CUSTOMER SATISFACTION IN HOTEL INDUSTRY

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Abstract

Customer satisfaction is widely recognized as a key pressure in the formation of consumers' future purchase intentions. Satisfied customers are also likely to tell others of their favourable experiences and thus engage in positive word of mouth advertising. The present study aims to investigate customer satisfaction of the hotels in Madurai. The objectives are to identify the decisive factors which can help those hotels to retain the existing customers and to study the future prospects of hotels in Madurai town. Customer satisfaction is a major subject in the marketing strategies. A total of 50 questionnaires have been randomly distributed to hotel customers & the data collected is analyzed. The result of this analysis suggests the degree of customer satisfaction in terms of services provided by hotels in Madurai area.

Keywords: *Customer satisfaction, customer loyalty, Accommodation Services, Hotel Industry*

Introduction

The hotel industry has been one of the most competitive industries especially in the 21st century. For this reason, enhancing customer loyalty is one of the key aspects of enhancing competitiveness in the industry as well as ensuring business continuity. Consumer loyalty is a good measure of the quality of services offered to customers. Ho-tels can create strategies to improve the quality of their services and products by measuring the level of their customers' loyalty. In most cases, customer satisfaction 4 lays out a blueprint that can be used to improve services. It gives the hotel management a reason to understand the needs of their customers and keep on offering quality services. In the event that customers are satisfied with products or brands, they most likely become loyal customers and keep spreading good word of the hotel. In that manner, in the event that they are disappointed, they will probably switch off brands and talk bad of the brand to different customers about the hotel. The brand of the hotel is an essential factor that emphatically or contrarily influences advertising exercises and the image is the main thing that creates a good impression of the hotel

Customer Satisfaction

"SATISFACTION is a person's feelings to pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations". Customer satisfaction occurs when the value and customer service provided through a hotel experience meet or exceed consumer expectations. Customer satisfaction is hotels term that measures how products or services supplied by a company meet or surpass a customer's expectation. The growing speed of hotel industry has enhanced the neck to neck competition between the hotel players so to sustain & enhance the market share they are trying to keep customers more happy & satisfied. A customer will be satisfied only when his/her expectations will be met. Customer satisfaction levels can be measured using survey techniques and questionnaires.

Why Customer Satisfaction is so important?

Customer satisfaction is the best indicator of how likely a customer will make a purchase in the future, Not only can customer satisfaction help you keep a finger on the pulse of your existing customers, it can also act as a point of differentiation for new customer. An Accenture global customer satisfaction report (2008) found that price is not the main reason for customer churn; it is actually due to the overall poor quality of customer service. It increase successful businesses understand the importance of customer lifetime value (CLV). Tracking changes in satisfaction will help you identify if customers are actually happy with your product or service. and also It's cheaper to retain customers than acquire new ones

Review of Literature

Ittner and Larcker (1998) provide empirical evidence at the customer, business-unit and firm-level that various measures of financial performance (including revenue, revenue change, margins, return on sales, market value of equity and current earnings) are positively associated with customer satisfaction. However, in the hotel industry they find a negative relationship between satisfaction and profitability which may be because benefits from increased satisfaction can be exceeded by the incremental cost in hotel. Customer satisfaction occurs when the value and customer service provided through a hotel visits or experience meet or exceed consumer expectations. If the expectations of value and customer service are not met, the consumer will be dissatisfied. Unfortunately for hotel employees, most consumers do not complain when dissatisfied, they just shop elsewhere (Jackson, 1999).

Satisfaction is a consumer's post-purchase evaluation of the overall service experience. It is an affective reaction (Menon and Dubé, 2000) in which the consumer's needs, desires and expectations during the course of the service experience have been met or exceeded (Lovelock, 2001) Babakus et al. (2004) link customer satisfaction to product and service quality within hotel industry and find that product quality has a six significant impact on store-level profits Customer satisfaction occurs when the value and customer service provided through a hotel experience meet or exceed consumer expectations. If the expectations of value and customer service are not met, the consumer will be dissatisfied. Only very satisfied customers are likely to remain loyal in the longrun. (Levy, Michael, Weiz, Barton A, Retailing management 2004,2)

In the present day's hotel business, ensuring customer satisfaction in delivering the right product and service to the end-users is the major concern for the future growth of the organization. In the present study an attempt is made to find out the customer satisfaction during purchase in hotel outlets based on customer survey. (Das Prasun, 2009)

William & Prabakar (2012) concluded that "The customer satisfaction of hotel service is an important segment to the emerging and the existing customers in the market as the study reveals that perception of service quality influenced by the various nature with various customers even some of the general factors like Personal interaction, physical aspects are the dimensions on of the customer perception remains constant and common to all the customer on a majority basis so the retail outlets have to frame their own strategies In order to attract the customers on a longer basis". Kumar.R & Barani (2012) identified in their study that "tangibles, reliability, responsiveness, competence, credibility, accessibility and customer knowledge are positively related to customer satisfaction. However, only four variables have significant effect on customer satisfaction.

