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RESEARCH ARTICLE

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## A FEASIBILITY STUDY ON LOW COST CAPSULE HOTELS IN INDIA

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### ABSTRACT

Capsule Hotel Next Generation Smart Hotel caters to both your business and rest requirements. The first of its kind in India, Metro Station. With its futuristic Concept and feeding to the new-age trippers, business & rest, Civic cover is ultramodern, swish & minimalistic. It offers good-value without compromising on comfort, quality & feel while offering a unique experience. The cover design makes it a great place to network. Civic cover is the concoction of youthful entrepreneurs who partake common passion & values that of doing effects else, creating commodity new & innovative that adds value to the guests and the society at large. Civic cover aims to fill the gap in the hospitality assiduity by offering a unique product that provides an alternate, practical & SMART accommodation (good value-for-plutocrat) without compromising on quality, safety, comfort. Capsule hostel firm Civic cover in expansion mode, looks to raise Rs20 crore. Civic cover is looking to introduce capsule hotels at road stations and passage centres across the country.

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## INTRODUCTION

A capsule hotel is a unique form of budget accommodation that originated in Japan. It provides a basic sleeping pod, or capsule, for guests to stay in overnight or for short periods of time. The pods are typically small and enclosed, providing guests with a private space for sleeping and resting. Capsule hotels were first introduced in Japan in the 1970s as a solution to the growing demand for affordable accommodation in urban areas. They quickly became popular among business travelers and commuters who needed a place to sleep close to their workplace or transportation hub. Capsule hotels are often located in busy city centers, near train stations, airports, or business districts, making them convenient for travelers who need a place to stay for a few hours or overnight. They are also popular with budget travelers who want to save money on accommodation costs while still enjoying a comfortable and private sleeping space. Capsule hotels are designed to maximize space efficiency and provide guests with all the basic amenities they need for a comfortable stay. Each capsule is typically equipped with a bed, a small flat-screen TV, a power outlet, and sometimes a small workspace or shelf for personal items. Guests may have access to shared bathroom facilities, as well as common areas such as lounges, restaurants, or vending machines. One of the key advantages of capsule hotels is their affordability. The cost of staying in a capsule hotel is usually much lower than that of a traditional hotel or hostel. Prices vary depending on the location and level of amenities offered, but generally range from around \$20 to \$80 per night.

Another advantage of capsule hotels is their flexibility. Guests can check in and out at any time of day or night, and are often charged by the hour instead of by the night. This makes them a popular choice for travelers who need a place to rest during long layovers, or for those who miss their last train or bus and need a place to sleep before continuing their journey. Capsule hotels have evolved over time to offer a range of amenities and services to meet the needs of different guests. Some capsule hotels offer luxury amenities such as sauna, spa, or gym facilities, while others cater to niche markets such as female-only or manga-themed capsules. While capsule hotels are primarily associated with Japan, they have also become popular in other parts of Asia, as well as in Europe and North America. In recent years, capsule hotels have also been used as emergency shelters during natural disasters, such as earthquakes or typhoons, due to their efficient use of space and easy setup. In conclusion, capsule hotels are a unique form of accommodation that offer guests a private and affordable sleeping space, with flexible check-in and check-out times. They are popular among budget and business travelers, as well as those who need a temporary place to rest. With their growing popularity and evolving amenities, capsule hotels are likely to continue to attract a diverse range of guests in the future. Capsule hostel is a type of hostel used for the introductory overnight accommodation for the guests who aren't suitable to go large apartments or people who aren't needed to have large apartments in the hospices. The conception of capsule hospices was first started in Japan and is now set up in numerous corridors of the world. These types of hospices are also known as cover hospices. The guest room is a chamber roughly the length and range of a single bed, with

sufficient height for a hostel guest to bottleneck in and sit up on the bed. The world's first capsule hostel was opened in the time 1979 in Inn Osaka in Japan. Capsule hospices have common installations like toilets, showers, wireless internet, dining table, lockers, and capsule apartments. The price of capsule hospices in foreign countries varies from 18 USD to 37 USD in America.

### Objective of the Study

- To provide cheap accommodation to the customers
- To provide various services at a cheaper cost
- To earn the maximum profits possible
- To provide good service to its customers
- To develop and standardize hotel.

