

Customer satisfaction in the hotel industry tourism essay



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The Study mainly reviews and discusses the topic of customer satisfaction and its application to the Hospitality and Tourism industries. Defines the concept and analyzes its importance to services and its importance to serves in general and to hospitality / tourism services in particular. Following a discussion on the dimensions and attributes of satisfaction, lists the main methods of measuring satisfaction and concludes with a review of global and cross-cultural issues that affect satisfaction in hotel industry.

Customer satisfaction is the leading decisive factor for determining the quality and standard which is actually delivered to the customer through the product, service or by the accompanying servicing. (Vavra, 1997); It's simply stated,

“ Customer satisfaction is essential for corporate survival”

Several studies have found that it costs about five times as much in time, money and resources to attract a new customer as it does to retain an existing customer (Neumann, 1995). This creates the challenge of maintaining high levels of service, awareness of customer expectations and improvement in services and product.

Hayes states that

“ Knowledge of customer expectations and requirements is essential for two reasons – it provides understanding of how the customer defines quality of services and products, and facilitates the development of a customer satisfaction questionnaire (Hayes, 1997, p7). Furthermore, customer satisfaction is recognized as of great importance to all commercial firms

because of its influence on repeat purchases and word of mouth recommendations (Berkman and Gilson, 1986). The researcher interest is to carryout a study of customer satisfaction at Express by Holiday Inn, London.

Research Problem

Customer satisfaction research is not an end into itself. The purpose, of course, in measuring customer satisfaction is to see where a company stands in this regard in the eyes of its customers, thereby enabling service and product improvements which will lead to higher satisfaction level. Satisfaction is not a universal phenomenon and not everyone gets the same satisfaction out of the same hospitality experience. The reason is that customers have different needs, objectives and past experiences that influence their expectation. The results of a customer satisfaction survey need to be evaluated to determine what needs to be improved. Goals should be as specific as possible. Hotels are often challenged on how to best increase guest satisfaction, and how to optimize both price and occupancy. Employee satisfaction, guestroom cleanliness, amenities, appearance, food and services all contribute to customer satisfaction, and increase customer satisfaction is a proven driver of guest retention and higher occupancy rates. Understanding customer experience through research is widely recognized as a key factor in improving long-term business performance. Express by Holiday Inn Hotel had a requirement to obtain daily feedback at an individual level by rooms/reception questionnaire in general for its GSTS (Guest satisfaction tracking system). It has to introduce web based questionnaire survey to create an opportunity to built feedback interface for general public

to get provided a cost-effective and practical methodology so hotel future guest see the reviews in term of past feedbacks.

“ In the customer arena, we believe that regular, quantitative measurement of customer satisfaction provides a much better lead indicator of future organizational health than profitability of market share change” (Tom Peters, Management guru)

Objectives of the Study

The main objective is to conduct the customer satisfaction and its measurement in the hotel industry with special reference to Express by Holiday Inn Hotel, London.

Subsidiary Objectives

Analyses of costs demonstrating that customer retention is substantially less expensive than customer acquisition.

Customer behaviourists in the area of lodging, restaurant, food services and tourism.

Customer satisfaction is a psychological concept.

Customer purchase goods and service with pre purchase expectations about anticipated performance.

Assessment of satisfaction is made during the service delivery process.

Satisfaction is not a universal phenomenon and everyone is not getting the same satisfaction out of the same hospitality experience.

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Reliability, Responsiveness, Assurance, Empathy and Tangibles.

Significance of Study

Customer Satisfaction measurement (CSM) consists of on two major roles

Providing Information

Enabling Communication with Customer

The initial or primary reason for taking the time to measure customer satisfaction is based on to collect the information. It means that what customers say that need to be done differently or on the other hand to assess how well an organization is currently meeting its customer needs or requirements. But the secondary is not less important function of CSM in hospitality industry that by surveying customers. An organization is emphasis its interest in communicating with its customers. In hotel industry, it's always finding out customer's needs, pleasures, displeasures and overall well being. Though it is impossible to measure the satisfaction of every single customer needs. The customer satisfaction may different from organization to organization or hotel to hotel. Here we would like to quote Neumann (1995) five objectives suggestions as follows:

To get close to the customer

Measure continuous improvement

To achieve customer driven improvement

To measure competitive strengths and weaknesses

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To link Customer Satisfaction Measurement (CSM) data to internal systems

Hypothesis

Customer Satisfaction is a psychological concept.

