

# The Empirical Analysis of Factors Influencing Home Inns Marketing under “Internet +” Background

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**Abstract:** The rise of Internet plus the traditional industry has brought new opportunities and challenges to the hotel industry. This paper first introduces the marketing status of Home Inns under the background of “Internet +”. Secondly, it analyzes the four influencing factors of Home Inns marketing from the brand, price, online booking channels and promotional activities under the background of “Internet +”. Then it makes an empirical analysis on the influencing factors according to the data collected through the questionnaire, and finally, it provides some related marketing suggestion and countermeasures for the development of Home Inns.

**Keywords:** Internet +; factors influencing marketing; Home Inns; regression analysis

## 1. Introduction

With the rapid development of Internet technology, “Internet +” has become a Chinese national strategy in recent years. And with the continuous improvement of living standards of Chinese people, the domestic tourism

industry is booming. The integration of Internet and tourism industry via information technology, and the popularity of Internet application provide more opportunities for the sound hotel management, pushing the hotel competition to expand from offline to online. Internet marketing has become more and more important marketing channels of hotel industry. How to use the most advanced network technology and expand marketing channels has become an important part of the marketing strategy of chain hotels [1].

## 2. Marketing Status of Home Inns

### 2.1. Major Market Shares of Home Inns

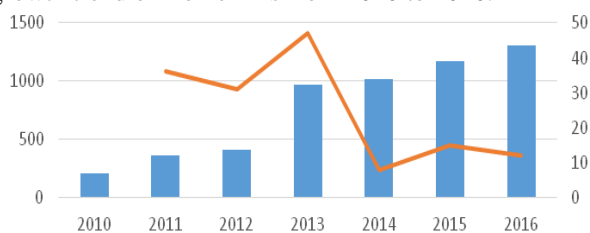
Home Inn is the largest brand of the economic chain hotel brand in China. By the end of June 2017, nearly 3300 hotels have been put into operation in 380 cities throughout the country. Home Inn group's hotels are mainly located in Shanghai, Beijing and some economically developed cities, the market shares are as follows (Table 1):

**Table 1.** Main market shares of Home Inns (Data source: China Information Network).

Provinces, cities	Jiangsu	Shandong	Shanghai	Beijing	Zhejiang	Guangdong	Liaoning	Hebei
Home Inn number	342	295	265	192	186	157	142	113
percentage	11.25%	10.26%	10.56%	7.23%	6.29%	6.16%	5.49%	3.85%

### 2.2. Online Marketing Status of Home Inn

The picture below shows the online trading scale and growth trend of Home Inns from 2010 to 2016.



**Figure 1.** Home Inns online trading scale from 2010 to 2016.

As data show in Figure 1, online trading scale of Home Inns continued to grow. From 2012 to 2013, due to the

emergence of smart phones, online trading of Home Inns showed a rapid growth rate, more than 45% [2].

### 2.3. The Promotion Form Lacks Innovation

Home Inns adopt diversified online promotions, but compared with other new chain hotels, the current pricing strategy of Home Inns does not have high profit margins, and the weakened ability to control costs caused the changing space of price is not big enough. Therefore, their current promotional efforts compared with competitors in the same industry are far behind others. In addition, Home Inns and airline products are often bundled to be sold, and their own official website promotional activities are less than others. Therefore, promotional effects of Home Inns are unsatisfactory.

### 3. The Influencing Factors of Home Inns Marketing in “Internet +” Background

#### 3.1. Brand

The development of Internet technology and the emergence of social media enable consumers to see the opinions of customers who have consumed at home through simple search, or to understand the customer experience through social software such as WeChat friends circle, Weibo, QQ space and so on, which locates the image of the company. Therefore, for Home Inns, the brand ethics reflected in the online evaluation is a vital marketing factor for the brand marketing of Home Inns [3].

#### 3.2. Price

The evaluation indicators of product prices mainly include two prices aspects of tangible and intangible products that customers feel. The tangible product prices are related to the hotel accommodation environment, the quality of hotel equipment and the quality of food and beverage. The intangible products prices refer to the evaluations of the convenience of consumers entering the hotel, the courtesy of service personnel, service attitude, service skill and services efficiency and so on.

