



CUSTOMERS' SATISFACTION TOWARDS SERVICES OF THE SELECT STAR HOTELS IN COIMBATORE

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Abstract

The hotel has become one of the most competitive businesses in the world in the last three decades. The Indian hotel industry has witnessed healthy growth fuelled by robust inflow of foreign tourists as well as increased tourist movement within the country. The hotel industry is a customer bound service and for hotel industries to market themselves as brands it is very important to be customer centric and make sure that their customers get the best of the values. Customer satisfaction in the hotel industry is the highest priority for owners in the hotel competition. Customer satisfaction is a vital factor for it is easier to sell to an existing customer than to find a new one in the hotel industry. In this context, the researchers have made an attempt to examine the customers' satisfaction towards services of the select star hotels in Coimbatore. As on March 2016, 34 three star hotels, 7 four star hotels, and 3 five star hotels are in operation in Coimbatore. In the present study, the sampling involves two stages. In the first stage, by adopting stratified random sampling, 30 per cent of the hotels are selected from each category i.e. 10 three star hotels, 2 four star hotels and 1 five star hotel. In the second stage, by adopting convenience sampling, 50 customers are selected from each star hotel selected for this study. Therefore, the sample size consists of 650 customers. The present study is empirical in character, based on survey method. As a vital part of the study, the primary data were collected from 650 customers for a period of 6 months from April 2016 to September 2016, who stayed in the select three, four and five star hotels at least one day. The primary data were collected with the help of questionnaire. Taking into consideration the objectives of the study, a questionnaire was prepared after a perusal of available literature. The questionnaire was constructed based on Likert scaling technique. The secondary data have been collected mainly from journals, magazines, reports, books and unpublished dissertations. The results reveal that greater part of the respondents (34%) are dissatisfied with the services, followed by neither satisfied nor dissatisfied (32.92%) and highly dissatisfied (12.92%). 9.85% and 10.31% of the respondents are highly satisfied and dissatisfied respectively with the services of the select star hotels. The respondents suggest appropriate measures to enhance the standard of services of the select star hotels in Coimbatore.

Keywords: Hotel Industry, Service Performance, Hotel Services, Customers' Satisfaction, Etc.

Introduction

The service sector plays a significant role in most developing and developed countries. The hotel has become one of the most competitive businesses in the world in the last three decades. The Indian hotel industry has witnessed healthy growth fuelled by robust inflow of foreign tourists as well as increased tourist movement within the country. The sector is expected to grow at an average annual rate of 7.90 per cent from 2013 to 2023. The overall perspective of the industry is changed due to introduction of new techniques and methods of handling various processes. Awareness among the hoteliers and the guests has fuelled the inventions focused on operations. The increased sagacity of customer satisfaction led to the use of high standards of service in hotel industry. The new service parameters made the hoteliers to implement quality management as an effective aid. The use of new techniques began with the simple motive of sophistication and precise activities in the given field of operation which may result in high standards of service in global economy. There has been strong price competition in the hotel industry in recent years and the behavioural intentions of customers are playing an increasingly important role in determining profits of the hotels. In general, customers are satisfied, if they receive good service quality from hotels and their behavioural intentions are by and large favourable.

Concept of Hotel

The word "hotel" is a French origin which means a building seeing frequent visitors and providing care. Hotel industry is a part of the hospitality industry. Hotel is often referred as a "Home away from home". It provides a range of accommodations and services, which may include suites, public dining, banquet facilities, lounges and entertainment facilities. A hotel refers to a commercial company providing lodging and meals on momentary basis to its customers. Hotel industry is divided into two types. One is considered by functions, for example, airport hotel, commercial hotel, conference centre, economy hotel, suite or all-suite hotel, residential hotel or apartment hotel, casino hotel and resort hotel. The second is considered by star ratings, for example, five star hotels, four star hotels, three star hotels, two star hotels, one star hotel, and no category hotels. The prime aim of the hotel rating is to notify travellers about basic facilities that can be expected from the hotel. It facilitates the further attraction of guests towards a place as it makes their visit more expedient.



