



## VIRAL MARKETING - SCOPE IN INDIAN HOSPITALITY AND TOURISM

### INDUSTRY

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### ABSTRACT

Hospitality and Tourism has created new waves on the world horizon. It has made the world a truly global village. One of the biggest and fastest growing sectors in the global economy has significant environmental, cultural, social and economic significance. India also serves a large market for Hospitality and Tourism Industry. With ever increasing Foreign and Domestic tourist in India and Government initiatives has given lot of impetus to this sector. The marketing environment in country is also going through lot of transformation and its effect can also be seen in Hospitality Industry. India hotel Marketers have found out that the hospitality industry being a competitive marketplace for which traditional advertising streams, such as television, newspapers and billboards have become increasingly insufficient. So they have started reaping advantage of ever increasing online consumer base in India, thereby trying to reach more and more of consumers using Social Media platform with more and more use of Viral Marketing. Keeping this in mind a study was being conducted in Punjab aimed at finding out scope of viral marketing amongst online consumers. Findings of study go in favour of Hospitality and Tourism industry, thereby making it convenient for Hotel marketers to reach it consumers.

## **INTRODUCTION**

### **HOSPITALITY AND TOURISM INDUSTRY IN INDIA**

Tourism is a practice of travelling for recreational or leisure purpose. Tourism has become a world's popular leisure activity. It is a temporary and short term movement of people. Hospitality is the interaction between a guest and a host and therefore is the act or practice of being hospitable and includes services of hosting, welcoming, receiving, or entertaining the guest.

The Indian tourism and hospitality industry has been recognized as one of the key drivers of growth among the services sectors in India. It contributes to 6.23 percent to the National GDP and 8.78 percent of the total employment in the country. Continuous transformation, functional growth and improvising standards have gained lot of attention for Indian Hospitality industry across the world.

The industry is broadly compartmentalized in two segments

**TOURISM:** The tourism sector includes medical and healthcare tourism, adventure tourism, heritage tourism, ecotourism, rural tourism, wildlife tourism, pilgrimage tourism and alike.

**HOTELS:** These include business hotels, resort hotels, suite hotels, airport hotels; apartment Hotels extended stay hotels, apartment hotels, timeshare hotels, casino hotels, convention centers and conference centers.

Therefore both Hotel and tourism operates hand in hand. Hospitality industry is a backbone of tourism industry. Tourism industry rests upon services provided by Hospitality sector.

### **SIGNIFICANCE OF TOURISM AND HOSPITALITY INDUSTRY**

Hospitality and Tourism has created new outlet to the world horizon. It has made the world a truly global village. Tourism in India has generated immense employment opportunities and is a vital source of foreign exchange for the country. Given below are few highlights of Hospitality and Tourism industry operating in India. (Ref: IBEF Report)

1. Tourism and hospitality sector is witnessing a healthy growth and accounts for 7.5 per cent of the country's GDP due to consistently growing middle class and increasing disposable income. According to a report by KPMG, the hospitality sector in India is expected to grow at 16.1 per cent CAGR to reach Rs 2,796.9 thousand crores in 2022.
2. The recent growth in both Domestic and Foreign tourist in India has given Hospitality Industry a great boost making it surpass the growth rate of 6.8% in Foreign Tourist Arrivals (FTAs) as per data collected in January 2016 over January 2015.
3. By 2025, foreign tourist arrivals in India is expected to reach 15.3 million, according to the World Tourism Organisation

4. In December 2016, over 1,62,250 foreign tourists arrived on e-Tourist Visa, in comparison with 103,617 foreign tourists in December 2015, registering a growth of 56.6 per cent over the previous year.
5. Total contribution by Hospitality and tourism sector to India's GDP is expected to increase from US\$ 136.3 billion in 2015 to US\$ 275.2 billion in 2025. A sum of US\$ 1.76 billion was earned under foreign exchange through tourism during the month of September 2016.
6. The launch of several branding and marketing initiatives by the Government of India such as Incredible India and Athiti Devo Bhava has provided a focused impetus to growth.
7. The Indian government has also released a fresh category of visa - the medical visa or M visa, to encourage medical tourism in the country.
8. The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai). The investment in tourism sector is expected to be US\$ 12.4 billion in the 12th Five Year Plan; of these, private investments are likely to total US\$ 9.2 billion.
9. So the hotel Industry in India is booming like never before. There are projections of severe shortage of hotel rooms in India and there is a scope for lot of growth. Many foreign hotel chains are operating in India and continue to enter Indian market using different entry modes.