## REVIEW ON LITERATURE

Consumer Behavior is told by three factors Cultural, social and particular. Research into all these factors can give marketers with suggestions to reach and serve consumers more effectively. To understand how consumers actually make buying opinions, marketers must identify who makes and has told the buying decision. Different marketing juggernauts might be targeted to each type of person. The typical buying process consists of the sequence of events that's problem reorganization, information hunt, and evaluation of druthers , purchase decision and post purchase behavior . The marketer's job is to understand the behavior at every stage. The station of others and other unexpected situational factors also affects the decision to buy. As will consumers' position of post purchase product satisfaction. Towards the end we can say that consumers are formative decision makers and are private to numerous decent development and change in technology.

1. (Maliuga and Kozhukhivska, 2018) addresses about the capsule hostel as the direct contender of caravansaries, which correspond of multi-space apartments. Signifying it as an invention in the hostel assiduity.
2. (chiang,2018)depicts results that excursionists' perceived price and service convenience affect functional value. Service convenience and social services cape influence existential value. Functional value and existential value encourage guests to conclude for capsule hospices.
3. "Capsule hotels in Japan: an innovative type of accommodation for tourists" by M. Marušić, A. Ivandić, and M. Prebežac. (International Journal of Contemporary Hospitality Management, 2017) - This article explores the history and development of capsule hotels in Japan, their unique features, and their appeal to tourists.
4. "Capsule Hotels: A Unique Form of Micro-Hotel" by D. Thomas and C. N. Rader. (The Journal of Hospitality Financial Management, 2019) - This article examines the business model and financial feasibility of capsule hotels, as well as the guest experience and design considerations.
5. "Capsule hotels: Past, present and future" by J. Han and S. Yun. (Journal of Hospitality and Tourism Management, 2018) - This article provides an overview of capsule hotels in Japan, their evolution over time, and their potential for expansion into other countries.
6. "Capsule hotels: A new trend in accommodation" by R. Liu and Y. Chen. (Journal of Tourism and Hospitality Management, 2018) - This article reviews the development and current status of capsule hotels in Asia, including their design, amenities, and target market.
7. "Capsule hotels: A review of literature and future directions" by M. Sharifpour, M. Z. Fadzil, and H. Nezakati. (International Journal of Tourism Cities, 2020) - This article provides a comprehensive review of the literature on capsule hotels, their benefits and challenges, and their potential as a sustainable form of accommodation.

### Request gap/ Research gap

**Improper research found:** There is no enough Research is being done on this topic. This led to lack of proper idea generation.

**Improper Knowledge about Capsule Hotels:** A large number of people are not aware of what capsule hotel is how it works, etc. They have never heard about capsule hotel and they are very rarely known by the people leading to a huge gap in finding of research.

**High Service Rate:** As the cost of hospices are veritably grandly due to the large number of workers, cleanliness, room services etc. but in capsule hospices there's veritably lower demand of room services, lower workers are needed as numerous services of hospices get neglected in it. This will help in reducing the price of the hostel.

**Cleanliness Issue:** As the hospices are large in size it requires a large number of time and workers to complete cleaning of hospices. But in capsule hospices it's so small that it does n't bear a lot of time to complete the cleaning process.

**Material Security:** People in the hospices are spooked that if they go out of their apartments there's a chance of workers getting inside of apartments and stealing their effects. But in capsule hospices there's a passcode in every capsule room that will help in making them secure that their effects are being saved and is secured.

**Retaining and Attracting Workers:** It's veritably important for an organization to retain and attract the workers to work as they're vital for the regular performance of the organization. So, to retain workers they're handed with some shares which will help them in feeling themselves as the possessors of the organization and are also paid good stipend so that they do n't try leaving the jobs in the regular way.

**Evolving prospects of guests :** Anticipation/ satisfaction of guests are veritably important for each and every organization. A satisfied client helps in attracting a many further guests to the hostel and also would visit the hostel again and again this will help in raising the deals of the organisation. So it's veritably necessary to fulfil the requirements of the guests.

