 5 highlighted that majority of the customers were married. The purpose of studying the demographic and socio-economic characteristics was to enable the hoteliers to target the right customers. This can give a boost to the hospitality and tourism industry by working on the right kind of marketing strategies keeping in view the above studied factors. The foremost factor considered by the customers for choosing their hotel stay was found to be 'Quality food' followed by ambience and star category in Punjab. The Quality food, price and ambience have been found to be preferred factors of Himachal and Chandigarh over the other factors. Thus the hoteliers can select a better positioning strategy by focusing more on quality food, ambience of the hotel and its goodwill. The strategy of niche marketing can be adopted by the hoteliers considering the factors preferred by the customers being examined through the ranks given by them. The extent of satisfaction among customers with services of hotel was significantly less in Punjab as compared to Chandigarh and Himachal Pradesh as indicated by the F-ratio of 4.59. Thus it can be concluded that the classified hotels of Punjab need to work more on the satisfaction level of the customers.

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