

Example of research proposal on luxury hotel industry

[Business](#), [Customers](#)



Introduction

Singapore is a rich tourist and international travels destination. Most of the visitors travel for leisure, luxury, family, business, and religious or recreation purposes. The visitors mainly spend in hotels. This makes tourism the main source of income in the country. The travelers bring income to the country's economy in terms of payment for services and goods. It is also the creator of job opportunities in the economy (Pitchford, 2008). The focus of the paper is to gain deeper understanding and appreciation of the value and means of customer satisfaction and return in luxury hotels in Singapore. Statistics of Singapore's hotel industry

Tourism drives The Singapore's hotel industry. There is a close correlation between tourist's arrival and hotel bookings. Singapore Tourist Board Statistics indicate that between January and June 2012, the country witnessed about 11% increase in tourists' arrival; a figure of 7, 082, 161 (Business Monitor International, 2012). In the hospitality industry, Singapore offers a variety of accommodation facilities. There are good hotels and motels that serve diverse clientele base. The hotels offer services such as individual accommodation guest house, self-catering, private accommodations and villas. By the year 2011, Singapore had estimated figure of 46, 560 available hotel rooms. New facilities were also opened in Sentosa and Marina Bay. Between 2010 and 2014, the number of hotels/accommodation establishments in the country was estimated to be 275, 000, 287, 000, 300, 000, 315, 000 and 329, 000 respectively (Business Monitor International, 2012). In the corresponding period, the estimated number of hotel rooms was 10, 990, 000, 12, 240, 000, 11, 963, 000, 12,

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273, 000 and 12, 562, 000 respectively. The aggregate occupancy rate was about 81%. In the same period, the average length of stay by per nights was 3. 90, 3. 70, 3. 81, 3. 85, 3. 86 days respectively. In the luxury hotel the 2013 statistic indicate that, in average the corresponding figures for the room rate, occupancy rate and revenue per available room were \$452, 87% and \$396 respectively. Lastly, in 2013 a luxury hotel and accommodation earned the country about \$1, 366m, about 7% annual increase (Singapore Tourist Board (2013),).

Customer Satisfaction in luxury hotels

Customer satisfaction is a major subject in marketing practice. Customer satisfaction can be achieved through the following ways. Customer satisfaction is often used to mean the evaluative judgment concerning a particular product or service after consumption. It can be viewed as the result of the assessment process that compares the expectations before purchase with the perceived value during and after the consumption of the product or service. Customer satisfaction is vital for the luxury hotels. According to the Singapore Tourist Board (2013), “ luxury hotels include hotels in the luxury segment and are predominantly in prime locations and/or in historical buildings”. The luxury hotels must improve and add more value when serving their customers. Customer satisfaction not only increase sales but also ensure their return and recommend their colleagues to a given luxury hotel. The luxury hotels ensure customer satisfaction and return by acquiring strong and positive reputations in the market. They do so by creating customer value and satisfaction. Customer satisfaction is gained by

being part of well-established brands that has a wide reputation for superior quality in Asia and other parts of the world.

The luxury hotels enhance competitiveness and customer satisfaction by carrying out surveys and using the information to improve services and innovate new products. To gather information regarding the customer satisfaction, it is important to sample customers or guests visiting the hotel and know their needs and feelings. The information can be obtained by asking questions through the use of guest comment cards as well as a review of the customer satisfaction management or customer relations management (CRM) programs in the luxury hotels. Guest comment cards (GCCs) are usually used to establish satisfaction levels among the hotel guests. GCCs can be placed at the hotel's reception desk or inside the hotel rooms or in any place where they are visible to the guests (Holjevac, Markovic and Raspor 4). Studies indicate that most hotel chains apply customer satisfaction evaluating methods on the basis of insufficient practices to arrive at crucial and difficult managerial decisions. The major limitation with this approach involve sample quality, design of the GCCs and data collection method as well as the analysis of data obtained through GCCs (Holjevac, Markovic and Raspor, 2009). The validity of the hotel customer satisfaction measurement can be enhanced by using a quality sampling in which incentives are given to those who are selected to complete the questionnaires. In this case, customers are encouraged to specify if service below or above their expectations and if they felt a particular service was important to them or not (Holjevac, Markovic and Raspor, 2009). For a luxury hotel industry, innovation is important. Hotels need to come up with different

and new ideas each day. These ideas make them competitive since customers want to break the monotony of the same services offered in hotels (Sherman, 2007). Customer surveys lead to service improvement and innovation. In line with the identified customer needs, the luxury hotels achieve customer satisfaction by being sensitive to the situations of each customer. The hotel's customer satisfaction is also informed by the recognition of the authentic features of Singapore in enhancing guest experiences. This is due to the effect that hotels are increasingly influenced by lifestyle changes.