### Types of hotels in the hospitality industry (topic background)

- 1) Chain hospices Chain hospices generally fall under a group of hospices that are being possessed and operated by a company or proprietor, e.g., HILTON, Marriott, etc. A large number of hospices are being managed by the hostel company. These types of hospices are also known as ingrained hospices. Some chain hospices are a part of a large proprietor group while the other groups have an independent proprietor. reserving a Chain Hotel gives the guest the benefits of standardized services and quality( he understands exactly what to anticipate and avoids ' bad surprises ') as well as fidelity program benefits( points and gifts). For the Hotelier, the advantages of belonging to a Chain are
  - Volume- The deals get a lot advanced by the goodwill of the brand itself. They indeed give reservations support, guest fidelity programs, brand norms( i.e. quality assurance), consulting support and lender comfort.
  - elevations-expansive marketing and advertising juggernauts help to enhance recognition and character. • Agreements
- 2) Resorts A resort is generally a destination or place which attempts to give trippers with everything they need within a single position similar as lodgment, dining, drinks, shopping, and entertainment. Names of some popular resorts are the Oberoi, Taj lake palace etc. they're generally set up near the strands, mountains, islets, or in and near the noway banks.
- 3) Auberge An auberge is generally much lower than a standard or chain hostel. frequently collectively or family- possessed, auberges tend to offer a cozy, gemütlich sense for their guests. They're frequently set up near the trace or near the country. These

types of hospices were established by the Romans. These types of hospices are only for lodging, food and drinking.

- 4) All suites it refers to the hospices in which all of the guest apartments are suite sized and are generally appertained to as all-suite hospices. Embassy suites are popular among all the types of suit hospices. People who want to interact with their guests prefer these kinds of apartments as a good choice for their stay.
- 5) Conference/ convention center hospices Conference/ convention center hospices are characterized by the combination of guest apartments and also meeting space. These parcels are designed to host large events and give a wide variety of event options. generally, a large number of people gather then for a discussion on a common content or discussion.
- 6) Exchange hospices These types of hospices are much lower than the average chain hospices. generally, these hospices are made up of apartments between 10 to 100, so we can anticipate to find exchange hospices in instigative locales or near popular destinations. These types of hospices give a particular touch with each and every existent.
- 7) Bed and breakfasts The Bed and breakfasts hospices can be defined as an independent small property immolation overnight lodging and breakfast with a home- suchlike feeling. It's the favorite accommodation among trippers looking for a night stay. They hardly have 4 to 11 apartments in a hostel and have food in their private apartments.
- 8) summerhouse hospices These hospices are directly connected to the pavilions. guests in similar types of hospices admit the benefits of both gambling and lodging and also have popular kinds of services like food, potables, swimming pools, health clubs, etc. They're substantially set up in metropolises like LAS VEGAS, ATLANTIC CITY, NEW JERSEY, etc.
- 9) Micro hospices Micro hospices are exactly analogous to what they exactly sound like. These hospices are small in size and are being designed for people who need a place to sleep and nothing important differently than it. The size of these are occasionally as small as 30 square bases also. These hospices have hardly 25 apartments and occasionally indeed lower than that also.
- 10) Capsule hospices Capsule hospices concentrate on the introductory musts similar as sleep and bath to give the utmost accommodating stay at the smallest prices. These hospices are popularly known as cover hospices in the western world. These types of hospices were developed in Japan that featured a large number of small sized apartments which are known as capsules.

## RESEARCH METHODOLOGY

Research question What are the factors that affect client satisfaction in capsule hospices?

- **Literature review:** Conduct a review of being literature on capsule hospices, including academic exploration, assiduity reports, news papers, and other sources of information. Use this information to develop a theoretical frame for the study, which may include factors similar as price, cleanliness, sequestration, amenities, and position.
- **Exploration design:** Use a qualitative data- styles approach. This will help in a good dimension of the data.
- **Testing Identify:** a target population of guests who have stayed in capsule hospices, and use convenience slice to elect actors for the check and intentional slice to elect actors for the interviews. Also surveying the people who have no way heard or seen it.
- **Data collection:** Administer the check to actors online, using a platform similar as Qualtrics, and conduct interviews with actors over the phone or in person. Be sure to gain informed concurrence from actors and follow ethical guidelines.
- **Data analysis:** Analyse the check data using descriptive statistics and retrogression analysis to identify factors that affect client satisfaction. Analyse the interview data using content analysis to identify common themes and gests.

