

Thesis customer satisfaction

[Business](#), [Marketing](#)



CHAPTER II Review of Related Literature This chapter presents the literature related to this study. This will be conducted with the assessment of related literature to show the relevance of the literature to the study. RELATED LITERATURE Customer satisfaction is the most fundamental requirement for being in business. Therefore, every organization should plan the right strategies for dealing with customers, communicating with them, providing pleasant services and retaining them forever with specially chosen customer contact employees, all leading to their delight.

Since most of the quality problems arise due to misunderstood requirements, it is essential to take steps to correctly understand, both the stated and implied requirements of the customers. The organization should not only fulfill the contracted requirements, but also make it appoint to provide unanticipated additional services to delight the customers and retaining them forever. The most important point is that organizations should provide COMFORT to the customers while serving them. Thus, the business should be oriented towards satisfying customers. (Subburaj Ramasamy; TQM-Int'l Edition 2012)

Customer satisfaction is the state of mind that customers have about a company when their expectations have been met or exceeded over the lifetime of the product or service. The achievement of customer satisfaction leads to company loyalty and product repurchase. Customer satisfaction measurement must be undertaken with an understanding of the gap between customer expectations and attribute performance perceptions. Clearly defining and understanding customer satisfaction can help any company identify opportunities for product and service innovation and serve

as the basis for performance appraisal and reward systems. Kevin Cacioppo; Measuring and Managing Customer Satisfaction) Customer satisfaction has been a popular topic in marketing practice and academic research since Cardozo's (1965) initial study of customer effort, expectations and satisfaction. Despite many attempts to measure and explain customer satisfaction, there still does not appear to be a consensus regarding its definition (Giese and Cote, 2000). Customer satisfaction is typically defined as a post consumption evaluative judgement concerning a specific product or service (Gundersen, Heide and Olsson, 1996).

It is the result of an evaluative process that contrasts prepurchase expectations with perceptions of performance during and after the consumption experience (Oliver, 1980). The most widely accepted conceptualization of the customer satisfaction concept is the expectancy disconfirmation theory (Barsky, 1992; Oh and Parks, 1997; McQuitty, Finn and Wiley, 2000). The theory was developed by Oliver (1980), who proposed that satisfaction level is a result of the difference between expected and perceived performance. Satisfaction (positive disconfirmation) occurs when product or service is better than expected.

On the other hand, a performance worse than expected results with dissatisfaction (negative disconfirmation). Studies show that customer satisfaction may have direct and indirect impact on business results. Anderson et al. (1994), Yeung et al. (2002), and Luo and Homburg (2007) concluded that customer satisfaction positively affects business profitability. The majority of studies have investigated the relationship with customer behaviour patterns (Soderlund, 1998; Kandampully and Suhartanto, 2000;

Dimitriades, 2006; Olorunniwo et al. 2006; Chi and Qu, 2008; Faullant et al. , 2008). According to these findings, customer satisfaction increases customer loyalty, influences repurchase intentions and leads to positive word-of-mouth. Given the vital role of customer satisfaction, it is not surprising that a variety of research has been devoted to investigating the determinants of satisfaction (Churchill and Surprenant, 1982; Oliver, 1980; Barsky, 1995; Zeithaml and Bitner, 2003). Satisfaction can be determined by subjective (e. g. customer needs, emotions) and objective factors (e. . product and service features). Applying to the hospitality industry, there have been numerous studies that examine attributes that travellers may find important regarding customer satisfaction. Atkinson (1988) found out that cleanliness, security, value formoneyand courtesy of staff determine customer satisfaction. Knutson (1988) revealed that room cleanliness and comfort, convenience of location, prompt service, safety and security, and friendliness of employees are important. Barsky and Labagh (1992) stated that employee attitude, location nd rooms are likely to influence travellers' satisfaction. A study conducted by Akan (1995) showed that the main determinants of hotel guest satisfaction are the behaviour of employees, cleanliness and timeliness. Choi and Chu (2001) concluded that staff quality, room qualities and value are the top three hotel factors that determine travellers' satisfaction. Providing services those customers prefer is a starting point for providing customer satisfaction. A relatively easy way to determine what services customer prefers is simply to ask them.

