

How Local Hotels Make Use of Marketing Techniques to Recover Themselves during Demand Fluctuations-A Study on Cox’s Bazar City

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ABSTRACT: *Most of the hotel faces fluctuation in the market depending on the season and demand. This study has been conducted to identify the strategy that has been taken by the hotel industry to recover them during the fluctuation of demand. The data have been collected through a self-structured questionnaire from 10 hotels that have been randomly chosen from Cox’s-Bazar, Bangladesh from the month from August to September 2018. It has been seen that all hotel has increased their number of rooms in an average of 72 for last three years. It has also seen that year after year the demand of customers at hotels has risen and the rate is quite high (91%) in between November to February. While the demand is high, 90% hotels charge the full price of the room and 70% hotels offer incentives for nonpeak season. While demand is low 90% hotels differentiated their room price and 60% hotels vary their service offerings to attract the customers. Use social media to promote specially at low peak periods and this will be a great way to recover while at off season and boost up revenue as well.*

KEY WORDS: *Demand, Hotel, High Demand, Low Demand, Offers.*

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I. INTRODUCTION:

The travel and tourism industry is one of the world's largest industries. In recent decades the travel industry segment has been one of the extraordinary examples of overcoming adversity of the Bangladeshi economy. This era perceived a circumstance which has changed drastically throughout the years, impressive and continued development, real interest in key foundation and a shift from a focus on reasonable cost to quality, gleamed in item offering as well as in arrangement. Whereas, the quantity of voyagers around the globe develops, the significance of sustainable management of tourist destinations turns out to be progressively essential (Black and Crabtree, 2007; Bryd, 2007).

According to UNWTO (2012) the value of the international tourism sector in 2011 was more than US\$ 1.2 trillion. In the world, the travel industry right now positions fourth following powers, chemicals and food. Tourism is the main emergence of oversea communication earning and export which is categorized as number one in many developing countries, generating the much-required foreign exchange revenue and development opportunities. The tourism statistics of the World Tourism Organization (WTO) indicate that worldwide tourism industry will consequently keep developing strongly. From 1960 to 2000 number of international tourists dramatically increased between 70 million and 710 million. The WTO further forecasts that worldwide arrivals of international tourism would reach 1.5 billion by 2020 (WTO Tourism Vision 2020). Hotels are therefore in great demand now.

II. LITERATURE REVIEW:

As indicated by the World Travel and Tourism Council (WTTC), the industry produced \$3.5 billion in GDP and nearly 200 million jobs throughout the world economy in 1999. According to Bhatia (2001: 37), supported by Cooper, Fletcher, Gilbert, & Wan hill (2001), ‘... tourism is one of the largest industries in the world with an estimated 700 million international visitors arriving in 2000.’ Today this matter is now a very complex movement with a variety of relationships. The economic benefits to a country through foreign exchange are the primary motivation for different countries to promote tourism.

During the post-war II period, increased living standards in developed countries and the widespread foreword of paid holidays to a huge majority of people played a catalytic role in giving international tourism a new impetus (Cooper et al, 2001; Lockwood and Medlik, 2001; Harrison, 1998; Weaver and Oppermann, 2000). As indicated by Bhatia (2001:20) “The travel industry and its advancement are firmly linked to the purchasing power of consumers’ harmony and success on the other.” Income is thus the second most imperative variable in international tourism development.

Enhancing worldwide the travel industry is vital implications not only for the country's main indicators, but also for stimulating the improvement of numerous financial divisions such as the hotel industry. In ongoing years, the tourism industry, as well as the international nature and the state, has faced the continuous growth of the competitiveness of hotel organizations in the tourism sector. The observed increase in competition, which can be seen by means of strategies for battle, in some cases not friendly, the advertising performance of a specific organization (Silnov, 2015), territory, zone, which helps to promote them on the world tourist services market. Every time, every hotel experiences the slow phase resulting from the condition of the seasonal market. The hotel business, like any other company, must have encountered market fluctuations as a result of the shift in demand. Thus, by creating a specific marketing plan designed specifically for periods of demand fluctuation. It is important to know what the seasons, months, weeks and days tend to be low. Depending on your guests' booking behavior during these periods, it will help you to understand how much you need to carry out your activities in advance so that you do not miss your prospective guest. Thus the objectives of the study are to identify the strategies that have been taken by the hotel industry during the fluctuation of demand and to recommend some suggestion to overcome when they are in low demands.