Customer purchase goods and services with pre purchase expectations.

Assessment of satisfaction is made during the service delivery process.

Satisfaction is not Universal phenomenon.

Recognition of the employees who contribute to the Customers satisfaction

Customer based improvement goals

Plans for improving operational variables

Incorporation of customer satisfaction skills into employees training programme

Measurement and plan for improvement of employee satisfaction

Importance of my Study

To satisfy each and every customer or to meet his / her expectation every time is not an easy task especially in hotel industry. This work is to investigate and examine the psychology of the customer, their expectations and behaviour.

Methodology

My methodology of research will be based on experience, day to day operation of the hotel, customer complaint, customer satisfaction standard, theory, hypothesis, observation and confirmation.

Universe of the Study

The research would be conducted Hotels based in London, utilizing my own experience but the mainly focused on the Customer Satisfaction Measurement.

Sample Design

My sample will be comprised of the Customer Satisfaction Measurement in Express by Holiday Inn Hotel, London

Data Usage

In my research I would like to go for primary data collection, secondary data collection, quantitative and qualitative data collection.

Tools of data Collection

The data collection would include the use of questionnaire, scheduled interviews, guest feedback, and management feedback, guest services track system (GSTS), guest survey, and personal experience along with personal observation. In the questionnaire design, I will use the respondent completes' short closed – ended questions and long open – ended questions. In the interview design, I would like to use personal forms, sharing their experience and work directly with the respondent. In the guest feedback, I

would like to get the guest feedback while they are checking out from the hotel, compare their past and current experience. In the management feedback, I would like to get the information from management regarding the standard and complaint level of the guest activities in the hotel.

Hypothesis Testing

My hypothesis is

Customer Satisfaction is a psychological concept.

Customer purchase goods and services with pre purchase expectations.

Assessment of satisfaction is made during the service delivery process.

Satisfaction is not Universal phenomenon.

I would like to test this hypothesis with my proper research along with my personal experience with respect to the Customer Satisfaction Measurement theory.

Research Design and Timing

Feb 2010

In the month of Feb 2010 I will finish my primary data collection (questionnaire, interviews, guest feed back, and management feedback, guest services track system, guest surveys, personal observation and experience)

Feb 2010

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In the month of Feb I would like to finish my complete data collection and I will systemize the data in the proper form according to the distribution of report.

March 2010

In the month of July I would like to finish my final report writing and I will make it ready for the submission at the end of March 2010.

Structure of the Report

Chapter No 1 : Introduction

Chapter No 2 : Literature review

Chapter No 3 : Theory base (all theoretical background)

Chapter No 4 : Analysis of the findings

Chapter No 5 : Discussions

Chapter No 6 : Conclusion and Recommendations

Monitoring and Evaluation

Feb, 2010 by Researcher

Feb, 2010 by Supervisor

March, 2010 by Researcher

March, 2010 by Supervisor

Literature Review

My literature review comprises of theories, models, customers satisfaction surveys and related information. Brief and summarized form of my most important literature review is given below:

Satisfaction Theories:

Satisfaction Models:

Satisfaction Surveys:

Express by Holiday Inn Hotel Experience of Guest Satisfaction:

Recently, numerous researchers have attempted to apply CS theories developed by consumer behaviorists in the areas of lodging in order to investigate CS applicability to the hospitality and tourism industries.

The majority of these theories are based on cognitive nine distinct theories of customer satisfaction. The majority of these theories are based on cognitive psychology; some have received moderate attention, while other theories have been introduced without any empirical research. The theories include:

Expectancy Disconfirmation

Assimilation or cognitive dissonance

Contrast

Assimilation Contrast

Equity

Attribution

Comparison level

Generalized negativity

Value precept

Cognitive state of reward

Customer satisfaction can also be defined as satisfaction based on an outcome or a process. Outcome definition of customer satisfaction characterizes satisfaction as the end-state resulting from the experience of consumption. This end state may be a cognitive state of reward, an emotional response to an experience or a comparison of rewards and costs to the anticipated consequences. Vavra also puts forth a definition of customer satisfaction based as a process, emphasizing the perceptual, evaluative and psychological processes contributing to customer

satisfaction. In this definition, assessment of satisfaction is made during the service delivery process.