Value for money

In the luxury hotel industry, a strong relationship exists between customer satisfaction and perceived quality. Customer value is equally strongly related with customer satisfaction. Value can be defined as the result of a product or service utility or usage. Customer value in the industry can be defined as an interactive experience which is derived from the interaction between the customer and the product or service. Customer value can also be viewed as the individual perception of benefit resulting from the hotels' product or service offering. To ensure customer satisfaction, the management of luxury hotels must know and put in place the major customer values within the hotel industry. They include; excellence, efficiency, self-esteem, esthetics play, morality, politics and spirituality.

Customers gauge their satisfaction from their general assessment the effectiveness of a product or service based on the view of the balance between what they pay and they get in return. From this perspective, luxury

hotels in Singapore can ensure the satisfaction through affordable price, quality food and clean rooms. Perceived value in a luxury hotel industry can be indicated by value for money, the hotel's reputation for quality and luxury. Room quality

Customer satisfaction is also ensured by providing different facilities that range from primary bed and clothing storage to luxury facilities such as en suite bathrooms. Bigger hotels provide additional facilities such as business centers, swimming pools, conference facilities, childcare and social event services. Hotels have room numbers that are numbered to allow easy identification. So as to market themselves, some hotels offer meals as part of board and room arrangement. Hotels vary in function, cost and size. Major hospitality companies and hotels have come up with industry standards that classify hotel types. A good hotel offers luxury facilities, restaurants and a high level of personalized services.

Room quality leads to creation of a strong brand. A superior brand is created by guest experience that is determined by a combination of various factors including convenience location, the product/service offering, and the environment within which the services are offered. The Singapore luxury hotels' management acknowledges the fact that modern day guests/customers have varying interests and preferences as well as desires for variety of experiences.

Staff service quality

Happy employee and service quality ensures customer return. Customer satisfaction in Singapore's luxury hotels is also positively linked to the

customer loyalty. This view is based on the premise that future guest visits are based on whether they were satisfied or not. Satisfied customers are likely to return and inform potential clients by word of mouth. Besides, customer satisfaction is positively correlated to value. As the effect of value increases due to increase in quality, price becomes an important factor in determining the level of satisfaction. Providing services of high quality, therefore, improving customer satisfaction are considered the basic factors that boost the company performance in the tourism and hotel industry (Berger, 2011).

It is important for luxury hotels to manage employees well and improve productivity. Productivity is mainly improved through the employees (Kusluvan, 2003). There are several ways that productivity can be improved. The work conditions together with other factors determine the work culture. The work environment has to be favorable. Employees should implement wide changes in their setups so as to improve their workforce productivity. An employee's talent is an asset for any company. Therefore, talents need to be tapped by keeping employees motivated so as to deliver and perform the results that they are capable of. Accountability and follow-up help improve an employee's productivity. All employees need to be aware that they are accountable for their actions. Employees should also set targets so as to feel that their job is done.

Conclusion

Luxury hotel management should be aware of several factors to sustain competitive advantages since they have positive and direct effects on hotel

occupancy (Berger, 2011). The luxury hotel industry is one very productive industry. However, to attain success factors such as customer satisfaction, management and employee productivity must be taken seriously. The hotel industry should also keep improving according to the emerging trends in these industries. Hotels vary in size, cost and function, but all aim at making profit and attracting more customers. Managers have realized that the rate of occupancy in hotels affect the attitude and perspective of hotels in terms of a competitive advantage. In addition to market efforts, management practices enhance the quality of services and products delivered, therefore, enabling hotels to be competitive.

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