

The Impact of Digital Marketing Tools on Financial Performance of Listed Hotels in Sri Lanka

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In today's business context, marketing is one of the most vital business functions. Digital marketing platforms have recently played a crucial role in hotel marketing and customer interaction strategies. Hotel managers have understood that hotel customers today and future rely increasingly on digital media use. Empirical research has revealed that many Sri Lankan tourists use digital tools to search about travel destinations and make reservations. However, the adoption of digital marketing tools appears to be relatively low in listed hotels in Sri Lanka due to unfamiliarity with digital marketing and not being confident in investing in digital marketing tools in achieving the expected financial and non-financial results. A considerable number of research has been carried out throughout the world on digital marketing and business performance; however, a limited study has been conducted in Sri Lanka to evaluate the influence of digital marketing tools on listed hotel's financial performance. This research fulfills the above gap by measuring the impact of digital marketing tools on the financial performance of Sri Lankan-listed hotels. The study adopted a quantitative approach, and the population consists of thirty-seven (37) listed hotels in Colombo Stock Exchange, and the entire population was taken as the sample. The dependent variable used to study the financial performance is the Return on Equity, which is derived from the hotel's annual report. Digital marketing tools such as mobile marketing and email marketing are independent variables considered in this study. A self-administrated structured questionnaire was used in data collection, and the questionnaire was circulated via email and LinkedIn to the marketing professionals in respective hotels. After analyzing the responses using descriptive statistics utilizing the Statistical Package for the Social Sciences, it was revealed that digital marketing tools have a significant influence on the hotel's financial performance. The results of this research will benefit the hotels involved in the tourism sector in Sri Lanka to assess the influence on the company's financial performance from the use of digital marketing tools to advertise their services.

Keywords: *Digital Marketing Tools, Financial Performance, Listed Hotels, Sri Lanka*