

## **The Effect on Business of Online Customer behaviour and the Efficacy of Digital Marketing in the Hotel Industry**

**S.D.Santhanakrishnan<sup>1</sup>; Dr.I.Josephraj<sup>2</sup>**

<sup>1</sup> Doctoral Research Scholars, Department of Business Administration, Annamalai University, Chidambaram, Tamilnadu

<sup>2</sup> Assistant Professor, (Corresponding Author), Department of Business Administration, Annamalai University, AnnamalaiNagar, Tamilnadu.

### **Abstract:**

While the concept of digital marketing has been operationalized, the theoretical foundations and complete models for how and why to employ various digital channels are still emerging. Digital marketing is inextricably linked to e-marketing, ecommerce, mobile commerce, and internet marketing. Customer behaviour research looks at demographics, personality traits, and behavioural aspects (such as usage rates, usage frequency, loyalty, brand advocacy, and proclivity to suggest) to gain a better understanding of people's preferences and consumption habits. This study aims to evaluate the link and influence between the Effectiveness of Digital Marketing and Online Customer Behaviour in the Chennai Hotel Industry. The independent variable is Digital Marketing, while the dependent variables are Digital Marketing Utilization, Digital Marketing's Advantages and Disadvantages, and Digital Marketing's Perception. Online Customer Behaviour is a dependent variable, and its sub variables include Confidentiality and Security, Website Atmosphere, Website Usability, Trust, Customer Service and Fulfilment, and Interactivity/Connectivity. This study is descriptive in nature, and data will be collected by a questionnaire distributed to 409 consumers in the Chennai hotel industry. Multiple regression analysis will be employed to conduct the analysis in this study. We concluded from the outcomes of this study that there is a good correlation and considerable influence between the effectiveness of digital marketing and online customer behaviour in the Chennai hotel industry.

**Key Words:** Digital Marketing, Online Customer Behaviour, Hotel Industry

### **Introduction:**

The hotel industry is one of the world's oldest commercial endeavours. It is a changing industry that has seen significant transformation. A hotel is a structure that combines production and distribution under one roof. It maintains a personal relationship with its consumers, who purchase hotel products at the point of sale. Essentially, it is a capital-intensive enterprise. Catering, cleaning, front desk, accounting, marketing, engineering, maintenance and service, fire fighting and public relations are just a few of the numerous departments in this industry that require a significant number of personnel to run them. While advanced technology is being used in hotels, they cannot succeed without the individualised attention provided by hotel workers.

Digital marketing encompasses all aspects of the internet, including email, websites, and social media (**Merisavo 2006**). Thus, digital marketing is defined in this study as "the communication or interaction between a business or brand and its customers through digital channels such as websites, email marketing, search engine optimization, social media marketing tools such as Facebook, Whatsapp, and YouTube, and content marketing tools such as blogs, memes, and info graphics." The digital marketing channels are chosen in consultation with industry professionals and subject matter experts in the field of digital marketing.

As a discipline, customer behaviour studies the behaviour of individuals and groups in relation to goods and services as well as their purchase, use, or disposal. Emotions, opinions, and preferences are all factors that influence a customer's purchase decisions. A unique discipline of marketing, consumer behaviour was studied in the 1940s and 1950s, but it has since grown into an interdisciplinary social science that incorporates psychology, sociology, anthropology and ethnography as well as aspects of economics and market research and management (especially behavioural economics).

### **Review of Literature;**

According to Aden Andrus (2017), Kathiravan & others, n.d. the author of his essay, marketing is rapidly transforming into a digital world as a result of technological invention and progress in a variety of disciplines. Digital marketing is a large category of technology equipment and digital apps that improve the marketing process by promoting the product and maintaining consistent touch with students through digital channels. Websites, email, SMS, mobile, digital TV, virtual video, SEO, and blogs are all examples of digital marketing methods. Thus, the research suggests, digital marketing may be viewed as an umbrella term encompassing the different digital platforms that might be used to engage students and increase sales. Additionally, the report suggests that digital marketing can be referred to as 'Electronic Marketing.'

