CUSTOMER SATISFACTION IN HOTEL INDUSTRY

VIKAS YADAV

Abstract

The purpose of this was to investigate how customer satisfaction in hotels industry. Customer get satisfaction in improving the quality of services offered by a hotel. Moreover, customers feel appreciated when they realize that the hotel is committed to improving their experience.

Primary data was collected by using E-Forms from a cross-section of the population. The sample size was 40. The demographic variables for population used for this study were Occupation, Annual Income, Education, and Marital Status. We can see that Chinese Foods are more prefer by the sample population, and 3 star hotel is also more prefer by the sample population, Male prefer more coffee than the female, less population prefer south Indian food, A/C rooms are prefer more by marital status and 4 wheeler is not prefer by size of family.

Key words: - customer satisfaction, service quality, measurement techniques, content analysis, hotel industry

INTRODUCTION

The hotel industry has been one of the most competitive industries especially in the 21st century.

During the past few decades, customer satisfaction and service quality have become a major issues. Both concepts have strong impact on business performances and customer behaviors. Service quality and customer satisfaction has leads to higher profitability. Furthermore, a number of empirical studies indicate a positive relationship between customer satisfaction and Service quality, as well as between customer satisfaction and positive word-of-mouth. Therefore, one of the key strategies for customer-focused is to measures or monitor service quality’s and customer satisfactions.

Several tools are available for measuring customer satisfaction. In hotels, one of the most popular tools is a guest comment card (GCC). Guest Comment Card GCCs have the advantages of small size, easy distribution and simplicity. When data analyzing in such a way, the managers can get the information about the attributes that have an impact on customer satisfaction.

The hotel industry has been one of the most competitive industries especially in the 21st century. For this reason, enhancing customer satisfaction is one of the key aspects of enhancing competitiveness in the hotels industry as well as in businesses. In others countries like:- Lake Kivu Serena Hotel. Lake Kivu Serena Hotel is one of the major players in the hospitality industry in Rwanda. The hotel has the advantage of operating under the prosperous Serena group.
of hotels that enables good global marketing of the brand and developing universal strategies to improve its competitiveness globally. However, operating under the Serena Group of hotels is not a guarantee that Lake Kivu Serena Hotel will remain prosperous forever in customer satisfaction. Customers are satisfied with products or brands, they most likely become loyal customers and keep spreading in the hotel.

Nurminen in 2007 has discovered that the cost is not the main reason that causes dissatisfaction of customers. But, basically, customer dissatisfaction is mostly causes by offering low quality products and services to customers. Customer satisfaction assumed as an important part of your business.

This paper is divided into several sections. First, a brief review of main concepts of interest is provided. Next, the research methodology used for this study is presented, followed by presentation and discussion of the results. Finally, the article concludes with main research findings.

**RESEARCH OBJECTIVE**

To compare Consumer Satisfaction in various hotel industry categories.

Proposed Hypothesis:

H1 (1):-Less than or equal to 30% of the sample prefer Chinese food.

H1 (2):-Less than or equal to 25% of the sample prefer 3 star hotel.

H2 (1):-The Average age of male prefer coffee in beverages is more than 25 years.

H2 (2):-The Average of age of sample prefer south Indian food is more than 25 years.

H3 (1):-Usage of A/C rooms is not independent of Marital Status.

H3 (2):-Usage of 4 wheeler is not independent of size of family.

**LITERATURE REVIEW**

**Customer satisfaction**

Customer satisfaction has been a popular topic in marketing practice its initial study of a 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 judgment concerning a specific product or service (Gundersen, Heide and Olsson, 1996). It is the result of an evaluative process that contrasts repurchase 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 the satisfaction level is the result of difference between the expected and perceived performance. Satisfaction
(positive disconfirmation) are occurs when the product or service is better than expected. On the other hand, the performance of worse is than expected results with dissatisfaction (negative disconfirmation).

