

# Consumer behaviour in hotel industry marketing essay



**ASSIGN  
BUSTER**

Understanding of customers as well as customer behaviour is the key success factor in marketplace, either nationally or internationally. Consumer behaviour refers to “ the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society (Hawkins et al., 2010).”

Hawkins et al. (1992) defined it as a process of a study of economic, social psychology, sociology as well as cultural anthropology in order to endeavours to understand the customer purchasing and lifestyle.

The basic requirement for operating a business is to build, retain and satisfying customers. Lack of understanding consumer behavior will lead to difficulty in retain and satisfying (Kim et al., 2001). For instances, a new chain hotelier need to has the capability in understanding the current as well as future behaviour of consumers. It is essential for a new chain hotelier to expect the prospective increase in customers’ demanding for future, food and beverage services in certain area and the number of rooms.

## **2. 8 Consumer Behaviour in Hotel Industry**

Hospitality is a unique industry provides a range of substantial products as well as insubstantial services, for example accommodation, atmosphere, food and drink and spa service. Thus, consumer behaviour is predominantly complicated and significant towards hotel industry. Prominently, hotel industry is highlighted on customer experience and customer experience in great extent straight influence customers’ feelings, attitudes, and buying intentions. Consequently, lead to a subsequent behaviour (Whitford, 1998).

Hospitality experience is particularly broad and diverse. It will be different <https://assignbuster.com/consumer-behaviour-in-hotel-industry-marketing-essay/>

from customer to customer for instance leisure guests' behaviour is different from business. Hotel tends to develop and monitor visitor understanding to make positive relative relationship with consumers as potential guests will give major consideration on satisfaction and experience when decide on a hotel.

According to Zeithamal et al (2003), customer satisfaction could give rise to guest loyalty. However, Kotler et al., (2003), Reid & Bojanic (2009) argue that customer not necessarily will revisit again due to the variable of customers' expectations even though when a customer is satisfied with high hotel experience quality delivered. For example, a customer is prefers to look for something new and fresh as he or she is bored of the hotel he or she used to stay. Besides, customers' expectation most likely influence by pre-purchased form of hotel industry in some extent. Hence, hotel customers have valid reasons and right to select the hotel rather than the hotel's competitors and revisit over and over again only if the hotelier understanding customers' behaviour and providing constant satisfaction (Keller, 1993).

Customer is a key player for an organization. Every successful business is customer driven. Therefore, marketing is the method to build long term relationship with customers. This is the key intention of the organization towards the customer (Kotler, 1983). In other words, profit maximisation is the fundamental objective to run a business, whilst customer is the key source of profit, thus with the purpose of achieve competitive advantage in market place, the organisation should position customer in priority place, which to great extent based on understanding customers and their

behaviour. An organisation will find hard to sustain if they ignore the <https://assignbuster.com/consumer-behaviour-in-hotel-industry-marketing-essay/>

important of understand customer behaviour (Kim et al., 2001). Hawkings et al., (2010) defined customer behaviour as the study of organisations, individuals, or groups also the procedure they employ to dispose, secure, use and select of services, experiences, products, or ideas to satisfy requirements as well as the consequences on the customer and society that result from these processes.

As stated previously, customer behaviour is particularly complicate in hotel industry because of some natures of hospitality. Vitally, customers understanding are given by both intangible services and tangible products. The example of intangible services such as spa treatment or atmosphere while tangible products such as food and beverage or accommodation. The feelings, emotion and purchase intention of customers could affect the quality of consumers experience whereby can be variable also different from one to another. As a result it increase difficulties of monitoring and control (Whitford, 1998). Meanwhile, customers' satisfaction may shattered by the advance payment approach of hospitality industry due to the expectation gap in their psychological value. On the whole, customer loyalty could be vitally affected by consumer satisfaction but this interrelation is not typified in hospitality industry (Zeithamal et al., 2003). That is a chance that customers may decide not to revisit although the hotel meet their requirement and achieve satisfaction. This is due to the same products or services provide. For the reason, customers are desire for new environment and they might tire with the hotel they often stayed with (Kotler et al., 2003, Reid & Bojanic, 2009). As a result, Keller (1993) claimed that customers are motivated with valid reason to faithful to some hotel, which possibly will

enhance profitability for the hotel company provided that they presenting constant satisfaction by clearly understanding consumers' behaviour (Bowen & Shoemaker, 1998). Profitability would accelerate approximately 100% if that is given rise of five percent consumer retention. Furthermore, the cost of obtaining new consumer is much more expensive (Reicheld and Sasser, 1990).

### Primary data

Primary data is the first- hand experience collected from the research.

Primary data has the greatest originality characteristic where hardly to be modified by human beings and has not been published yet which is including observations, interview and questionnaire (Sekaran and Bougie, 2010).

Besides, primary data has it owns greater validity in which it is generally right when the secondary is unavailable or insufficient to respond the research question (Ghauri, 2005). However, it is time consuming and costly to collect primary data due to the limitation of sources for primary data.

