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# Impact of Emerging Managerial Practices on the Performance of Indian Hotel Industry

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## Abstract

*Innovation and Market Orientation collectively is the best pillar for the continued existence of any business especially in any service industry. Hotel Industry is not out of this boundary. Hotel industry of our country is witnessing most important transformation from conventional to modern. The emerging want in new sector has arrived from both foreign and domestic visitors. With the view to cope- up with this diverse and mounting demand of the diverse visitors the service industry is striving to create lucrative products to deal with the flamboyant want of the visitors. The government of India has also set itself on pace to fetch a n innovative strategy for the emancipation of Indian hotel industry like schemes have been introduced to ease the investment by the people, better connection of air and land has been introduced in country. Government has also put much emphasis on the development of infrastructural reforms of the country for the better growth of hotel industry in our country. This paper put much emphasis on the emerging Managerial practices like Innovation, Market Orientation trend and its impact on the performance of Indian hotel industry which has drastically shaped positively the set-up of the industry overall. Paper also states the force of emerging customs in the hotel industry and the Indian economy at large from 1990 onwards this conceptual paper would debate for the significance of market orientation and innovation as a strategic culture*

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## 1. INTRODUCTION

The concept an innovation is being practiced in business world since last hundred years which acts as a powerful instrument to compete with the cut throat competition in the marketplace or to destroy the existing markets by making them less appropriate for the customer. Expected rapid growth of the hotel industry across the world it is expected that the industry will be crowded with competing businesses, arm-twisting the beginning of innovative services along with the products in the marketplace. A few innovative and successful ideas which have recently been introduced in the

industry include some style restaurants as Asian and affordable customized luxury type hotels/motels (Yotel ,Citizen M) along with an artificial and valuable ideas instances (Burj-al-arab). Situated in Dubai and in Singapore (Skypark). In the Indian scenario the competition in the industry has become increasingly brutal due to the entry of several international giant players who offers refined services at reasonable prices. This has led to a high degree of professionalism in the industry.

The upcoming demand in new segments as

(MICE) and several types of tourism has created an environment conducive to innovation. Against this backdrop, the aim of this present research work is to analyze changing practices in hospitality industry through innovation and the effect of all these changes on the service business and simultaneously on our economy of country at huge.

## 2. EMERGING TRENDS IN THE INDIAN HOTEL INDUSTRY

The hospitality industry is on pace in India for its enhancement. Innovation is the buzzword in the service industry. As the hotel industry is facing a rapid change in demand towards the aforesaid recent segments the hospitality business demands that the industry should continuously offer enhanced ways of providing existing services commence new services, centre of attention on new ways of delighting the increasingly demanding clientele should be there and bring in new processes which economise operations. Many innovations are currently being used as the entrepreneurs are well known to the fact that sans an innovative products and services they may be no longer stable in the market ultimately driving them out of business. Trends which have transformed the face of the Indian hotel industry have been discussed below.

## 3. MARKET ORIENTATION

Market orientation is concerned with many parameters to fetch a new and lucrative sense of an environment in the field of hotel industry which makes query a few are is the organization customer oriented, competitors oriented or is there inter-functional coordination among the employees in the industry or also between the departments to have an edge of competition in this cut-throat competition. Market orientation acts as a mixture of orientation towards customer and orientation towards competitors and coordination with several

functional unit of the industry. (e.g., 1988, Day and Wensley; 1990, Narver and Slater)

The consequences of orientation towards Market are structured into four categories: organizational performance, customer consequences, innovation consequences, and employee consequences.

The literature of marketing says that orientation towards market offers a good capability to any organization to sense/ gauge the linking capacity of the prospects in the market which can result in the gigantic performance of the organization.

The outcomes of the customers which they look for is product full of quality, loyalty towards the customers either psychologically and physically. Hence the term Market orientation endeavours to uplift the perceived quality by the customers related to the organizational products and services being offers to each customer in the target market.

Industry which focuses on Orientation towards market tries to uplift the gratification level of the customers in the market and along with this their loyalty too, As because the Market Orientation are placed to cope up with the diverse customers need and to offer them.

Innovation of the organization shows the creativity of the organization of both product offering and the way of product offering differently. Innovation lets the firm for placing the fresh methodology, capability to offer new enhanced service to the customers in target market

Market orientation also sends its helping hand towards the development of an organization's innovativeness and new product performance as because it is a constant and practical nature towards customer association and their needs and it emphasizes on greater use of information for the betterment in future course of action in the organization.

For employee consequences, researchers makes their voice up that by fetching a concept of honour

and companionship towards the employees, organizational commitment is always enhanced by market orientation which states the enthusiasm among employees to sacrifice for the growth of organization, marketing should result in a customer who is ready to buy (1973, Drucker, Responsibilities, Management:, pp. 64-65, Tasks Practices).