#### 3.3. Online Booking Channels

With the rapid development of the internet industry, the hotel industry's booking channels have been transformed from original hotel reservations and telephone reservations to online reservations. Therefore, the online payment channel is more essential for the hotel industry. In addition to online business through its own independent official website, Home Inns also uses the Online Travel Agent for online marketing, which has more widely transferred the hotel information and increased the size of the hotel's online transactions.

#### 3.4. Promotion

In the age of information, the hotel spreads the promotion information through the network and uses large-scale advertising to win consumers. With the consumer's herd mentality, consumers are interested in the company's products, which are very powerful in developing new markets [4]. Therefore, the factors affecting the promotion activities of Home Inns in this

paper mainly include two indicators: customer consumption and advertising [5].

### 4. An Empirical Analysis of Factors Influencing Home Inns Marketing Under “Internet +” Background

#### 4.1. Questionnaire Design

This paper mainly uses the questionnaire survey method to collect data. The questionnaire is divided into two parts: one is the basic information of the respondent, and the second part uses the Likert Five-level Scale, which reflects the information needed for the marketing of Home Inns and the information needed for each factor [6]. The questionnaire was mainly selected in Shenyang, and 119 valid questionnaires were collected.

#### 4.2. Establishment of Indicator System

Brand influence factors mainly include brand awareness and brand ethics. The response options on the questionnaire include A1, A2, A3, A4.

The product value factors mainly include service and cost performance. The response options on the questionnaire include B1, B2, B3, and B4.

The online booking channel factors mainly include convenience and reliability. The response options on the questionnaire include C1, C2, C3, and C4.

Promotional factors mainly include customer spending views and advertising. The response options on the questionnaire include D1, D2, D3, and D4.

#### 4.3. Regression Analysis

This paper uses multiple regression analysis to test the impact of “brand”, “price”, “online booking channel” and “promotional activities” on home inns marketing.

##### 4.3.1. Model validity test

The reliability and accuracy of the model are studied. The goodness-of-fit test is specifically used to study the degree of fit between the independent variables and the dependent variables.

According to the test in Table 2, the calculation results were 0.999, 0.998 and 0.998, respectively. All of them are highly correlated, so the multivariate linear regression model has a high degree of goodness of fit, and the independent variable has a higher degree of interpretation of the dependent variable, and the model is significantly effective.

Table 2. Model validity test.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.999a	0.998	0.998	0.69356	1.979

a. Predictors: (Constant), D, A, C, B.

Table 3. Overall regression coefficient analysis table.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.038	0.279		0.138	0.891		
	A	1.004	0.028	0.257	35.884	0.000	0.317	3.154
	B	1.107	0.032	0.301	34.865	0.000	0.217	4.604
	C	1.086	0.034	0.264	32.111	0.000	0.240	4.164
	D	1.045	0.024	0.278	43.170	0.000	0.391	2.556

#### 4.3.2. Multiple linear regression model

According to the calculation results in Table 3, the following regression equations can be obtained:

$$Y = 0.038 + 1.004A + 1.107B + 1.086C + 1.048D$$

The model reflects the extent to which brands, prices, online booking channels, and promotions affect the marketing of Home Inns. From the regression coefficient, it can be seen that the two factors of “price factor” (1.107) and “online booking channel” (1.086) are the main factors affecting the marketing of Home Inns. The impacts of “Brand Factor” (1.004) and “Promotional Factors” (1.045) are less.

### 5. Marketing Strategies of Home Inns under “Internet +” Background

In the analysis of the factors affecting the marketing of Home Inns under “Internet +” background, the price factor is the most important factor. Therefore, the price competition strategy is proposed to highlight the characteristics of Home Inns in the hotels with the same price, focus on their own cost-effective, and provide consumers with intelligent quality services [7]. Secondly, for the online booking channel, Home Inns will improve online marketing channels, using the new media to promote online hotels, and keeping an eye on emerging third-party platforms to keep awareness of the market and

ensure complete online marketing channels to facilitate consumers. Finally, Home Inns shall adopt a diversified promotion strategy. Home Inns will not only depend on third-party trading platforms, but also take advantage of its own website to operate diversified promotions [8].

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