**Sample Size:** The survey was conducted among 72 participants with the target age group is people between 18- 26. This is because there are a lot of people who try to save plutocrat as they're who try to save plutocrat. They generally don't earn plutocrat by themselves and calculate on their parents guardians for fiscal support and all of them don't get a good quantum of plutocrat to travel daily in taxicabs in comfort so they're one of our major targets. Our another major target is to attract people who are generally travelling like truck motorists, hack motorists, families travelling long distances etc. They bear places with low budgets for night accommodation and they can fluently get attracted to the capsule hospices. Some businessmen also come for their deals growth and aren't well established that they're suitable to pay a large quantum for their rest. So these types of business men also prefer capsule hospices as they can spend their time in capsules having a good rest and also at a veritably low quantum.

### Need of the Capsule Hotel

- Capsule hospices give cheap, introductory overnight accommodation for guests who don't bear or who can not go larger, more precious apartments offered by further conventional hospices. The price for 1 day stays in a capsule hostel is from Rs. 150- 300 according to the type of size of capsule and installations being named, which is important lower than compared to other hospices.
- Capsule hospices are good for people who have a veritably low budget with them for staying overnight. People like truck motorists, passengers, excursionists who want to stay only for night or for a day, it's a good place for their pockets and also a good place for their relaxation.

This survey was conducted to gather insights on the opinions and preferences of consumers in regards to capsule hotels. The target population for this survey was adults aged 18-25. The survey was conducted online using a questionnaire consisting of multiple-choice questions, rating scales, and open-ended questions.

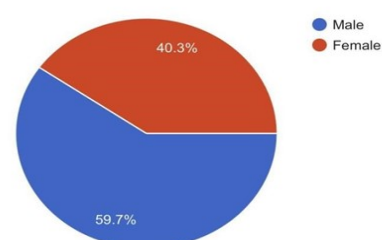
**Key Findings of the Survey:** This survey was conducted to gather insights on the opinions and preferences of consumers in regards to capsule hotels. The target population for this survey was adults aged 18-25. The survey was conducted online using a questionnaire consisting of multiple-choice questions, rating scales, and open-ended questions.

