

**DETERMINANTS OF DEMAND IN HOTEL INDUSTRY
SPECIAL REFERENCE: JAFFNA DISTRICT**

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Introduction

Hotel industry plays a crucial role in the operation of most economies and Hospitality sector. Oxford English Dictionary online defines a hotel is “an establishment providing accommodation, meals and other services for travellers and tourists, by the night”. Sri Lanka's hotel industry is a key driver of economic growth in the island nation. The domestic hotel industry comprises tourist hotel that are graded establishments, along with other establishments such as guest houses, inns and youth hotels. The entire North is blessed with natural beauty, a source for tourist attraction. When inquired several investors, who are very keen to invest in the hotel and tourism industry in the Jaffna peninsula started that there are no star class hotels in Jaffna and considering the opportunity the investors are ready to set up star class hotels.

Research problem & questions

In this context the research problem is “to investigate the determinants of demand in hotel industry” There are 2 questions,

- Identify which are the determinants of demand in hotel industry?
- What is the most determinant of demand in hotel industry?

Objectives of the study

- Primary Objective

To identify which are the determinants of demand in hotel industry.

- Secondary Objective

To identify the most determinants of demand in hotel industry.

Literature Review

The hospitality industry is a major service sector in the world economy. The industry encompasses an extensive variety of service industries that include food service, tourism and hotels. Hospitality industry suffers from fluctuations within an economy every year. Hospitality industry can be empirically divided into two parts: entertainment areas like club and bars, and accommodation. Accommodation takes the form of public houses, resorts, inn, campgrounds, hotels, hostels, serviced apartments, and motels. The clubs and bars category include restaurants, fast foods, and nightclubs (Davidson, 1993). Offering lodging operations/ accommodations represent a broad segment of the hospitality industry. Providing lodging should integrate comfort, efficiency and attentive customer service as its foundation.

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