

Industry Assessment on Consumer Behavior in Hospitality Industry: A Review

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ABSTRACT

Customers analyze signals from businesses using their senses, including sight, sound, touch, smell, and occasionally taste. They make decisions about products and services based on their perception of the facts, sometimes rather of the actual facts. It has been discovered that interpersonal factors including culture, socioeconomic class, family, and opinion leaders, as well as personal aspects like wants, objectives, motives, past experience, and lifestyle, have an impact on consumer decisions.. Individual decision-making is included in consumer behavior (IDM). IDM has ramifications for customer happiness, loyalty, and other behavioral intents toward the products and services of the organization. Consumer Behavior in Hospitality and Tourism aims to research consumers and tourists in various leisure and touristic locations such as hotels, conference centers, and theme parks, amusement parks, national parks, and the transportation sector.

Keywords: Customer; Consumer; Behavior; Hospitality

INTRODUCTION

In recent years, the business industry has grown significantly. Local and worldwide businesses have developed, with various investors drawn to some similar line of business. The growing number of companies in the market for a certain product or service has resulted in the present high degree of market rivalry. Furthermore, consumers have a diverse selection of items and services from which to meet their demands.

This has become a huge problem for businesses. To thrive in today's market, a firm must be able to recognize, comprehend, and respond to the requirements of its customers.

The companies should then provide high-quality products and services to suit client requests. Nonetheless, the classic business strategy of focusing on the maximizing of the company organization's profits no longer applicable in today's market [1].

Regardless of a firm's awareness of its customers' demands, the ultimate behavior of clients in purchasing and using products and services remains a difficulty. A company may create products and services that truly meet the demands of its customers; but, other influences may affect the customer, who may end up purchasing and using other items on the market. Customers frequently do not act as promised or expected by commercial

companies [2]. For example, market research may reveal that buyers are in need of a specific product and would be eager to purchase it if it were available in the market.

An organization would then proceed to release a large portion of the product into the market. In other cases, buyers may be influenced by other factors, such as intensive advertising by a rival following market research [3]. Such buyers may wind up purchasing the freshly marketed product rather than the previous offering. As a result of this shift in focus, the first organization will suffer some losses. As a result, in addition to comprehending changing client demands and responding quickly to these needs, enterprises need have a deep awareness of consumer purchasing behavior [4].

Consumer behavior is the study of how consumers (individuals or organizations) decide to purchase a product, select and purchase the product, utilize the product to meet their requirements, and finally dispose of the product, as well as how this behavior impacts society.

If a corporate organization has a thorough grasp of client purchasing patterns, it will frequently succeed in its operations through effective customer satisfaction. Organizations will be able to direct their output toward products and services that fulfill these evolving demands [5-7].

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Furthermore, this might entail creating whole new items, doing sales promotion and advertising, giving competitive rates, or expanding a company's retail locations to better serve several clienteles. In general, sales and marketing managers in commercial organizations should do in-depth research to comprehend how customers transmit and process information about a product, and ultimately, how customers decide whether or not to purchase it.

The purchase habits of people are influenced by a number of things. Models have been created in connection to the factors in an effort to explain how customers are likely to behave while choosing and utilizing a certain item or service.

These models do, however, have certain drawbacks. This essay focuses on a few of the models that have been used to analyze consumer purchasing patterns while also highlighting some of its shortcomings. In the framework of the hospitality business, several models are taken into account.

Significance of study

This survey offers an accurate and clear picture of consumer behavior in the hotel business. This survey gives information on the various groups of people who stay at hotels and how satisfied or dissatisfied they are with the services. The study's key contributions to the hotel sector are to: Understand consumer behavior toward them and which factors the hospitality industry needs to change; Contribute to society, knowledge, and the subject to gain fresh perspectives.

LITERATURE REVIEW

The consequences of statistical breakdown, which show the influence of client interaction operation on the position of customer's certitude, confidence and the engaging of the guests of the State Hotel of India, it's unobstructed that there's no company in the world dropped from blights and amiss correlate. There's no mistrustfulness, every company should check and upgrade its plans despite of its success to identify the new strategies, which appropriate to the advanced operation surroundings, which specified the requirements and solicitations of old, or new consumers advised that, training is determined to be one of the most great human aid practices in any industry. When implementation of those practices in right manner comes to a decision the overall performance of any company. So skilled employees are much more likely to take pride in organisational achievements; agree with inside the dreams; committed to their enterprises and values of the organization and, consequently, showcase better degrees of according to formic. Consequently, the resort corporation has to recommend the schooling of its staff to develop their know-how and abilities, reorient their subculture and values, and encourage people to turn out to be concept champions inside the paintings.