#### **HOSPITALITY INDUSTRY AND MARKETING**

In any business, a solid marketing strategy is key to building a brand, attracting new customers and maintaining loyalty are the challenges and hospitality industry is no different. But in this industry customer loyalty is key, marketing managers and executives devote a lot of energy and resources to building brand awareness and creating campaigns. These marketing efforts usually include both print and digital to maintain target former guests while also attracting new clientele. Hospitality sales are different from consumer goods sales because marketers must sell tangible as well as intangible products. This implies that they are marketing services rather than goods, and success hinges on creating the right *feeling* in the consumer. For example, a resort will want to cultivate a relaxing, fun atmosphere that is recognizable to customers.

The hotels are operating in unique Indian marketing environment which has its own opportunities to provide to the Industry owing to huge gap in different hotel segments and also challenges as they have to provide unique services to the customers while maintain their standards intact also. Both local and foreign hotel chains are competing with each other in terms of location, pricing

and promotion and in a way through this these chains are using traditional cum technological marketing methods to reach the customers.

Although most of the Hoteliers are using both traditional cum technological marketing methods to reach the customers, but marketers have found out that the hospitality industry being a competitive marketplace for which traditional advertising streams, such as television, newspapers and billboards have become increasingly insufficient. And looking at hyper activeness of consumer today and easy access to technology and Hotel industry being Consumer centric industry, hoteliers are increasing their concentrated efforts towards modern methods of Marketing. These modern methods use more of web technologies and internet and are penetrating deep into our society.

**ONLINE MARKETING:** There has been increasing trend of online trade on global level and in Hospitality and tourism sector too, Internet Banking has found its place. The Hotel industry is widely using online media to distribute its products directly to its customers. India too is keeping its pace with online media and hiring professional agencies to come up with innovative online marketing strategies to reach to its consumers. It is undoubtedly one of most powerful advertising methods. All companies, and notably in the Tourism and Hospitality industry, are fiercely competing to lead and overwhelm the online space in order to shift market shares from competition, increase their online traffic and make more profits. In addition, International hotel chains are considerably reducing their offline marketing budgets year on year for the benefit of the online ones.

#### **ONLINE MARKETING AND INCREDIBLE INDIA**

As a matter of fact, since the tourism industry is on a high in the 21<sup>st</sup> century and that international tourists are finding developing countries lot more attractive destinations, the Indian economy has leveraged upon it. With a view to bring focus on the rich multi cultural heritage and diversity persisting in India and to lay emphasis on several aspects like tourism, infrastructure, natural resources, festivals, historical monuments etc., the Government of India Ministry of Tourism coined the concept of Incredible India. A Government of India initiative, Incredible India is an international marketing campaign to promote tourism in India in the year 2002 to the global audience.

Incredible India came with such a marketing strategy that not only comprised of the traditional marketing media mix but also incorporated online marketing platforms into it such that the Ministry of Tourism could reach the maximum number of people who research their holiday destinations online. Ministry's decision to work with Microsoft Advertising for its popularity and global reach enabled Incredible India to reach out to travelers, while minimizing the campaign

expenditure. Online advertising which comprised of colourful rich media blends to highlight India's exotic appeal, generated high level of interest amongst the targeted audience thus in way luring them to strongly consider India as their travel destination.

### **SOCIAL MARKETING**

Social media marketing is the use of social media websites and social networks to promote a product or service. Although the terms e-marketing and digital marketing are still dominant in academia, social media marketing is becoming more popular for both practitioners and researchers. Companies address a range of stakeholders through social media marketing, including current and potential customers, current and potential employees, journalists, bloggers, and the general public. Social media marketing provides companies with a way to reach new customers and engage with existing customers.

Many social networks allow users to provide detailed personal, demographic, and geographical information which allows marketers to tailor their message to what is most likely to connect with the user. Because Internet audiences can be better segmented than traditional marketing channels, companies can ensure that they are focusing their resources on the audience that they want to target.

A major strategy used in social media marketing is to develop messages and content that individual users will share with their family, friends, and co-workers. This strategy relies on word of mouth, and provides several benefits. First, it increases the message's reach to networks and users that a social media manager may not have been able to access otherwise. Second, shared content carries an implicit endorsement when sent by someone that the recipient knows and trusts.

The social Marketing has led the hotelier to start thinking where and how to invest in the area. Most of the hotel companies have got their presence online today in the form of Facebook and Instagram pages and this allow them to be in touch with their customers on a regular basis.

Social marketing is also gaining significance in hotel Industry today for the search of travel experience on blogs and reviews. Hoteliers are embarking upon Social Marketing by adopting special web applications for acquiring target audiences and their experiences to drive sales, generate brand equity and brand public relationships via texts, images, videos and sound audios. From travel inspiration and research to booking to post-stay social, understanding the customer journey is paramount to your Social marketing. In hospitality and tourism, customers use search, websites, social channels, and reviews to plan a trip or book a room.