Studies show that the customer satisfaction 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 behavior patterns (Söderlund, 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 various ways is (e. g. customer needs, emotions) and objective factors are the (e. g. product and service features). Applying to the hospitality industry, there have been numerous studies that examine attributes that travelers may find important regarding customer satisfaction. Atkinson (1988) found out that cleanliness, security, value for money and 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 and rooms are likely to influence travelers’ satisfaction. A study conducted by Akan (1995) showed that the main determinants of hotel guest satisfaction are the behavior 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 travelers’ satisfaction.

Providing services to 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 Hornell (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, and question order and sample size.

**Service quality**

Service quality is a complex, subjective and abstract concept. It means different things to different people. The most common definition of service quality is the comparison customers make between their expectations and perceptions of the received service (Parasuraman et al., 1988; Grönroos, 1982).

Quality is a multi-dimensional concept. Lehtinen and Lehtinen (1982) are defined in three dimensions of service quality are

1. Physical quality,
2. Interactive quality and
3. Corporate quality.

Similarly, Grönroos (1984) argued that service quality comprises of technical quality, functional quality and corporate image.

On the other hand, Parasuraman et al. (1985; 1988) developed the SERVQUAL scale, which became the most popular instrument for measuring service quality. They identified five key dimensions of service quality are

1. Reliability,
2. Tangibles,
3. Responsiveness,
4. Assurance and
5. Empathy.

To sum up, the relationship between quality and satisfaction is complex. Some authors have described it as Siamese twins and some are have their different opinion. Although still remain a lot of unresolved questions, which can be concluded about the service quality and customer satisfaction.

**RESEARCH METHODOLOGY**

An initial exploratory study was conducted through online data sources. Literature review was conducted on research papers identified through Google Scholar and Google Search. Primary data was collected by using E-Forms from a cross-section of the population. The respondents were selected through the random sampling technique. The sample size was 40. The demographic variables for population used for this study were Occupation, Annual Income, Education, and Marital Status. Data collected was analyzed using statistical tests (t test, z test for proportion and Chi Square test) with the help of Excel software.
**DEMOGRAPHICS**

**AGE GROUP**

![Age Group Pie Chart]

- 20-25 yrs: 27%
- 25-30 yrs: 40%
- 30-35 yrs: 10%
- 35-40 yrs: 5%
- 40-45 yrs: 3%
- 45-50 yrs: 5%
- less than 20 yrs: 10%

**GENDER**

![Gender Pie Chart]

- Female: 27%
- Male: 73%
MARITAL STATUS

Marital Status

Married: 32%
Single: 68%

OCCUPATION

Occupation

Home maker: 58%
Self-Employed: 17%
Service: 13%
Student: 12%
ANNUAL INCOME

Annual Income

- 1-2 Lakh: 48%
- 2-3 Lakh: 17%
- 50-1 Lakh: 20%
- Above 3 Lakh: 15%

Legend:
- Red: 1-2 Lakh
- Blue: 2-3 Lakh
- Green: 50-1 Lakh
- Yellow: Above 3 Lakh
HYPOTHESES TESTING

Hypothesis 1

P-Test

P-Test (1)

Ho: More than 30% of the sample prefer Chinese Food
Ha: Less than or equal to 30% of the sample prefer Chinese Food

<table>
<thead>
<tr>
<th>Gender</th>
<th>Chinese</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Male</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Grand Total</td>
<td>21</td>
<td>21</td>
</tr>
</tbody>
</table>

N Ho:- p>30%
A Ha:-p≤30%
T Left Tail

T P-Test
A 10%
P 10%
C -1.282
O
x 21
n 40
p' 53%
p 30%
q 70%
p*q 21%
P'-p 23%

Z-Observed 3.105

P 0.99905
A 10%
D Zo>Zc (Reject the Null)

Observation
More than 30% of the sample prefer Chinese food

Insight
So, more than 30% of the sample prefer Chinese food, in table we can see that female is 5 and male 16 so the total of Chinese food prefer is 21.
### P-Test (2)

Ho: More than 25% of the sample prefer 3 star hotel  
Ha: Less than or equal to 25% of the sample prefer 3 star hotel