**Oberer & ER kollar (2010)** According to the authors, digital marketing is a technology-based activity in which any type of information can be communicated over the internet via internet-connected electronic devices such as computers, smartphones, WebTV, and electronic boards. This method of marketing strengthens the company image by engaging students with numerous advertising and information. According to the article, engagement is critical for repeat purchasing behaviour.

Customer behaviour, as described by Hoyer and **MacInnis (2004)**, is the study of how customers exchange something of value for a product or service that meets their needs. Additionally, **Batra and Kazmi (2004)** asserted that customer behaviour consists of cognitive and emotional processes as well

as the concrete actions taken by customers while searching for, acquiring, utilising, and post-consumption of a product or service.

**Balderjahn (1988)** KATHIRAVAN et al., (2014) investigated an ad hoc model of environmentally conscious customers. The findings demonstrated that each behavioural pattern has its own cluster of predictors, despite the fact that the ecologically concerned Customer is a member of the upper socioeconomic classes, and laid the groundwork for market segmentation techniques for policymakers' training initiatives.

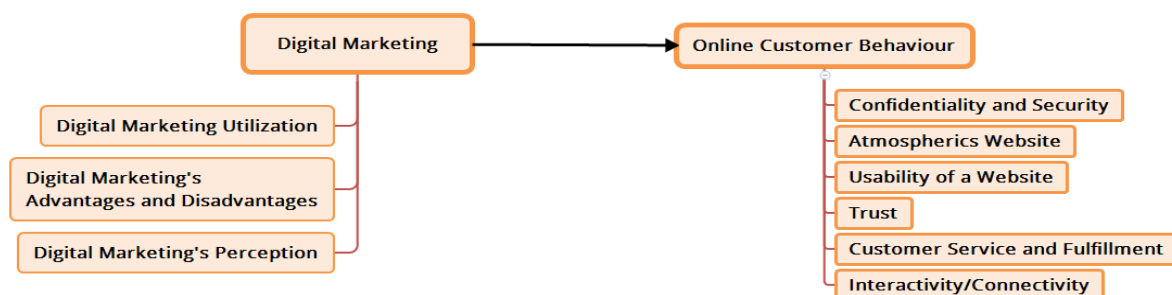
**Alwitt and Berger (1993)** explored the relationship between the attitude strength structure and purchase intentions. While views toward the environment as a whole are not significantly related with purchase intent, attitudes about the product are.

**Hallin (1995)** observed that individuals participate in environmental behaviour for a number of motivations, including the desire to address environmental issues, the desire to be role models, and the conviction that they can contribute to the survival of the environment. However, a customer's signs of a favourable attitude toward environmental issues do not always translate into environmentally conscious purchasing behaviour. The bulk of customers do not make purchases only for environmental reasons. They will not also make trade-offs between other product features and environmental stewardship..

**RESEARCH METHODOLOGY**

**Research Design:**

The study employs a research design that is guided by the investigation's aims and the outcome's emphasis. The researcher conducts the investigation using a descriptive research approach. A descriptive research study seeks to describe the traits and characteristics of a person or a group. The research design describes the current condition of affairs. The purpose of this study is to determine the effectiveness of digital marketing and online customer behaviour in the hotel industry, with a focus on Chennai. The study assesses the effectiveness of digital marketing and online customer behaviour in the Chennai hotel industry.



**Figure 1: Framework of the research**

**Objectives of the Study:**

- To do research on digital marketing in the Chennai hotel industry.
- To conduct a research of customer behaviour in the Chennai hotel industry.
- To investigate the differing perspectives on the efficiency of digital marketing, online consumer behaviour, and customer satisfaction in the Chennai hotel business.
- Analyze the impact of digital marketing on customer behaviour.

**Hypotheses of the Study:**

- There is no discernible variation in attitudes toward digital marketing in the Chennai hotel industry by demographic profile.
- There is no discernible variation in customer behaviour in the Chennai hotel industry by demographic profile.
- There are no substantial disagreements on the effectiveness of digital marketing and online customer behaviour in the Chennai hotel industry.
- There is no evidence that digital marketing has an effect on customer behaviour.