Apart from this customer is also using this platform to share their experiences and grievances so as to have better services and other facilities from hoteliers. Consumers are heavily engaging in

this media communication channels than ever before, which implies that Social Media marketing limits control over hoteliers shared content since online consumer is more powerful and demanding today. Due to huge network connection, Hospitality industry has wide audience reach globally with no geographic barriers and Time zone constraint allowing companies to easily reach out and target profitable niche segments. All this has led to lot more innovations and developments in Hospitality and Tourism sector.

Hotel marketers should also be aware of Potential benefits and harms; viral marketing could have on companies brand reputation. Managing online reputation especially through word of mouth and interpersonal influence is highly significant with hospitality and tourism sector mainly because

1. Hospitality Industry is based on service provision being an intangible product
2. Production and consumptions goes hand in hand
3. Consumer look out for reference groups before high risk purchase decision
4. Tourism product is seasonal and perishable

Therefore hotelier should engage and effectively communicate with its target audience through social media marketing in order to stay ahead of competition within hospitality industry.

#### **VIRAL MARKETING PLATFORM IN HOSPITALITY AND TOURISM SECTOR**

Amongst this Social Media marketing, new concept that is gaining lot of attention today is viral Marketing. It is based upon centuries old marketing technique called Buzz marketing that says once the customer had a good experience with a product, they would tell their friends, who would often buy and use that product and then tell other friends – dispersing information and recommendations about the product via a social network. The idea is to spread the information as far as possible in a very cost-effective way.

Technology has made the spread of this product knowledge from one person to another faster and more efficient. Today, digital media like the Internet are the new word of mouth networks, which act as easy, additional resource for people to spread the word. The Net accelerates the power and the speed of feedback from users to potential adopters. It becomes 'Viral marketing' when companies use electronic media to spread a word of mouth among its customer and convey their presence in the form of products and services.

Tim Draper, one of the founding investors for the free e-mail product Hotmail, and a partner with the venture firm Draper Fisher Jurvetson, coined the term "viral marketing" in 1997 when he first noticed similarities between the rapid adoption of products via word of mouth and the spread of biological viruses. Draper noted this viral phenomenon after Hotmail went from 0 to 12 million subscribers in just eighteen months, largely because the product included a linked advertisement

link for their service at the bottom of every email and offered a compelling service. Viral marketing describes any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence. A virally-marketed product is often said to have "buzz."

Fundamentally, viral marketing on the Internet is the simple technological extension of word-of-mouth marketing. And there are specially formulated social Medias on internet these days in the form of Social Networks-Orkut, Facebook, Myspace, Wikipedia the online encyclopedia, Podcasts, Content Communities like Flickr & Youtube, Microblogging with help of Twitter etc. that helps in spreading this viral messages across the world.

Academic resources when researched upon indicate that hotel industry has their high presence on Twitter, Facebook, Trip Advisor and Youtube. These are predominantly being used in industry for branding and marketing personnel should also acknowledge the potential of Viral Marketing and be able to handle online criticism promptly and effectively to enhance Brand Image.

Now a day also consumers are equipped with digital technologies like smart phones, search engines etc to attain full control over media and content to which they are exposed. Social media has become integral part of modern society and plays a vital role in daily lives of Gennext users. They start their day with click on social networking sites like facebook, twitter, linkedin, Ibibo and many more. These websites facilitate virtual friendship where everyone can share pictures, music, videos, events, activities and also chatting. The internet's viral and social capability have created whole new form of consumer internet communities, blogs and social networks have become part of life for gennext users in India. The proliferation and increasing usage of social Media websites provides a platform for nurturing brands and impacting decision related to purchasing.

Looking at increasing usage of these Social media platforms, research is being conducted amongst consumers of Punjab. Purpose of survey was to study the effectiveness of viral marketing as a promotion technique used by various companies. Majority of respondents are from cities of Ludhiana, Jalandhar and Amritsar who uses Internet very frequently.

#### **REVIEW OF LITERATURE**

Sussan (2005) in his study found out that consumer online word-of-mouth (eWOM) adds lots of value to the sales of a new product (a movie) in its multiple versions (released in the theater and then on DVD). Carl (2006) in his article concluded that though word-of-mouth communication has been known for decades, a more recent phenomenon is the emergence of explicit organizational efforts to stimulate "buzz" This article contends that the practice of buzz marketing is usefully framed within the study of everyday communication, which has shown considerable growth in the field of communication studies over the past decade. Kulp (2007) conducted a study to gain