Expectancy Disconfirmation Theory

Richard Oliver has developed the expectancy disconfirmation theory in 1980. According to his theory, customers purchase goods and services with pre-purchase expectations about anticipated performance. Once the product or service has been purchased and used, outcomes are compared against expectations. When outcome matches expectations, confirmation occurs. On the other hand when there are differences between expectations and outcomes then disconfirmation occurs. Negative disconfirmation occurs when product / service performance is less than expected. Positive disconfirmation occurs when product / service performance is better than expected. Satisfaction is caused by confirmation or positive disconfirmation of consumer expectations, and dissatisfaction is caused by negative disconfirmation of consumer expectations.

Basically we may say that Customer satisfaction is a psychological concept that involves the feeling of well-being and pleasure that results from obtaining what one hopes for and expects from an appealing product and/or service.

Satisfaction is not a universal phenomenon and not everyone gets the same satisfaction out of the same hospitality experience. The reason is that customers have different needs, objectives and past experiences that influence their expectations. Therefore, it is important to gain a clear idea of the customer needs and objectives that correspond to different kinds of

satisfactions. This necessitates the segmentation of the market, because no service or product can offer everyone the same degree of satisfaction.

Experience may result from changes in the perception of the actual quality of outcomes received, or from changes in the expectations against which these outcomes are compared.

The components of satisfaction

Most hospitality experiences are an amalgam of products and services.

Therefore it is possible to say that satisfaction with a hospitality experience such as a hotel stay or a restaurant meal is a sum total of satisfactions with the individual elements or attributes of all the products and services that make up the experience.

Reuland Model of Satisfaction

There is no uniformity of opinion among marketing experts as to the classification of the elements in service encounters. Reuland suggests that hospitality services consist of a harmonious mixture of three elements:

The material product in a narrow sense which in the case of a restaurant is the food and beverages;

The behavior and attitude of the employees who are responsible for hosting the guest, serving the meal and beverages and who come in direct contact with the guests,

The environment, such as the building, the layout, the furnishing, the lighting in the restaurant, etc.

Reuland et al. (1985, p. 142)

Czepiel Model of Satisfaction

On the other hand, Czepiel suggests that satisfaction with a service is a function of satisfaction with two independent elements, the functional element, i. e. the food and beverage in a restaurant, and the performance-delivery element, i. e. the service. To prove the independence of the two elements from each other, the authors claim that restaurant clients are quite capable of having responses to each element that differ one from the other:

“ The service was great, the food poor” or conversely.

(Czepiel et al) (1985. P. 13)

David and Stone Model of Satisfaction

Davis and Stone divide the service encounter into two elements:

Direct Services

Indirect Services

For example, direct services may be the actual check-in/check-out process in hotels, while the indirect services include the provision of parking facilities, concierge, public telephones for guests' use, etc.

(Davis and Stone (1985, p. 29)

Dimensions of satisfaction

In service organizations, the assessment of the quality of a service is made during the actual delivery of the service – usually an encounter between the

customer and a service contact person. Parasuraman identified the following five generic dimensions of service quality (SERVQUAL) that must be present in the service delivery in order for it to result in customer satisfaction:

Reliability - the ability to perform the promised services dependably and accurately.

Responsiveness - the willingness to help customers and provide prompt service.

Assurance - the knowledge and courtesy of employees as well as their ability to convey trust and confidence.

Empathy - the provision of caring, individualized attention to customers, and

Tangibles, the appearance of physical facilities, equipment, personnel and communication materials.

The model conceptualizes service quality as a gap between customer's expectations (E) and the perception of the service providers' performance (P). According to Parasuraman that service quality should be measured by subtracting customer's perception scores from customer expectation scores:

$$(Q = P - E)$$

The greater the positive score represents the greater the positive amount of service quality or vice versa.

The gap that may exist between the customers' expected and perceived service is not only a measure of the quality of the service, but is also a

determinant of customer satisfaction/dissatisfaction. Measuring the gap between expected and perceived service is a routine method of utilizing customer feedback.

Measuring service quality via customer satisfaction

Hayes states that Knowledge of customer expectations and requirements is essential for two reasons:

It provides understanding of how the customer defines quality of service and products and facilitates the development of customer satisfaction questionnaires. (Hayes, 1997)

Customer satisfaction is recognized as of great importance to all commercial firm because of its influence on repeat purchases and word of mouth recommendation (Berkman and Gilson, 1986).