In an effort to boost client happiness, hotels should make a concentrated effort to increase employee satisfaction through policies and programmers that these employees see as advantageous. Because motivation is thought to be a key aspect or variable that can affect employees and motivate them to give

good service, employee-friendly policies and programmers help to provide it.

Consumer behavior: The theoretical concept

It has been noted that it is crucial for commercial organizations to take into account the reasons why a specific segment of the market's customers may have a special interest in their items. The businesses must comprehend how customers choose which things to purchase and where to get those products [8].

Consumers' ultimate choice to purchase a certain product is influenced by a number of elements, which the businesses must identify and assess.

The study of "how people, groups, and organizations, select, purchase, use, and dispose of products, services, ideas, or experiences to meet their wants and the implications that these activities have on the consumer and the society" is what consumer behavior is all about [9]. It involves more than just purchasing goods and services.

It becomes clear that the idea of customer behavior contains some components that the corporate organization should find interesting. First, the customers are either people, groups of persons, or organizations in this context [9].

At these several levels, the purchasing behavior toward a certain product can be altered. An individual's choice to purchase a certain product may be influenced by a number of variables that are unique to that person. A person's financial situation, degree of education, knowledge of a particular item or service, preferences, and past experiences are a few things that might affect their purchasing decisions.

Due to his knowledge and experience of the product's quality, a person may choose to purchase a specific product. A group's purchasing habits might also be altered. The way a person uses a certain product or service will depend on the group they belong to.

Peer group influence typically has an impact on a person's social life as well as the subsequent goods and services that person uses. The hospitality sector employs this often. The type of hotels and lodges that various customers will use will depend on the socioeconomic class that has been developed.

The organizational setting can also affect people's purchasing decisions. An organization's management may choose a certain product for its staff to utilize, which in turn influences the staff to purchase the product.

It is also crucial to keep in mind that consumer behavior involves not only the goods and services but also the concepts and knowledge around these goods. Studying consumer behavior is primarily interested in how people acquire and interpret information about goods and services, form opinions about those goods, and ultimately make decisions.

An organization in the business world gives careful thought to a product's potential influence on the environment. The positioning of the product in the market will be influenced by how these items affect the environment. The environmental

effects of a product will depend on how it is disposed of after usage.

The choice to purchase a product is simply one important part of consumer behavior; it is equally important to consider how customers utilize and dispose of the items [9]. Poor waste management is to blame for the majority of environmental issues.

This gives the goods and the business that sells it a bad reputation. Businesses will be better able to position their items in the market and draw in more customers if they are aware of how consumers utilize a product and how it is eventually disposed of.

The fact that consumer behavior has a big influence on society is another crucial factor to take into account [9]. The way a company conducts its business may have a significant influence on the political, social, or economic progress of the society.

The actions of the buyers of such an organization's products also have an impact on these impacts. A product could have negative consequences on people's health. To attract the interest of numerous buyers, the product's creator may, nevertheless, engage in intensive advertising and sales promotion [10].

Despite the items' detrimental effects on users' health, these people still use them. Here, the society is negatively impacted by improper customer behavior.

Consumer decision making models: The ancient ones

Various advances have been observed over the years in the study of consumer behavior. Various theories have been developed to explain the consumer decision-making process. Utility theory is a representative this theory dates back three centuries before him, was developed by Nicolas Bernoulli, and extended by other economists. This theory suggests that a consumer's decision about a particular product or service is based on the consumer's expectations of the outcome of the decision [11]. In other words, consumers decide to purchase a product or service when they expect the product to be of high quality and meet their needs. This perspective portrays the consumer as a rational decision maker, capable of predicting and quantifying the possible outcomes of each of the available options. Choose the alternative that gives the best results for this model has the weakness that consumers are not rational in making decisions and cannot accurately determine the probabilities of those outcomes [11]. Consumers are often unaware of the forces that can influence their decision-making process (Bray). Another theory has been developed that, like utility theory, consumers do not have to consider all possible options before making a decision [11]. Instead, you should explore the options in your immediate vicinity and choose from those options. This theory also has some flaws and other approaches have been developed based on these previous concepts. The issue of quality and value was later incorporated into theories explaining buyer behavior. The development of approaches to consumer choice models continues.

Consumer decision making models existing in the hospitality industry

The hospitality sector is mostly focused on services, as opposed to other corporate groups that deal in real goods. When compared to the quality of the items in other company environments, the service quality offered will satisfy the customers. Interpersonal interactions and human-environment interactions both have an impact on the service's quality [7].