Customers' Satisfaction in Hotel Industry

Customer satisfaction essentially involves a feeling of well-being and pleasure which results from obtaining what one hopes for and expects from a product or service. Highly satisfied customers help to spread the positive word-of-mouth recommendations and in effect become walking, talking advertisements for providers, whose service has pleased them, thus lowering the cost of attracting new customers. Satisfied customers tend to buy more, to be fewer prices conscious, thus contributing to profit. On the contrary, highly dissatisfied customers spread a faster negative word-of-mouth. Hence, customer satisfaction is the key factor in the formation of a customer's wish to return to conduct further business with a service provider. The hotel industry is a customer bound service and for hotel industries to market themselves as brands it is very important to be customer centric and make sure that their customers get the best of the values. Customer satisfaction in the hotel industry is the highest priority for owners in the hotel competition. Customer satisfaction is a vital factor for it is easier to sell to an existing customer than to find a new one in the hotel industry. Once customers' requirements are clearly identified and understood, hotel operators are more likely to anticipate and fulfill their customers' needs and wants. The focus of this competition primarily falls on the "customers", the hotel which has fully satisfied customers, and won the customers' trust, it has had the advantageous weapons to win this smokeless war. The highly satisfied customers will talk to family and friends about their good quality experiences at a hotel. It is now widely accepted that to keep afloat in this scenario hotels have to constantly resort to customers satisfaction to keep one step ahead of the providing service and to guarantee a reasonable return on investment.

Statement of the Problem

The hotel industry is highly competitive and like any other industry that markets a product in a highly competitive market, competing for the consumer's disposable income. This is particularly significant to the hotel situation in which there is less obvious competition on price, but centers more on issues of facilities, image service and the quality of that provision. All over the world, hotels place importance on service quality so as to produce positive products and services as well as to show standards. In recent years, the hotels in India have encountered hard times due to the increasing customer demands and strong internal industry competition. While the hotels are offering intangible and perishable personal service encounters, managing these services in terms of offering quality experience to their guests, it must be of a paramount concern of any hotels, and the way which personalized services are provided. Hoteliers do not know what their guests consider as important when evaluating the quality of hotel products and very often do not have unfailing methods for determining the expectations and perception of hotel guests when the service quality is concerned. Customer requirements for quality products and service in the hotel industry have become increasingly evident to professionals.

The Indian hotel industry is required to comply with a number of regulations related to the preparation and sale of food and beverages, and various laws and regulations governing employee relationships. Hotel operators need to obtain multiple licences, permits and authorizations, including local land-use permits, building and zoning permits, environmental, health and safety permits and liquor licences. Market saturation and increasing competition in hotel industry have further increased the significance of service quality especially for hotels. Further, many guests do not complain as they feel that such an action would be a waste of time anyway and they would thus be more wound up at the outcome of the complaint. Sometimes hotel customers complain because they want an apology; sometimes they want another dish, or even a refund. Either way, all hotels need to engage in service recovery if they wish to counter service failure. As hotel environment is becoming more complex, accompanied by increased competition, rapid advanced in technology and suppliated services customers more expectation be it customer, there is an unprecedented rise in hotel business failure today in the service sector. For the hotel sector, success and profitability are dictate by the ability to frequently acquire, retain and service their customers, and ensure that customers remain customers for life. Therefore, hotels have witnessed increasing competition for high service quality and customer satisfaction. Hence, service quality and customer satisfaction are the cornerstone for success in hotel business, and are perceived as key factors in acquiring and sustaining competitive advantage, retaining the existing customers and attracting the new ones, creating long-term profitability as well as improving living standard of employees in hotels. Hence, how to improve hotel's service quality, customer perceived value and gain high level's customer satisfaction has become a key to managers and marketers of hotel industry. In this context, the researchers have made an attempt to examine the customers' satisfaction towards services of the select star hotels in Coimbatore.

Objectives of the Study

The study has the following objectives:

1. To find out the factors influencing the customers to prefer star hotels for their stay.
2. To study the satisfaction level of the customers towards services offered by the select star hotels in Coimbatore.
3. To offer suitable suggestions to improve the customer's satisfaction in the select star hotels in Coimbatore based on the findings of the study.