**Data Collection:**

The researcher collected primary data from Customer of Hotels using a well-structured questionnaire. The questionnaire is broken into three components; First portion gives a demographic profile of the staff. Second section discusses digital marketing; third section discusses online customer behaviour.

**Reliability Analysis:**

Additionally, reliability analysis was used to determine the dependability of the criteria listed above. To be regarded satisfactory, the dependability range of 0.82 to 0.85, which fulfils Cronbach's alpha, should be at least 0.70.

<b>S.No.</b>	<b>Variable</b>	<b>Item</b>	<b>Cronbach's Alpha</b>
<b>I</b>	<b>Digital Marketing</b>	<b>32</b>	<b>0.82</b>
<b>II</b>	<b>Online Customer Behaviour</b>	<b>39</b>	<b>0.85</b>

**Sampling Technique:**

The study employed the sample process probability model. The questionnaire's receiver was chosen using a simple random sampling. This data gathering procedure is straightforward and affordable. Through introduction, the strategy depended on equal chance to discover qualified Hotel Industry

clients. This inspection approach was developed expressly for this study in order to guarantee the presence of Hotel Industry consumers.

**Sample Size:**

Totally 438 questionnaires were distributed. 425 questionnaires were received. 13 questionnaires were not received. Out of 425 received questionnaires 409 were eligible and the remaining 16 were with flaws. Hence, the sample strength was 409

**Data Analysis:**

Using a path analysis, you may figure out which factors affect the dependent one. Digital Marketing was used as an independent variable in this research. Customer behaviour on the Internet is regarded as a dependent variable.

**REGRESSION ANALYSIS**

**Table 2: Impact of dimensions of Digital Marketing on the Confidentiality and Security of Online Customer Behaviour**

<b>Independent Variable</b>	<b>Dependent Variable</b>	<b>R</b>	<b>R<sup>2</sup></b>	<b>Adj. R<sup>2</sup></b>	<b>F</b>	<b>p</b>
Digital Marketing Utilization, Digital Marketing's Advantages and Disadvantages, Digital Marketing's Perception	Confidentiality and Security of Online Customer Behaviour	0.736	0.542	0.538	148	0.001

Source: primary data

Table 2 illustrates the influence of digital marketing parameters on the Confidentiality and Security of Online Customer Behaviour in the Chennai Hotel Industry. This table forecasts and summarises three critical aspects of digital marketing: utilisation, advantages and disadvantages of digital marketing, and perception of digital marketing. Two Digital Marketing aspects, such as Digital Marketing Utilization and Digital Marketing's Advantages and Disadvantages, are significant for bank personnel, but one element, Digital Marketing's Perception, is less significant. In truth, the perception of digital marketing has little bearing on the Confidentiality and Security of Online Customer Behaviour.

The coefficient of determination  $R^2$  is the square of the product moment interactions.  $R^2$  increases in proportion to the value of R.  $R^2$  adjusted to be smaller than  $R^2$  will always be less than  $R^2$ . If the difference between adjusted and unadjusted  $R^2$  is modest, the model is good. As a result, the following hypothesis was developed to corroborate this stance.

*HO: There is no effect of digital marketing elements on the Confidentiality and Security of Online Customer Behaviour in the Chennai Hotel Industry.*

The components of Digital Marketing Utilization, Digital Marketing's Benefits and Drawbacks, and Digital Marketing's Perception have an R value of 0.736 and an R<sup>2</sup> value of 0.542, showing a 54 percent prediction of Online Customer Confidentiality and Security. The adjusted R<sup>2</sup> value of 0.538 is quite near to the R<sup>2</sup> value, with a difference of just 0.004; that is, the sample size approaches the population size. At the 0.001 threshold of significance, the F-value of 148 is significant. As a result, the regression equation below was created.