Satisfaction, reinforces positive attitudes towards the brand, leading to a greater likelihood that the same brand will be purchased again, but on the other hand dissatisfaction leads to negative brand attitudes and lessens the likelihood of buying the same brand again (Assael, 1987)

Guest Expectation from Express by Holiday Inn Hotel

Expectations can be described as a mutable internal standard which is based on a multitude of factors including needs, objectives, past personal or vicarious experiences with the same establishment restaurant, with similar establishments, and the availability of alternatives. To recapitulate what we have established by now is that an individual's satisfaction with outcomes

received from a hospitality experience results from a comparison of these outcomes with expectations.

Some hotels / restaurant attributes are more likely to earn guest complaints than compliments. Availability of parking, hours of operation, traffic congestion, noise level, and spaciousness of the establishment all appear in the top-ten complaint list. In contrast, guests express appreciation for high performance in some areas, but rarely complain when performance is so-so. The survey results suggest that guest react favorably to a clean neat restaurant, neat employees, ample portions, and responsiveness to complaints. The quality and quantity of service, food quality, helpfulness of the employees, and the prices of drinks, meals and other services appear in both the list of most frequent complaints and the list of the most frequent compliments.

Cadotte and Turgeon attribute model of performance

Cadotte and Turgeon divided the attributes into the following four categories:

Satisfiers

Dissatisfiers

Critical

Neutral

Satisfiers were those attributes where unusual performance apparently elicited compliments and satisfaction, but average performance or even the

absence of the feature did not cause dissatisfaction or complaints. Large-size food portions, smartly dressed employees, clean and neat restaurants are all examples of a restaurant satisfier. Normal food portions, regularly dressed employees and not so neat restaurants do not cause dissatisfaction. In contrast, large food portions and well-groomed and smartly dressed employees please the restaurant guest.

“ Satisfiers, represent an opportunity to shine, to move ahead of the pack, and to stand out from the crowd”

Dissatisfiers were more likely to earn a complaint for low performance or absence of a desired feature than anything else. But an operation that exceeds the threshold performance standard apparently will not receive compliments on the attribute. Parking and excessive noise are good examples of dissatisfiers; they have to be provided and maintained at a minimum or sufficient level. But efforts to achieve a higher performance level will not be appreciated by customers nor will it cause them satisfaction.

“ Dissatisfiers particularly require management control to prevent poor performance. Minimum standards should be established, and the focus should be on maintaining these standards.... Be as good as your competition, but do not waste resources trying to be better. “

Critical attributes were capable of eliciting both complaints (dissatisfactions) and compliments (satisfactions), depending on the situation. Quality of service, food quality and helpful attitude of employees ranked high in eliciting both complaints and compliments. Critical factors deserve special attention, because of their potential for both hurting and helping a business.
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“ Like dissatisfiers, minimum standards must be set to avoid negative responses to your service. For the critical attributes, the objective is to raise performance beyond the norm”

Neutral attributes neither received a great number of compliments nor many complaints, therefore probably indicating that they were either not salient to guests or easily brought up to guests’ standards.

Cadotte and Turgeon draw our attention to the fact that the classification of these factors is not permanent but constantly changes. Some dissatisfier type attributes were probably critical at one time. Higher industry standards, though, may have improved performance to the extent that most restaurants are able to meet guest requirements on these factors. For example, in warm climates, the availability of reliable air conditioning in hotels or restaurants was a critical factor; today, with the advent of modern refrigeration technology, all hotels and restaurants in such climates will have it. Having more of it will not satisfy anyone, but when air-conditioning breaks down, suddenly everyone becomes dissatisfied.

Resources

I would like to use limited resources for my research. I will use internet, complete media library, company visits, interviewing with different guests who are staying in different hotels or regular guests and frequent flyers, news papers, journals, books, telephone and other possible resources which are easily available and easily accessible.

Possible outcome of my study

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I would like to say that my research work on Customer Satisfaction Measurement will bring new turn and increase the satisfaction level in Central Park Hotel Hyde Park, London. More importantly, my study will analysis the guest satisfaction level and will point out the main causes, how to improve and bring the level of customer satisfaction up to the mark.

Limitations of the Study

My study on Customer Satisfaction Measurement in hotel industry will be limited only as well as on Express by Holiday Inn, London and other Hotels in London.