Hypothesis

In order to examine the satisfaction of customers towards services of the select star hotels, the following null hypothesis has been formulated and tested: H_0 : There is no significant relationship among the satisfaction levels of the customers belonging to different demographic profiles towards services offered by the select star hotels.

Sampling Design

This study is confined to the customers of the select star hotels in Coimbatore. As on March 2016, 34 three star hotels, 7 four star hotels, and 3 five star hotels are in operation in Coimbatore. These star hotels are considered the universe of the study. In the present study, the sampling involves two stages. In the first stage, by adopting stratified random sampling, 30 per cent of the hotels are selected from each category i.e. 10 three star hotels, 2 four star hotels and 1 five star hotel. In the second stage, by adopting convenience sampling, 50 customers are selected from each star hotel selected for this study. Therefore, the sample size consists of 650 customers. The sampling details are given in the following table.

Table 1, Sampling Distribution

Hotel	No. of Hotels	Samples	
		Hotels	Customers
3 star hotels	34	10	500
4 star hotels	07	02	100
5 star hotel	03	01	050
Total	44	13	650

Data Collection and Analysis

The present study is empirical in character, based on survey method. As a vital part of the study, the primary data were collected from 650 customers for a period of 6 months from April 2016 to September 2016, who stayed in the select three, four and five star hotels at least one day. The reception desk employees of the select star hotels were requested to administer the questionnaires to guests during their hotel stay, and to collect them after completion. Taking into consideration the objectives of the study, a questionnaire was prepared after a perusal of available literature. Each question was improved for its relevance and meaning by constant interaction with the experts in this topic. The questionnaire was constructed based on Likert scaling technique. The secondary data have been collected mainly from journals, magazines, reports, books and unpublished dissertations. The data so collected have been tabulated to arrive at useful conclusions. In order to study the perception of customers towards service performance of the star hotels, analysis of variance, student t-test, multiple discriminant function analysis, paired t test, analysis of co-efficient of variation, multiple regression analysis and percentage analysis have been employed.

Findings

1. The overall influence of all the factors is considered 'very important' in influencing the customers to prefer the star hotels by 14.15 per cent, as 'important' by 27.08 per cent of the respondents, 'neither important nor not important' by 30.15 per cent of the respondents, as 'not important' by 20.15 per cent of the respondents and as 'not at all important' by 8.46 per cent of the respondents. The mean acceptance score reveals that personalized service is the most important factor (3.40) for the respondents to prefer the star hotel, followed by friendliness of the hotel staff (3.35). Conversely, the respondents give least importance on convenient location (2.93) while preferring a star hotel.
2. No significant relationship is found among the satisfaction levels of the respondents belonging to different genders, age groups, educational status groups, occupations and hotels towards services of the select star hotels in Coimbatore. On the other hand, a significant relationship is found among the satisfaction levels of the respondents belonging to diverse monthly income groups and types of hotels towards services of the select star hotels.
3. Female respondents, respondents in the age group upto 30 years, respondents with Diploma/ITI qualification, students and others, respondents belonging to monthly income Rs. 50001-75000, customers of the 5 star hotel and customers of the Le Méridien are more satisfied with the services of the select star hotels in Coimbatore.
4. There exists stability in the satisfaction level of female respondents, customers in the age group 41-50 years, respondents who have degree qualification, students and others, customers having monthly income Rs.50001-75000, customers of the 4 star hotels and customers of the Arcadia towards services of the select star hotels in Coimbatore.