According to Gilbert and Horsnell (1998), and Su (2004), guest comment cards (GCCs) are most commonly used for determining hotel guest

satisfaction. GCCs are usually distributed in hotel rooms, at the reception desk or in some other visible place. However, studies reveal that numerous hotel chains use guest satisfaction evaluating methods based on inadequate practices to make important and complex managerial decisions (Barsky, 1992; Barsky and Huxley, 1992; Jones and Ioannou, 1993, Gilbert and Horsnell, 1998; Su, 2004).

The most commonly made faults can be divided into three main areas, namely, quality of the sample, design of the GCCs, and data collection and analysis (Gilbert and Horsnell, 1998). In order to improve the validity of hotel guest satisfaction measurement practice, Barsky and Huxley (1992) proposed a new sampling procedure that is a „ quality sample“. It reduces nonresponse bias by offering incentives for completing the questionnaires. The components of their questionnaire are based on disconfirmation paradigm and expectancy-value theory.

In this manner, guests can indicate whether service was above or below their expectations and whether they considered a particular service important or not. Furthermore, Gilbert and Horsnell (1998) developed a list of criteria for GCC content analysis, which is adopted in this study as well. Schall (2003) discusses the issues of question clarity, scaling, validity, survey timing, question order and sample size. Customers' requirements for satisfaction are difficult to comprehend. They have different preference when it comes to availing services from providers.

Same with hospitality industry – for establishments like Bayleaf hotel of Intramuros there's a lot of effort to make, creative thinking and strategy to stay in the competition. To be the only hotel in Intramuros, a great

expectation among visitors is always present. Unless an organization evolves specific methods for measuring customer satisfaction and quantify the results, it may be difficult to say whether the customers are satisfied or not; whether customer satisfaction is improving or not it also very essentials to measure customer satisfaction so as to stay ahead of competition.

Each business unit has to conduct its business in such a way that it is able to achieve more customer satisfaction than its competitors at all times. Therefore, to face and win the competition, every organization should continue to improve their products and services and attain higher levels of customer satisfaction. Regarding on customer satisfaction, the following statement could indicate that the establishment has a lot of services to offer. Statement of the experienced customers will prove that Bayleaf Hotel can stand in a competition as a boutique hotel yet can provide 5-star experience to its valued customers.

According to Dr. Deo Baraan the owner of the website (thegrandeurtraveler.com) “ If you are looking for a new hotel that will show you Manila's rich history, lost magic and inimitable views, nothing would be more perfect than the Bayleaf Hotel. ” In addition to what he says, “ Everyone can now have a taste of an upscale accommodation in the heart of Manila's historic district”. When it comes to money issues, Vic Nair of Kuala Lumpur (tripadvisory.com) stated “ Bayleaf is a great hotel with value for money.

Excellent service from their young staff members. ” Another statement that we got from redheelsinthecity (tripadvisory.com) “ Manila, in general, is a busy, polluted and messy city. Finding a place like this is close to impossible. 9 spoons restaurant has the best food and ambiance. However what I love

about the place is the Sky Deck View Bar. Especially on a cold night, having a beer absolutely scratches your stress away. Not to mention you get even more amazed by the view around, very conducive for unwinding.

The place can immensely cater a good service especially for occasions. Most of all, it stands in the heart of the old city called Intramuros, which I think is the best location in Manila. Service of the staff and management is impeccably wonderful and impressive. “ It is certainly not easy, at least to start with, to compute indices for customer satisfaction. It requires innovative people, a determined management and additional efforts by the organization for this purpose. This will pay for more than itself in the ultimate analysis.