insight into the attitudes of consumers towards viral marketing. . He arrived at that there are several factors that function as filters in the decision to forward content out of which humor and personalization were identified as major factors. Allen (2009) in her study concluded that restaurant marketers have finally agreed upon that social media has become a very important and powerful tool in attracting customers, these platforms provide word-of-mouth marketing faster and at a fraction of the cost of some other alternatives. Stephen (2009) in his study explored the nature of consumers' social interactions with respect to the transmission of information via WOM. In this essay consumers' reasons for transmitting WOM and the drivers of their selections of recipients were studied. Across the studies it was found that the main reasons for transmitting WOM are predominantly transmitter-focused and associated with transmitters using social capital embedded in their social relationships, the importance placed on these reasons by transmitters is related to the types of recipients that they actually choose to talk to, characteristics of recipients and the relationships they have with transmitters are strong drivers of transmitters' decisions of who to transmit information to. Levinson and Gibson (2010), explained that a social media marketer should have the following characteristics; first they should not be caught up in the enthusiasm of a new service or product before testing the tools and analyzing the results they are actually bringing. Second, a marketer should always be curious and interested in trying new options; he should combine different elements of marketing and strategy in a creative fashion. Jasleen (2014) in her blog mentioned that Online Tourism Campaign that was run on digital media platforms has found that 84 percent accuracy rate in terms of travel decision makers' target segment was witnessed and 90 percent of the response sample used the internet for planning leisure travel. Also more than 75 percent of the response sample perceived India as an attractive destination.

#### **RESEARCH METHODOLOGY**

Research design for the study has been descriptive and sampling design include cities that has maximum Population in Punjab, industries presence and also high internet literacy.(Ludhiana, Jalandhar and Amritsar). Data was collected using both from primary and secondary sources. But due to constraint of time and resources, scope of study was restricted to Punjab only.

#### **FINDINGS OF RESEARCH**

1. Around 65% of respondents researched upon were from age group 26-35 whose internet usage was on daily basis.
2. These respondents consider both traditional methods of marketing used by companies like that of TV, Radio, Bill Boards etc and also modern methods of marketing like internet advertisement, Viral Marketing while making a purchase.



3. These Gennext users spend maximum of their internet time on social networking sites like Facebook, Instagram, Twitter followed by Video websites, E-Mails and they are also being influenced by blogs and Forums which are mainly led by experts these days.
4. When asked about their perception for viral Marketing technique vis-a-vis traditional marketing, around 50% of them consider viral marketing has ability to reach out to more people within no time and 45% believed that it is much faster and cheaper way to communicate than that of traditional Marketing. And similar group of people also believed that since this medium does not involve any middlemen and comes straight from consumer who has used the products/service and therefore is more authentic as provider of information than any other media.
5. Over a period of time, these consumers have started depending more on viral marketing as media before buying their product or service especially when purchase involves big money outflow.
6. Amongst various viral marketing platforms, 90% of respondents used social networking sites, 87% of them use Video websites, 80% uses Emails and nearly 20 and 15% uses Blogs and forums respectively.
7. The most sought after product on Viral Marketing Platform are Books, Mobiles, and Movies, hotels, financial Services, Apparels, Consumer Durables, Education and many others.
8. When these respondents were asked about what kind of Viral Marketing efforts messages attaches their attention, 82% felt that Emotional messages convince them more to buy products or services followed by humorous and then life threatening and motivational Messages. Also messages which are recommended by friend are gaining lot of attention amongst these consumers.
9. Almost 90% of these respondents also want to become a part of viral message chain today as they like to share their experiences with their friends on this Social Networking Platform especially when experiences are bit negative.

So the above research suggests that viral marketing will help in promoting the sales of the product in today's dynamic environment. In 21st century, Indian electronic media is backed by strong internet revolution. Digital transformation will take India's internet users from 373 million (28 percent of population) in 2016 to 829 million (59 percent of the Indian population) in 2021 as predicted by global giant Cisco. Mobile networks, devices and connections in India are not only getting smarter in their computing capabilities but are also evolving from lower-generation network connectivity (2G) to higher-generation network connectivity (3G, 3.5G, and 4G or LTE). So with this mass presence of electronic media and increase in internet usage among consumers,

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viral marketing is surely a cost effective and time saving platform wherein marketers can promote their product with great convenience. (Ref: CISCO Report) And this viral marketing phenomenon representing an ongoing trend where hospitality has a lot to gain, but should always be careful not to misuse the medium. At the moment, social media is still evolving and it creates a real connection between companies and customers. This connectivity may compel consumer for purchase intensity. Ongoing connection and relationship with the guests will eventually turn them into ambassadors and a volunteer marketing army.

But overuse of these channels can create information overflow, which can be negatively perceived by customers and which can lead to ignorance of the brand, and consequently to a negative image. The social media marketers does agree that tool should be used, but also attentively supervised as an insignificantly small negative comment can cause significant and irreversible damage to a brand. In regard to level of satisfaction with the social media tools and their contribution to company's goals, the respondents seemed content with the results, but consideration for improved solutions has nevertheless been mentioned. The fact that they do not set measureable goals when considering online communication goals make it difficult to measure the contribution, but influence can be noticed through the immeasurable goals such as customer satisfaction and brand awareness.

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