Therefore, it is crucial for managers in the hospitality sector to comprehend how customers choose the services they require and where to get them. In the recent past, a number of models have been created in an effort to describe how consumers choose, ultimately buy, and use a product and service. It has been noted that the traditional Utility Theory saw consumers as ideal economic rational decision-makers. According to recent studies on consumer behavior, there are a number of elements that influence customers' purchasing decisions, which go beyond merely making goods purchases.

The consumer behavior is then explained by a variety of models. Now, the majority of these models involve a few common behaviors. These comprise "need identification, information gathering, and alternative assessment, the development of a buying intention, the act of consumption, and ultimately disposal".

The theoretical methods that have been applied to the study of consumer behavior have been used to build the current models that explain consumer behavior. Theoretical perspectives include the Economic Man, psychodynamic perspective, behaviorist perspective, cognitive perspective, and humanistic perspective.

These methods have changed as time has gone on. For instance, the Utility Theory was established using the Economic Man approach. The cognitive approach and the ensuing models will receive a lot of attention in connection to the hotel sector.

According to the cognitive approach, an individual's own cognitive capacity his capacity to perceive and comprehend some information is significantly responsible for his behavior as a consumer. It has strong ties to the discipline of cognitive psychology. According to the methodology, an individual's external environment is regarded as a stimulus that produces data for their internal decision-making process. The analytical models and the prescriptive models are the two types of cognitive models of consumer behavior. The analytical models indicate the variables thought to affect consumer behavior as well as their interrelationships.

Among the models in this category are the Consumer Decision Model and the Theory of Buyer Behavior. These models typically adhere to a five-step decision-making procedure for consumers.

These processes entail problem identification, information gathering, alternative assessments, choice to buy, and post-purchase evaluation [10]. The second category offers a detailed framework of ostensible customer behavior. The core functions of the consumer decision model include problem awareness,

information gathering, and alternative evaluation; buy decision, post-purchase evaluation, and divestment. In the later 1960 s, the model was created.

Since then, it has documented a number of changes. There are two key aspects that influence the decision-making process. The first is cognitive capacity, which involves perceiving, processing, and connecting information to personal experiences. It is also impacted by environmental factors and consumer-specific factors.

These variables include, among many others, the person's socioeconomic class, knowledge of the goods or services, culture, family background, attitude, and personal ideas. The model provides a comprehensive explanation of the factors that influence consumer choice in the hospitality sector. For instance, recognizing the issue is frequently the first step. This entails examining the discrepancy between a person's intended state and current situation.

A person desires to eat, rest, and regain vigor since they are both hungry and exhausted. The person then seeks information on the locations of the services. This can involve both an outward information search as well as an interior search involving the person's past experiences.

The people may weigh their options and choose one after comparing them. After deciding on a service and its location, the customer uses the service with the hope that his expectations will be satisfied. The model provides a comprehensive explanation of the factors that influence consumer choice in the hospitality sector. For instance, recognizing the issue is frequently the first step. This entails examining the discrepancy between a person's intended state and current situation.

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The model's ability to describe customer behavior in the hotel sector still has certain limitations, though. The influence of environmental elements on consumer behavior in the modern hospitality sector is either underemphasized in the model or not at all.

In the modern hotel industry, comparing different options is less useful and less feasible. A first-time buyer may select from the limited options that are nearby, such as a few hotels at a beach. As a result, compared to intellect, other criteria, such as the service's availability, have a greater impact on this consumer's behavior. Even in the situations where environmental elements

are taken into account by this model, their meaning is ambiguous, and how they affect behavior is not made clear.

The other cognitive model and the first to be created is the theory of consumer behavior. It heavily incorporates ideas from learning theory. The paradigm contends that many social, psychological, and marketing factors have an impact on customer behavior in the marketplace.

Exogenous (external) variables, input variables, and hypothetical constructions are only a few of the variables that are defined as influencing consumer behavior (intervening variables). In fact, this is relevant to the current Hotel industry. As an illustration, the input variables comprise various environmental cues, such as social, symbolic, and meaningful stimuli. While symbolic stimuli are appeals by the service provider regarding the quality of the services, meaningful stimuli are the real elements of the services, such as their quality, as observed by the customer.

Similar to this, peer influence is one of the social triggers. These aspects of consumer behavior in the present hospitality sector are typical.

The flaw with this approach is that it defines exogenous variables as outside forces that are unique to a buyer and affect their behavior. It does not, however, give a clear description of these exogenous variables. In many ways, consumer behavior continues to be erratic. The hospitality industries have also seen changes that have forced the organizations to take action. For instance, the majority of customers in the hospitality sectors now place a strong emphasis on healthy eating.