III. METHODOLOGY:

The research is mainly based on the survey through questionnaire. The survey was conducted over 10 hotels that has been randomly selected, like- Royal Tulip Sea Pearl Beach Resort & Spa, Long Beach Hotel, Heritage Hotel, ZIA Guest House, Bay Touch, Praasad Paradise, Hotel Coral Reef, Hotel Sea Crown, and South Beach Resort.

Data were collected by the post-graduate marketing students in the month of September and October, 2018 by visiting the stated hotels in Cox's Bazar city. The selected strategies during demand fluctuation has been taken from Zeithaml, A.V. and J.M . Bitner, (2003), which has been formulated to do the survey.

IV. ANALYSIS:

Average Rooms increased during 2015-2017

An issue therefore is the room of those 10 hotels that have been constructed in recent years. Table 1 show new rooms added during 2015 to 2017. Each hotel in 2015-17 added about on an average 72 rooms to the supply.

Year	2015	2016	2017	Average
New Room Constructed	38	81	97	72%

Table-1: Average Rooms per Hotel increased during 2015-2017

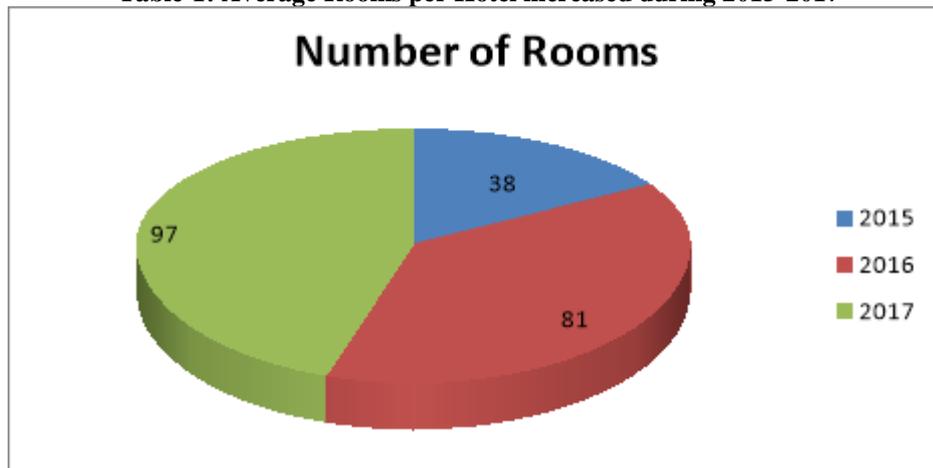


Figure 1: Number of Newly Constructed Rooms during 2015-17

Source: Official Desk of the Hotels

Demand Pattern during 2015-2017:

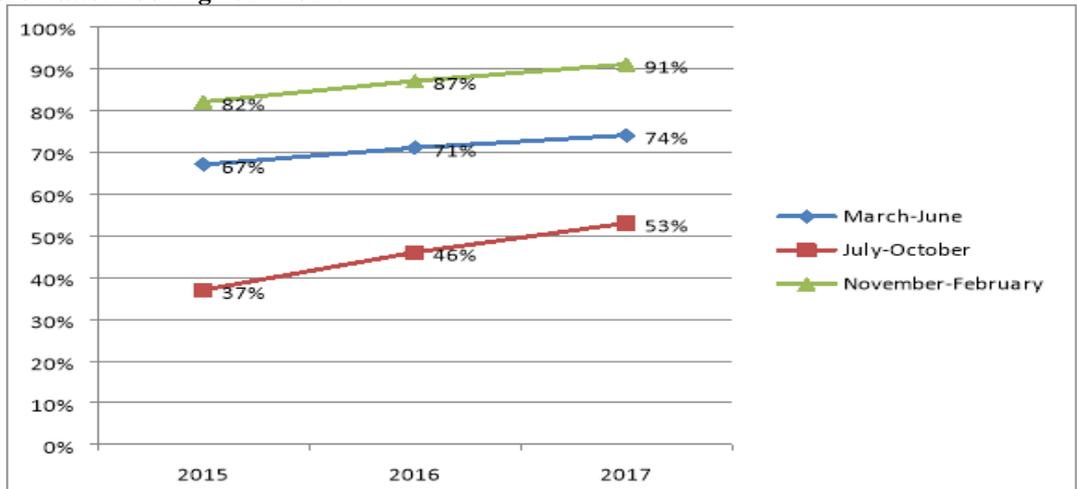


Figure 2: Demand Pattern by Year

From the figure 2 it has been seen that “November-February” duration has been treated as peak season for the hotels. It also seen that year after year the demand pattern of the visitors has been increased throughout a year and it has been in full demand during the month November-February.

Strategies Taken to Reduce Demand during Peak Time:

	Communicate with Customers	Offer Incentives for Nonpeak Usage	Set Priorities	Charge Full Price
Hotels	40%	70%	60%	90%

Table-3: Strategies Taken to Reduce Demand during Peak Time

While the questions have been asked to the employer of the hotels regarding their strategies that has been taken when the demand is full, most of the owners (90%) charged the full price for service during those periods of time that know their services are in high demand. About 70% hotels offer incentives for nonpeak usage to encourage customers to shift their use of the service to other times and 60 % hotels give the priorities to get the rooms to their regular, loyal or high-need customers. Very low percentage (40%) hotels communicate with their customers, letting them know the times of peak demand to persuade them to use the service at alternative times and avoid crowding or delays.

Strategies Taken To Increase Demand to Match Capacity:

	Educate Customers	Vary the Service Offering	Differentiate on Price
Hotels	40%	60%	90%

Table-4: Strategies Taken To Increase Demand to Match Capacity

While the questions have been asked to the employer of the hotels regarding their strategies that has been taken to increase demand to match capacity, 90% hotels discount the price of the service. About 60% hotels take the approach entails the nature of the service offering to increasing demand to change how the service facility is used based on different season. 40% hotels take the initiatives to let their customer know about the promotional campaigns when demand is low.

V. RECOMMENDATIONS AND CONCLUSION:

Each hotel faced the fluctuation of demand in their entire business life. There are a few different ways to pick up the interest during these moderate periods. One incredible approach to include esteem is making unique offers and bundles dependent on inclining occasions going on inside the zone. Hoteliers must audit and break down hotel’s yearly figure reports so as to decide times that inhabitation is relentlessly declining or/and reliably low. Make a point to keep note of which seasons, months, and weeks the hotels will in general be running slow. After recognized the low interest time frames for lodging, it is currently time to concoct a procedure that would build inhabitation and all the more vitally increase revenue. A strategy that would successfully expand changes during slow periods is by offering specials and bundles that would convey increased the value of the individuals who are staying. Make specials that depend on inclining nearby occasions and exceptional events.

Use neighborhood organizations and trending occasions as a showcasing chance to attract visitors to the guests. Look on the social media channels for up and coming shows, celebrations, fairs, long distance races,

and marches. Twitter and Facebook are extraordinary instruments to discover what is right now slanting and what individuals are discussing. At that point giving offers a unique markdown explicitly for occasion goers. Utilize social media specials and by utilizing these tips during low peak periods, it will be an extraordinary method to expanding occupancy and boosting income. The study was based on only 10 hotels of Cox's-Bazar city, future researchers has a great wide scope to work on this issue and it will then be a good contribution for the hotel industry and the country as well.

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