Therefore, the chief executive of the organization should be committed and persuasive in measuring customer satisfaction in the interest of the organization and provide resources for this task. A feedback or a complaint criticizing the organization should be taken as a blessing in disguise and in the right spirit. If there is no direct feedback or complaint, then the organization should look for other ways for finding out the same, since feedback is one of the most important triggers for improvement.

If complaints are made, the organization should seriously make efforts to see that the complaints are result to the satisfaction of the customers. (Subburaj Ramasamy; 2012) According to Ms. Glenda G. one of the experienced customer of the Bayleaf Hotel “ We booked ; paid the rooms 6 months ago ; requested a queen beds but we got 2 twin separate beds, it's also a terrible service at the roof top restaurant they're so slow in accommodating. We even said give us a wash cloth will clean the tables” Another experienced

customer (tripadvisory. om) WWWorkes of Vilnius state that “ All in all, this is a clean, comfortable hotel in a great location - but don't expect to be able to spend any amount of time relaxing in it - it has little to offer and generally doesn't meet its potential” VIP on Bangkok also commented on the website regarding in his experience on the hotel - “ I like its surrounding and location, but ventilation need improvement to get rid of damp smell in the room. Towels smell too strong chemical” Every complaint should lead to determine efforts by the organization to make improvements so as the result in non-reoccurrence of such complaints in the future.

In short, the service provider should have a system to solicit feedbacks and complaints, deal with them dispassionately, rectify the defects immediately, compensate where not possible to rectify and analyze such mistakes to find out measures for their non- reoccurrence and implement the measures strictly. The above is also known as complaint recovery process. Every organization should have a well-defined process and procedure for getting feedback and receiving complaints from the customers and use every complaint as an instrument for improvements. SYNTHESIS

Chapter 2 is about the review of related literature; it is about the purpose of the review to analyze critically a segment of a published book of knowledge through summary, classification and comparison of prior research studies, reviews of literature, and theoretical articles. We have the foreign and local literature. In foreign literature we based on the research book. What we had is the article of Subburaj Ramasamy, Kevin Cacioppo, Cardozo's (1965), Giese and Cote, (2000), Gundersen, Heide and Olsson, (1996), Oliver, (1980), Anderson et al. (1994), Yeung et al. 2002), and Luo and Homburg (2007),

Barsky, 1992; Oh and Parks, 1997; McQuitty, Finn and Wiley, 2000, Soderlund, 1998; Kandampully and Suhartanto, 2000; Dimitriades, 2006; Olorunniwo et al. , 2006; Chi and Qu, 2008; Faullant et al. , 2008, Churchill and Surprenant, 1982; Oliver, 1980; Barsky, 1995; Zeithaml and Bitner, 2003), Atkinson (1988), Knutson (1988), Barsky and Labagh (1992), Akan (1995), Choi and Chu (2001), Gilbert and Horsnell (1998), and Su (2004), and those books associates some knowledge and ideas regarding customer satisfaction and hospitality industry.

For instance we also got statements from foreign customers who had an experience in staying at Bayleaf Hotel namely; Redheelsinthecity, WWWWorkers, and VIP on Bangkok. For local literature we have Ms. Glenda G. and Dr. Deo Baraan, who experienced Bayleaf Hotel as well. Therefore, the purpose of this review is to analyze critically a segment of a published body of knowledge through these articles. INPUT: Bayleaf Hotel, Intramuros as the focus of the study and as a new hotel caters to satisfy tourists within and outside Intramuros.

CONCEPTUAL FRAMEWORK PROCESS: * Surveying through questionnaires
*InterviewOUTPUT: Determine the level of customer satisfaction in Bayleaf Hotel and competitiveness of the establishment. The conceptual framework above shows that the input in Bayleaf Hotel, Intramuros as the focus of the study and as a new hotel caters to satisfy tourists within and outside Intramuros. The process of the study is done by giving survey through questionnaire and conducting interview to determine the level of customer satisfaction and competitiveness of Bayleaf Hotel.