They desire menu options that are healthier and contain less hazardous ingredients. Hotels have responded by adding items with lower fat and salt concentrations to their menus [10].

It is unlikely that the specific customers who desired such dishes would place such orders frequently even after the menu was improved. These people will periodically place orders for fatty foods while saying that they have been consuming fewer fatty items for a while and that today will make up the difference. In summary, the two analytic cognitive models discussed above have some flaws and fall short of accurately capturing actual consumer behavior in the modern marketplace. The models follow the conventional methodology, presuming that consumers are rational decision-makers.

Consumers have been seen to frequently display unconscious behaviors that even they are unable to explain. The models incorporate variables that might not be observed and have a limited theoretical foundation. They therefore fail to provide a direct justification for the consumers' actions.

The factors that affects the consumer behavior in hotel/hospitality industry

The models of consumer behavior mentioned above use a variety of elements. While some of the factors come from commercial entities, others are driven by customers.

A consumer's decision on a particular product is frequently influenced by elements that are unique to them, such as their religion, cultural values, beliefs, and traditions, their economic

situation, their age, sex, and their prior experiences with a product or service.

The types of cuisine that certain people eat and the kinds of hospitality services they use may vary depending on their culture or religion. The cultural values of a community will dictate how a member of that community acts in a particular situation [8].

Organizations in the hospitality sector that have expanded operations to a global market are particularly influenced by culture [10]. Some religious doctrines and beliefs, as well as certain cultural practices, restrict eating certain foods.

These will also determine the kind of life people choose, which will have an impact on how businesses operate in the hospitality sector. In a similar vein, a person's financial situation frequently dictates the kind of goods or services they can purchase. The prices for the hospitality services vary.

Depending on an individual's financial level, there will be a correlation between the kind of hotels and inns they can afford. Peer group influence, together with a person's personality and social standing, have an impact on buying behavior of the guest. When booking a hotel, it has been noted that "the desire to feel important and to receive the highest level of respect may cause a potential guest to opt for an elite hotel with concierge floor" [10]. The people an individual associates with will depend on his personality and place in society.

These socioeconomic classes' members may have an impact on a person's decision regarding the kind of hospitality services to use as well as where to find them. Similar to this, a person's attitudes or opinions toward a good or service, his knowledge of that good or service, or his experience with that good will affect his decision to purchase that good or service.

The first time a person interacts with a product, they may form a bad opinion of it. This could impact how he uses the product going forward. A customer may be drawn to a company's services if they have previously experienced its high caliber.

On the other side, a company's operational tactics may have an impact on a customer's choice to employ its services.

A consumer's choice to purchase a product is influenced by a variety of elements, including the product's brand, quality of the goods and services, prices and packaging, accessibility to the market, and the management of the company's promotional tactics. Consumers are frequently drawn to a brand's loyalty, which influences them to purchase the goods. By creating high-quality products or services that can suit customers' interests over an extended length of time, the loyalty is increased.

The decision to purchase a product may also be influenced by its price. Customers will evaluate the costs of competing goods on the market and choose the ones that are less expensive while maintaining the same level of quality. Due to the possibility that clients would require different quantities of a product, the packaging of the goods also has an impact.

DISCUSSION

Future research direction

In order to determine how these findings may be generalized, various hospitality industries should be taken into account since the results of studies on loyalty will vary depending on the services or products evaluated. Only when services are consistently delivered do they gain a trustworthy reputation and satisfied clients. Different mechanisms might be in operation for nonrecurring or infrequently provided services, according to these writers. Second, future studies might incorporate other pertinent variables.

Tests for the mediating impacts of customer trust, loyalty, or corporate image dimensions may be conducted. Future research may examine the model given in this study utilizing various conceptual frameworks, such as Brown and Dacin's Carroll's pyramid and model (1997) or the concept based on sustainable development to create a more.

CONCLUSION

Given the current economic crisis, increasing client loyalty is a crucial strategic goal for hospitality businesses. This study looked at the connections between CSR associations, customer satisfaction, business image, and loyalty in a hotel setting. Some significant inferences can be drawn in light of the outcomes. There are enormous cultures that are completely reliant on tourists for their survival, and tourism is one of the businesses with the fastest growth rates in the world. The largest industry in the world is tourism. According to CSR actions, hospitality organizations can communicate with their key stakeholders about the positive aspects of their corporate brand, enhancing their ability to establish credibility and trust with customers. Organizations will need carefully thought-out communication channels in order to manage and serve this enormous number of clients. Effective communication channels should be created in order to promote tourism and offer high-quality services. This promotes tourist growth through earned income and helps clients feel fulfilled.

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