5. Multiple discriminant function analysis resulted in two discriminant functions, of which the variables such as assistance to guests, fast and efficient service and personalized service contributed to the first function(customer needs) and the items, physical facilities, quality food and beverages, safety security, relationship with staff contributed to the second discriminant function (physical facilities). The efficiency of these functions was tested using classification matrix which predicted 92.20% of the cases correctly. Further, the 5 star hotel differs more on customer needs and 4 star hotels scored more on physical facilities. Whereas, 3 star hotels scored lower on both dimensions.
6. There has been a modest degree of correlation (0.720) between the respondents' satisfaction towards services of the select star hotels and the selected personal variables. The R square indicates that 51.90 per cent of variation in the satisfaction level is explained by all personal variables taken collectively. The F value indicates that the multiple correlation coefficients are significant at 1 per cent level of significance. Gender, age, education and monthly income of the respondents have no significant effect on the respondents' satisfaction towards services of the select star hotels. Nevertheless, type of hotel has significant effect on the respondents' satisfaction towards services of the select star hotels at 1 per cent significance level
7. In regards to the services of the select star hotels, the greater part of the respondents (34%) are dissatisfied, followed by neither satisfied nor dissatisfied (32.92%) and highly dissatisfied (12.92%). 9.85% and 10.31% of the respondents are highly satisfied and satisfied respectively with the services of the select star hotels. The mean satisfaction score reveals that the respondents have higher satisfaction level with the fast and efficient service (2.88), followed by safety and security (2.83). In the case of physical facilities and restaurant & continental buffet, the sample customers have low level of satisfaction (2.60).

Suggestions

1. The select star hotels must delegate adequate amount of freedom, grant powers and give adequate support to their employees to perform their jobs efficiently and encourage them to understand customers' needs and wishes exactly.
2. When customers come to hotel, they need to wait a long-time for checking-in; it will cause negative impression to customers. Therefore, services in the select star hotels ought to be performed on time at the first time to create kindness for new customers as well as sustain customer loyalty. Besides, the select star hotels should improve the serving skills of receptionists which play an important role in customers' positive thinking and satisfaction.
3. The select star hotels should set up a separate 'Customer Compliant Monitoring Cell'. The task of the cell must be to receive, register and classify customers' complaints and forward them to the respective sections to initiate action, and follow up until the complaint is attended to the satisfaction of the customers concerned.
4. The select star hotels may perhaps provide enough amenities to employees so as to enhance the reliability, so that they can help customers in time. The select hotels are supposed to provide the best amenities and the best service to feel customers perceived high in value which is positively affecting the customer satisfaction.
5. There is a need for training of hotel employees so that they develop a service culture which would increase guest satisfaction and finally customer loyalty. Hotel employees need training in areas such as attitude training and up-selling as these help employees to develop confidence and believe in the product they are selling. Therefore, the select star hotels ought to provide training to the employees on issues like responsiveness, confidence and communication skills. As to build strong assurance, the human resource department ought to train employees which can make them knowledgeable and better skilled which help them to take decisions. The select star hotels must give out adequate facilities for training employees. These will result in increased customer satisfaction and stronger brand image.
6. The select star hotels should pay due attention on the customer complaints, customers' expectations and individual attention so as to better understand their needs and satisfy them. The select star hotels can set up a special team to act as a quality management group that is responsible for continuous service quality enhancement. This team is responsible for conduct of research to identify with customers' needs and preferences and give detail strategies to enhance customer satisfaction. Besides, they should undertake regular survey to keep a regular track of customer satisfaction level and find out customer expectations on various service aspects. Qualitative data collection, going beyond basic comment cards, can provide valuable understanding of the experiences of guests.



Conclusion

Hospitality industry is one of the foremost sectors that have been driving the growth of Indian economy. The industry covers extensive services that include food service, hotels and tourism. The role of the entire hospitality sector in India in relation to gross domestic product is expected to rise to 9 per cent by 2020. The Indian hotel industry revenues are likely to improve by 9-10 per cent in 2016-17, largely aided by improved occupancy. The emergence of budget hotels in India to cater to the majority of the population who seek affordable accommodation has materialized into an effective driver for growth. This sector will benefit due to certain government regulations that will guide this sector towards further development. Poor response, absence of update information, absence of customer intimate strategy, poor state of serving skills, absence of compliant monitoring cell, inadequate range of services, poor state of reliability, absence of customer contact programmes, incompetent employees, over promising, lack of staff involvement, poor understanding the guests, delay in service and delay in check in and checkout are the problems of the customers pertaining to the services of the select star hotels. The respondents suggest appropriate measures to enhance the standard of services of the select star hotels.

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