**Table 3: Co-efficient table**

S.No.	Model	Un-standardized Coefficients		Standardized Coefficients	t	p
		B	Std. Error	Beta		
	Constant	0.4138	0.1443		2.868	0.004
1	Digital Marketing Utilization	0.1858	0.0570	0.1650	3.257	0.001
2	Digital Marketing's Advantages and Disadvantages	0.5875	0.0396	0.6145	14.853	0.001
3	Digital Marketing's Perception	0.0367	0.0464	0.0391	0.790	0.430

Source: primary data.

Confidentiality and Security of Online Customer Behaviour = (0.4138) + Digital Marketing Utilization (0.1858) + Digital Marketing's Advantages and Disadvantages (0.5875) + Digital Marketing's Perception (0.0367).

The 'beta' value of Digital Marketing Utilization of Digital Marketing is 0.1650, which reflects a 16.5 percent influence on the Confidentiality and Security of Online Customer Behaviour. The t-value of 3.257 indicates that the standardised regression coefficient is significant at a p-value of 0.001. Thus, the use of digital marketing validates the influence on the Confidentiality and Security of Online Customer Behaviour in the Chennai Hotel Industry.

The 'beta' value of Digital Marketing's Advantages and Disadvantages of Digital Marketing is 0.6145, which reflects a 61.45 percent influence on the Confidentiality and Security of Online Customer Behaviour. The t-value of 14.853 indicates that the standardised regression coefficient is significant at a p-value of 0.001. As a result, the Digital Marketing's Advantages and Disadvantages affirm the

influence on the Confidentiality and Security of Online Customer Behaviour in the Chennai Hotel Industry.

The 'beta' value of Digital Marketing's Perception of Digital Marketing is 0.0391, which has a 3.91 percent effect on the Confidentiality and Security of Online Customer Behaviour. The t-value of 0.790 indicates that the standardised regression coefficient is not significant at a p-value of 0.430. As a result, the Digital Marketing's Perception of Digital Marketing affirms that there is no effect on the Confidentiality and Security of Online Customer Behaviour in the Chennai Hotel Industry.

## **FINDINGS**

- The investigation revealed a beneficial effect of digital marketing use, as well as the benefits and drawbacks of digital marketing, on the confidentiality and security of online customer behavior. Mackey and Liang (2013) revealed that school leaders' perceptions of digital marketing were less frequent. Additionally, they noticed a high frequency of collaborative and compromise techniques, followed by pushing and smoothing. Heinonen (2011) established that only the Advantages and Disadvantages of Digital Marketing and the Use of Digital Marketing mediate the link between distributive and procedural justice, as well as Confidentiality and Security. Additionally, the investigation determined that Digital Marketing's Perception of Digital Marketing verifies the fact that it has no effect on the Confidentiality and Security of Online Customer Behavior. Sureshchander, G.S.; and Rajendran, C.; and Anantharaman, R.N. (2003); Jayawardhena C, Wright, L.T. & Masterson R (2003) established a link between Digital Marketing and Online Customer Behavior.

## **SUGGESTIONS:**

- Digital channels served as the 'media' providing customers with timely, relevant, customizable, quantifiable, and personalized information while being reliant on digital technologies. This was done to determine the all-encompassing effect of contemporary digital channels utilized for digital marketing communication on customers' decision-making processes.
- Customer behaviour also examines the impacts on the Customer, ranging from social groupings such as family, friends, sports, and reference groups to society as a whole (brand-influencers, opinion leaders)

## **CONCLUSION:**

The findings of this study represent a unique attempt to investigate an obvious yet overlooked relationship between the effectiveness of digital marketing and online customer behaviour in the

Chennai hotel industry. According to Heinonen (2011), there is a strong correlation between digital marketing and online customer behaviour. Additionally, the study sought to identify the routes via which clients obtained digital information at various phases of the decision-making process. The study's objective was to ascertain the most favoured digital channels of communication and demographic characteristics of clients who make purchasing decisions through digital marketing communication. Internal factors on customer behaviour include perception, learning, memory, reasons, personality, emotions, and attitudes. Perception, cognition, and motivation are three aspects that contribute to the description of what goes on in the minds of customers and have an effect on their decision-making.

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