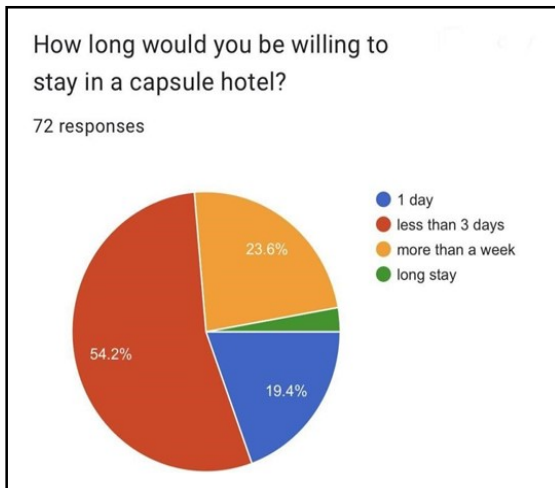
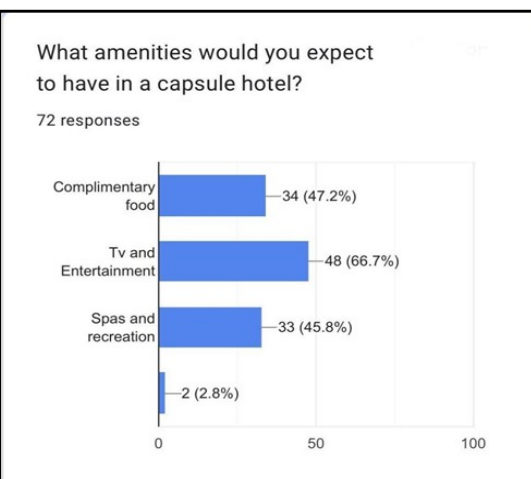
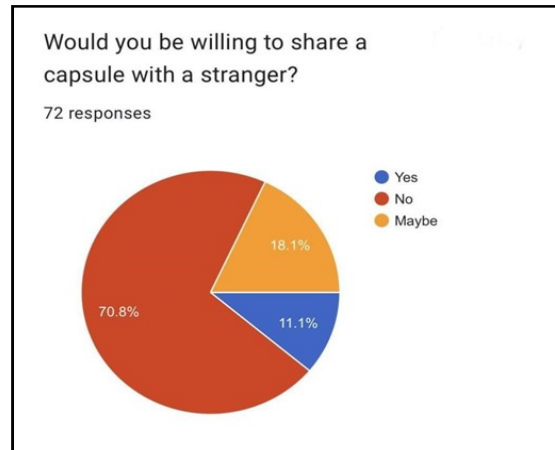
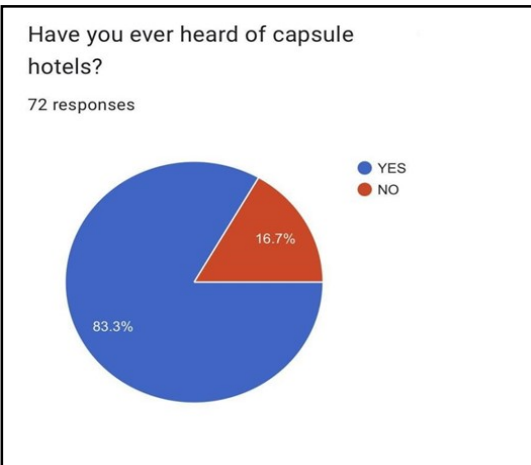
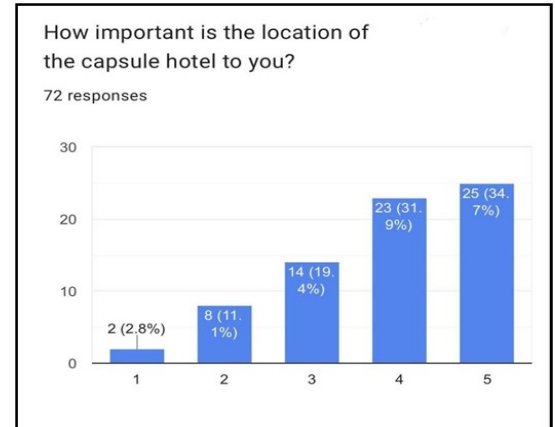
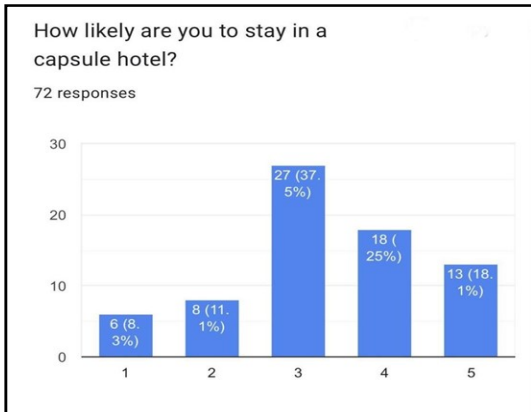
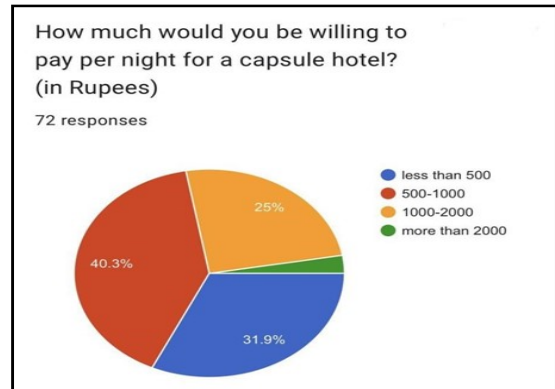
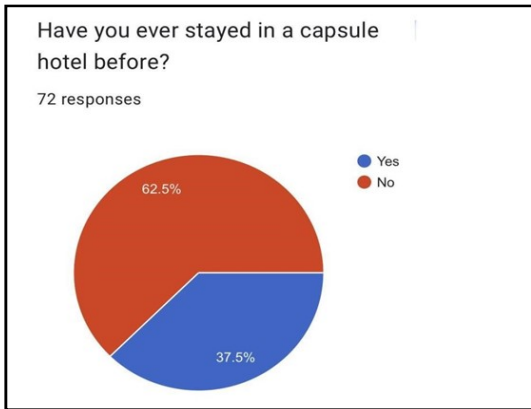
### Key findings from the survey include:

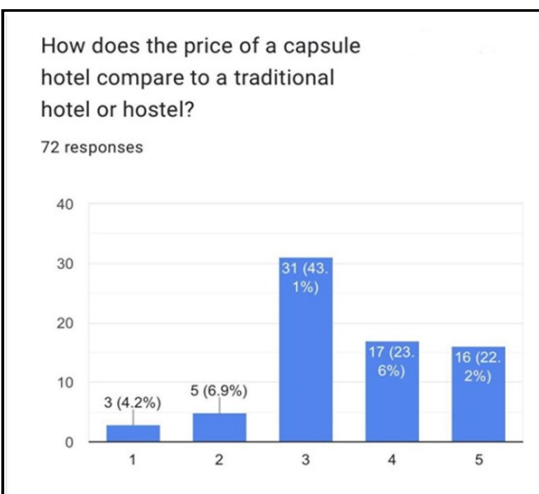
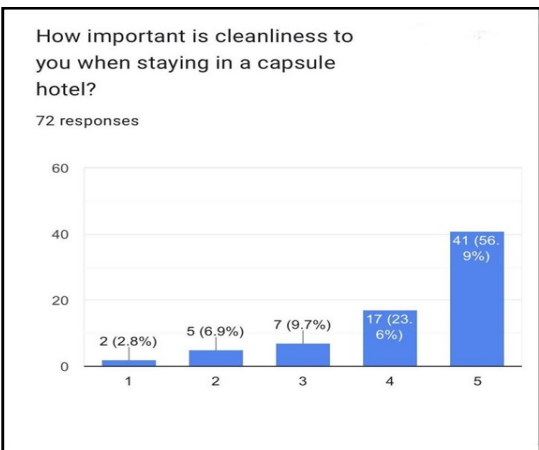
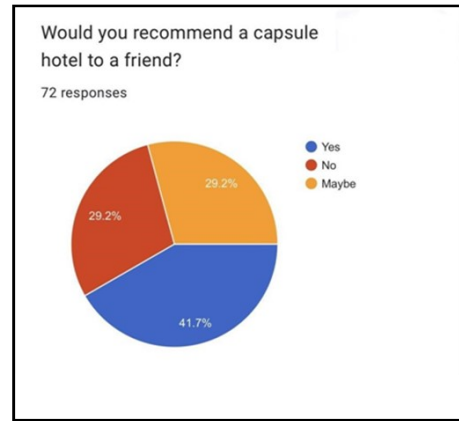
- The respondents were profiled 59.7% male and 40.3% female.
- Majority of the respondents are aware of the concept of capsule hotels (83.3%) but have never stayed in them(62.5%)
- Majority of the respondents are also willing to pay Rs500-Rs1000 (40.3%) and prefer it for short term stays of less than 3 days.
- Respondents prefer capsule hotels in metropolitan cities for affordable stays during their visits.
- Price, location, Privacy and Cleanliness is of utmost importance to the respondents rated 5 out of 5 on importance.

Gender

72 responses







## CONCLUSION

Further analysis of the survey data reveals that younger travelers and those on a budget were more likely to choose capsule hotels as their accommodation option. In terms of improving the customer experience, the survey results suggest that capsule hotels could benefit from offering more private spaces, such as individual bathrooms or curtains for each capsule, to address concerns about privacy. Additionally, the survey results suggest that capsule hotels could differentiate themselves by offering more amenities, such as food and beverage options, to enhance the overall guest experience. The survey results provide valuable insights into the experiences and preferences of customers who have stayed at capsule hotels. These insights can inform improvements in the design, amenities, and services offered by capsule hotels to enhance the guest experience and increase customer satisfaction. Overall, the survey results suggest that there is a positive outlook for capsule hotels as a budget-friendly and convenient accommodation option for certain types of travelers.

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