<table>
<thead>
<tr>
<th>Gender</th>
<th>3 Star</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Male</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Grand Total</td>
<td>23</td>
<td>23</td>
</tr>
</tbody>
</table>

N  Ho:-p>25%  
A  Ha:-p≤25%  
T  Left Tail

T  P-Test  
A  10%  
P  10%

C  -1.282  
O  
x  23  
n  40  
p'  58%  
p  25%  
q  75%  
p*q  18.5%  
P'p  33%

Z-Observed  4.747

P  1.000  
A  10%  
D  Zo>Ze (Reject the Null)

**Observation**  
More than 25% of the sample prefer 3 star hotel

**Insight**  
So, more than 25% of the sample prefer 3 star hotel, we can see in the table that total no of population prefer 3 star hotel is 23.
**Hypothesis 2**

**T-Test**

**T-Test (1)**

Ho: The Average age of male prefer coffee in Beverages is less than 25 years
Ha: The Average age of male prefer coffee in Beverages is more than 25 years

<table>
<thead>
<tr>
<th>Age</th>
<th>Count of Timestamp</th>
<th>F</th>
<th>M</th>
<th>F*M</th>
<th>M-X'</th>
<th>(M-X')^2</th>
<th>F*(M-X')^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-30 yrs</td>
<td>2</td>
<td>2</td>
<td>27.5</td>
<td>55</td>
<td>-0.83</td>
<td>0.6944</td>
<td>1.3889</td>
</tr>
<tr>
<td>35-40 yrs</td>
<td>1</td>
<td>1</td>
<td>37.5</td>
<td>37.5</td>
<td>9.17</td>
<td>84.0278</td>
<td>84.0278</td>
</tr>
<tr>
<td>less than 20 yrs</td>
<td>2</td>
<td>2</td>
<td>20</td>
<td>40</td>
<td>-8.33</td>
<td>69.4444</td>
<td>138.8889</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>5</strong></td>
<td><strong>5</strong></td>
<td><strong>132.5</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>224.3056</strong></td>
</tr>
</tbody>
</table>

**Mean** | 28.33

**Variance** | 44.86

**SD** | 6.698

N  Ho :-μ < 25
A  Ha : -μ > 25
T  Right Tail

**T**  T-Test
A  10%
P  10%

**C**  1.886

O  
x'  28.33
μ  25
s  6.698

Sqrt (n)  6.32
x'-μ  3.33
s/sqrt (n)  1.06
**t-observed**  3.15

P  A  10%
D  Zo>Ze (Reject the null)

**Observation**

The Average age of male prefer coffee in Beverages is less than 25 years

**Insight**

The average age of male prefer coffee in beverages is less than 25 years, so we can see in the table that 25-30 years male prefer coffee is only 2 and less than 20 years is also prefer coffee is only 2.
**T-Test(2)**

Ho: - The Average age of sample prefer south Indian foods is less than 25 years
Ha: - The Average age of sample prefer south Indian foods is more than 25 years

<table>
<thead>
<tr>
<th>Age</th>
<th>Count of Timestamp</th>
<th>F</th>
<th>M</th>
<th>F*M</th>
<th>M-X'</th>
<th>(M-X')^2</th>
<th>F*(M-X')^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-25 yrs</td>
<td>1</td>
<td>1</td>
<td>22.5</td>
<td>22.5</td>
<td>-4.17</td>
<td>17.361</td>
<td>17.361</td>
</tr>
<tr>
<td>35-40 yrs</td>
<td>2</td>
<td>2</td>
<td>37.5</td>
<td>75</td>
<td>10.83</td>
<td>117.361</td>
<td>234.722</td>
</tr>
<tr>
<td>less than 20 yrs</td>
<td>3</td>
<td>3</td>
<td>20</td>
<td>60</td>
<td>-6.67</td>
<td>44.444</td>
<td>133.333</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>6</td>
<td>6</td>
<td>157.5</td>
<td></td>
<td>385.417</td>
<td></td>
</tr>
</tbody>
</table>