### Secondary data

Secondary data is the second-hand data which is collected by someone else others for some other purposes instead of the researcher including both raw data (such as, organisations'databases, payroll details) and published summaries (such as, journals, periodicals) (Saunders et al, 2003). The advantages of secondary data are the variety of sources and it is easy to access. The reliability and validity of secondary data are lower than primary data due to it can be easily obtained and manipulated by human beings.

Having judged advantages and disadvantages of the two types of data, and <https://assignbuster.com/consumer-behaviour-in-hotel-industry-marketing-essay/>

according to the purpose of the study, primary data will be collected through a questionnaire to investigate customers' opinion about their which can attract them come back to the hotel. In spite of many difficulties may faced when collecting primary data, it is still perceived as the most reliable and authentic source of data (Ghauri, 2005). The questionnaire is deemed most frequently used strategy in business and management research as it enables the researcher to economically collect a large amount of data from a sizeable population as well as easily explain and compare.

As for the question design, according to Saunders (2003), close question is usually quicker and easier to answer, as minimal writing required; hence all questions in this survey are close-ended designed. Two types of closed question are employed the questionnaire: category and rating questions. For one thing, category questions are used for the first part of the questionnaire to ask personal information including gender, age, occupation, nationality, as well as income. In the mean time, having considered the age and income relate to individual privacy, the question is only asking the age group and income range instead of specific figures. Individual information is necessary simply because these attributes will significantly affect their hotel choice and preference. Also, category questions still applied to the second part which about respondents' behavior towards hotel choice and reasons, since category question are suitable for behaviour or attributes (Saunders et al., 2003). The third portion is in regard to respondents' opinion and suggestion towards the special reason or some advice for the Jingdu Hotel. Therefore, the Likert-style rating scale with five point are appropriate for third section, as what Saunders (2003) suggested, opinion data is most frequently

collected by rating questions, especially Likert- style rating scale, in which the respondent is asked their agreement level. A ranking question will not be taken into account, as it usually takes relatively longer time to finish by asking the respondent to place thing in rank order. Additionally, a covering letter will be accompanied to explain the solo academic purpose of the survey and express gratitude for their kind corporation. Dillman (2000) suggests the covering letter could to some extent improve the respondent rate.

According to Sekaran and Bougie (2010), sampling is the process of selecting a sufficient number of the right elements from the population. It is to great extent influence the effectiveness of the research. This research is concerned with the customer loyalty strategies in Jingdu Hotel, and the questionnaire aims to investigate customers' preference towards the Jingdu hotel. Hence, the population would be all customers who have experienced or attempt to have an experience in this hotel. According to Saunders (2003), non- probability sampling is most practical for exploratory research when the sample size is ambiguous and unsuitable for probability sampling. In this study, in order to improve the effectiveness of the survey result, the sample size has been limited to customers who have stayed with international hotel chains, since those customers may better understand the international hotel companies than those people have no international hotel experience. At the same time, the convenience sampling will be employed to conduct the survey, as it can quickly and easily obtain the sample (Saunders, 2003). Specifically, questionnaire will be sent to these customers who are

already joining this hotel when they are checking-in or checking out to ensure the validity and reliability of the answers.

### **3. 5 Reliability and Validity**

It is critical to evaluate the reliability and the validity to minimise the error when carrying out the research (Saunders et al., 2003). Since this research will collect primary data through questionnaire, factors may affect reliability and validity will be the questionnaire design, structure of the questionnaire, sampling, and the respondents.

#### **3. 5. 1 Reliability**

According to Joppe (2000), reliability often refers to the extent of the results are stable over time, whether the procedures of collecting data, as well as the findings are consistent. Kirk and Miler (1986) identify three factors of the reliability in quantitative research, which related to: repeatability, stability, and similarity within a given period of time. Moreover, there are four threats towards reliability mentioned by Robson (2002) that: subject or participant error, subject or participant bias, observer error, as well as observer bias.

#### **3. 5. 2 Validity**

According to Saunders et al., (2009), validity is concerned with whether the quality of the research measurement and the research results are trustworthy and scientific. Three types of validity have been defined: construct validity, content validity and criterion-related validity. Wainer and Braun(1988) assert the main validity in quantitative research is construct validity, which refers to the initial concept, notion, question or hypothesis that determines which data is to be gathered and how it is to be gathered. In



this research, in order to enhance the validity, the questionnaire was tested carefully to avoid errors owing to ambiguity or misunderstanding. The researcher uses clear instructions and simple wording to ensure that the responses will be valid. At the same time, all questions are close- end type to ease respondents in order to maintain the objectiveness and validity, as according the suggestion from Foddy (1994), closed questions can be relatively easy and efficient to answer from respondents. Additionally, the length of the questionnaire has been controlled to 15 questions to ensure participants who can complete within 5 minutes and hence to avoid the low respondent rate. The covering letter accompanied with the questionnaire to explain the only academic purpose of the investigation and guarantee the confidentiality at the same time. The questionnaire has been improved by a pilot test to ensure the feasibility and avoid ambiguity.