Existing employees spirit which shows the motivation of employees which assist them to gratify the diverse need of the customers in the market, and job satisfaction.

Market orientation helps to trim down the role divergence, which can be explained as the incompatibility of communicated hope that slow down the role of employee performance.

#### **4. MARKET ORIENTATION**

Market Orientation is under regular research centre for the past 25 years. Amongst several contributions, a few works for studying Market Orientation can be notable in the literature. First the work conducted by Kohli and Jaworski in (1990) creator of the three essential bases of Marketing which means the creation, spreading and responsiveness to market intelligence. Secondly, (1990) Narver and Slater job reveals Market Orientation is code of conduct for any organization which is created by three different behavioural factors such as orientation towards customer , orientation towards rivals, and coordination among diverse units.

Market Orientation is known for producing and riffling information about the market among all the working functional unit of the organization meant to generate the new and innovative values for the ultimate customer in the market (2005, Aldas-Manzano et al., 2006, Keskin.).

With the view to make possible newness in a firm, inter-functional coordination entails the coordination of several departments that can

facilitate the generation, collection, and dissemination of market intelligence pertaining to innovation development across functional areas (2005, Auh & Menguc.). In addition, creating new technology needs inter-functional coordination to solve market problems and to achieve a good pace (Cambra-Fierro, Florin, Perez, & Whitelock, 2011). It involves sharing of new facts, resolution of problems, and innovative responsiveness (Akman & Yilmaz, 2008). Thus, rapidly disseminating of new intelligence to functional unit and coordinating the unit's synergistic required in order to create innovation performance. Market orientation as organizational behaviours related to the external market environment (Deshpandé & Farley, 1998). Because of the external focus on developing information about fiercely change market of high-tech industry, MO high-tech firms are arguably well positioned to anticipate and respond to the emerging needs of their customers (Joshi & Sharma, 2004) and may also be more likely to innovate successfully. Competitor orientation can improve a firm's capability to gauge and take action to the strategy of the rivals in the target market, thus allowing it to contribute an innovative services that vary from those of its rivals (2007, Zhou & Li.).

The innovative strategy has the capability to associate this information in considering the periods for the entrance in the market. Thus sans obtaining the ideas/information/ knowledge about the direct rivals in the market managers would not be capable to determine the best opportunity to hit the direct competitors in the market and uplift their act in the domain of an innovation.

#### **5. SERVICE INNOVATION AND HOTEL PERFORMANCE**

Performance in innovation in service industry is very prone to be copied immediately by the rivals in the target market (2009, Tsai, Salter & Laursen) .Transformation in service industry has prompted

the industry to bring the changes on regular basis the use of task which is frequent in nature makes no sense for the customers in the market unless or until we will not change the innovation strategy further in future the sense of generating the customers bases would be in vain. The performance of an innovation under this paper results in the way that how company or any service industry is producing the new offers to the customers, new goods and services how they are emancipating their service quality to the customers in the market this is the point in research restriction in the previous research (2011, Wang). The revamping strategy in service industry in 21st century in the domain of performance of an innovation points on the both the technical enhancement and the new process of service delivery to the customers in the market.

Restructuring in Service industry has caused the amplification in desires for a goods and services, hence designing them more imperative for the rivals of the industry. These service firms creates new offers with the view to update the gratification level along with performance of existing goods and services (Edvardsson, Gebauer & 2010, Bjurko,).

Very often prospects makes demand to get a type of expectancy to have a positive addition in their commerce or the service practices being offered by the firms. It leads that customers have the capability to pay a premium for new features. Adding new services to a technology-based product is a process to set the firm apart from the competitor's and can sustains their innovation performance (Fleisch ,Gebauer, , & 2005 Friedli,).

## 6. CONCLUSION

An influential service industry is noteworthy for a nation and can get a influence in enhancing economic development through efficient monetary services (Alipour, Salehi 2010).

This research paper have been debating for the significance of market orientation and innovation as a strategic culture that must be continuously informed by: internal and external environment .The conclusions of the study could be summarized as follows.

It is crucial that hotel manager never ignore the critical exterior elements which includes customers, market, and the rivals and the importance of a committed and empowered workers in portion to these. Managers must make a positive environment of dedicated workers by there self motivating tools like training and reward program and its concentration to internal service orientation-thus satisfying its customers and the marketplace and making long-term relationships and increasing loyalty with them too.

Revamping in different aspects of market orientation and innovation is required to meet the diverse need of the customers in the target market and without having strong and influential coordination within the hotel industry they cannot face with market and customer changes. To coordinate with the current aspects relevant to market and service orientation culture, hotel is supposed to revise constantly.

Managers must identify the related intra-organizational drivers required to add value in customer pleasure. Managers must strive to be on their toes to have the eye on hotel performance and make the query themselves that how they can bring the positive changes in their hotels.

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