Mean: 26.67
Variance: 64.24
SD: 8.015

N Ho : -µ < 25
A Ha : -µ > 25
T Right Tail

T T-Test
A 10%
P 10%

C 1.886
O
x' 26.67
µ 25
s 8.015
Sqrt (n) 6.32
x' -µ 1.67
s/sqrt (n) 1.27
t-observed 1.32
P A 10%
D Zo > Zc (Fail to Reject the null)

**Observation**

The Average age of sample prefer south Indian food is less than 25 years

**Insight**

The average age of sample prefer south Indian food is less than 25 years, so we can see in the table that 35-40 years sample prefer south Indian food is only 2 and less than 20 years is also prefer south Indian food is only 3.
Hypothesis 3

Chi Test

Chi-test (1)

Ho:- Usage of A/C rooms is independent of marital status
Ha:- Usage of A/C rooms is not independent of marital status

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>fo</th>
<th>Fe</th>
<th>fo-fe</th>
<th>fo-fe^2</th>
<th>fo-fe^2/fe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>11</td>
<td>16</td>
<td>-5</td>
<td>25</td>
<td>1.5625</td>
</tr>
<tr>
<td>Single</td>
<td>21</td>
<td>16</td>
<td>5</td>
<td>25</td>
<td>1.5625</td>
</tr>
<tr>
<td>Grand Total</td>
<td>32</td>
<td></td>
<td></td>
<td></td>
<td>3.125</td>
</tr>
</tbody>
</table>

N Ho:- Usage of A/C Rooms is independent of Marital Status
A Ha:- Usage of A/C Rooms is not independent of Marital Status
T Right Tail
T Chi-Squared
A 10%
P 10%
C 2.71
O 3.13
P 8%
A 10%
D fo > fc (Reject the Null)

Observation
Usage of A/C rooms is not independent of Marital Status

Insight
Usage of A/C rooms is not independent of Marital status, because we can see in the table that Married couple are using A/C rooms is only 11 and single couple are using A/C rooms is 21.
### Chi-Test(2)

Ho:- Usage of 4 wheelers is independent of size of family  
Ha:- Usage of 4 wheelers is not independent of size of family

<table>
<thead>
<tr>
<th>Family</th>
<th>Fo</th>
<th>Fe</th>
<th>fo-fe</th>
<th>fo-fe^2</th>
<th>fo-fe^2/fe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint</td>
<td>4</td>
<td>5</td>
<td>-1</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>Nuclear</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>0.2</td>
</tr>
<tr>
<td>Grand Total</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>0.4</td>
</tr>
</tbody>
</table>

N  Ho:-Usage of 4 wheeler is independent of size of family  
A  Ha:-Usage of 4 wheeler is not independent of size of family
T  Right Tail  
T  Chi-Squared
A  10%  
P  10%  
C  2.71
O  0.4
P  53%
A  10%
D  fo < fc  (Fail to Reject the Null)

---

**Observation**

Usage of 4 wheeler is independent of size of family

---

**Insight**

Usage of 4 wheeler is independent of size of family, because we can see in the table that Joint family used 4 wheeler is only 4 and Nuclear family used 4 wheeler is only 6.
CONCLUSION

The aim of this study was to examine the Customer satisfaction in hotel industry, the behavior of consumer when selecting a brand, and gain knowledge of the decision-making process. These included the overview factors and steps of the decision-making process. The empirical research focused on finding these social, personal and psychological factors behind consumer behavior and the effect of those in the decision-making process.

LIMITATION

Limitation of Customer satisfaction in hotel industry is :-

1. Survey is limited in area, because we have done research only in Mumbai.
2. Survey is done by E-Form, so it is not done by physical way.
3. To do Research we have not done any interview or fill any form by Physical way.
4. We are fully dependent on internet.

REFERENCES

1. (Giese and Cote, 2000)
2. (Gundersen, Heide and Olsson, 1996).
3. (Barsky, 1992; Oh and Parks, 1997; McQuitty, Finn and Wiley, 2000).
4. (Parasuraman et al., 1988; Grönroos, 1982).
5. Google Search
6. Google Scholar
7. Scholarly Article