Singh (2013) stated that "In retailing perceived service quality is having a significant influence on purchasing and repurchasing decisions, positive word of mouth as well as on complaining behavior in hotel industry

Objectives of the Study

- To analyze which factors makes the customer to visit again and again in particular shop
- To identify employees guidelines to customer at hotels
- To find out friendly nature of employee to customer at hotels
- To analyze the facilities provided by the hotel industry
- To suggest level of customer satisfaction in hotel industry

Scope of Study

The hotel Industry in the world faces a situation where they are facing a challenge to satisfy the customers. The study would enable the researcher to find the employee guidelines that helps to satisfy these customers.

Research Methodology

Research Design: The research design used for the study is descriptive research design.
Area of the Study: The survey was conducted among the customers of various hotels in Madurai
Research Instrument: Being a survey method, questionnaire was used as a research instrument.
Sample Size: The sample size for the present study is 50
Sampling Technique: The sampling method used weighted average method and percentage analysis method considered for the research

Data Analysis and Interpretation

Table 1 Key factors to Customer Satisfaction in Hotels

S. No	Status	Respondents	Percentage
Uses of Coupon System			
1	Highly satisfied	15	30
2	Satisfied	5	10
3	Moderate	6	12
4	Dissatisfied	14	28
5	Highly dissatisfied	10	20
Total		50	100
Savings by Coupon			
1	Highly satisfied	12	24
2	Satisfied	17	34
3	Moderate	13	26
4	Dissatisfied	6	12
5	Highly dissatisfied	2	4
Total		50	100
Use of employees at hotels			
1	Highly satisfied	5	10
2	Satisfied	14	28
3	Moderate	12	24
4	Dissatisfied	8	16
5	Highly dissatisfied	11	22
Total		50	100
friendly nature of employee at hotels			
1	Highly satisfied	10	20
2	Satisfied	7	14

3	Moderate	5	10
4	Dissatisfied	18	36
5	Highly dissatisfied	10	20
Total		50	100
Cleanliness of hotels			
1	Highly satisfied	5	10
2	Satisfied	5	10
3	Moderate	14	28
4	Dissatisfied	10	20
5	Highly dissatisfied	16	32
Total		50	100
Parking facilities at hotels			
1	Highly satisfied	7	14
2	Satisfied	8	16
3	Moderate	14	28
4	Dissatisfied	12	24
5	Highly dissatisfied	9	18
Total		50	100

Interpretation: Table 1 shows the key factors of customer respondents. It is clear from Table 1 that of the 50 respondents, uses of the coupon to purchase 30% respondents were highly satisfied and of the respondents. 24% of customers highly satisfied by making savings by coupon. 22% of respondents highly dissatisfied on guidelines provided to customer at hotels. 36% of respondents highly dissatisfied friendly nature of employee in hotels. only 10% of respondents highly satisfied about the cleanliness of the hotels.

Table 2 key factors to customer satisfaction in hotels

Questions	Highly satisfied (5)	Satisfied (4)	Moderate (3)	Dissatisfied (2)	Highly dissatisfied (1)	Total	%	Rank
uses of coupon system	15*5	5*4	6*3	14*2	10*1	151	10.066	2
Savings by coupon	12*5	17*4	13*3	6*	2*1	181	12.066	1
Use of employees at hotels	5*5	14*4	12*3	8*2	11*1	144	9.6	3
friendly nature of employee to customer in hotels	10*5	7*4	5*3	18*2	10*1	139	9.266	5
Cleanliness of hotels	5*5	5*4	14*3	10*2	16*1	123	8.2	6
Parking facilities of hotels	7*5	8*4	14*3	12*2	9*1	142	9.466	4

Conclusion

The study concludes that most of the customers are satisfied coupon system in hotels. But their also exists dissatisfaction on few parameters like cleanliness of hotels and parking facilities . So hotel employees have to work on these factors so that the customers remain satisfied. Also the suggestions provided shall be helpful for the hotel industry managers in gaining more customers.

Suggestions

- The Management of hotel outlets should make necessary arrangements towards amenities like parking, food courts, clock room, modern bed room etc to their customers.
- The Management should encourage in-store promotions like lucky draws for entrants surprise winners and so on at random.
- Proper parking facilities should be there and parking should be made free for the regular customers

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