Customer Perception in Hotel Selection and Feedback Mechanism

Aayushi Kalra[a]

[a] *Research Associate, Indian Institute of Management , Bangalore*

Abstract

The hotel industry is witnessing a boom due to increase in number of tourists visiting our country. Thus, in order to woo more customers, there is a need to understand how customers make choices for hotel selection. The amount of differentiation among the hotels is so narrow that it becomes very difficult for tourists to select the most appropriate hotel. It is of great significance for tourists to select residence location in different countries. A complex decision making process is involved in selection of hotel. The current study is aimed to study the different factors that influence the customers to select a hotel. Also, feedback mechanism is developed to identify the factors for the success of a leading corporate hotel in our country.

1. Introduction

A hotel is an institution or a building in which lodging, meals and other services are provided for the travelling public. It is a business enterprise having a building for public accommodation, that furnishes lodging and usually provides meals, beverages and personal services' It often offers, depending on its category, entertainment, and rooms for meetings, banquets and shops of various kinds, lounges, lobbies, cafes, bars and restaurants. However the primary function of a hotel is to accommodate those away from home and to supply them with their basic needs.

Competition is continuously getting stronger in the domain of marketing and this serve as a drive for managers to pay more attention to what they offer to the end users. Consumers are unceasingly growing in their consumption knowledge and have developed so much that in addition to demanding quality in the goods produced they equally think about the various stages of production before consumption.

Therefore, to be able to capture and maintain customers, it is of great significance for companies to build loyalty and trust, which includes delivering the needs and expectations of customers. In other words, there is a need to build strong grounds for customer satisfaction.

For the purpose of this study, we have extracted certain indicators of hotel selection and analyzed responses from over 500 respondents. The sample area was a leading corporate hotel in India and the respondents were customers of the hotel who were checking out. Further while administering questionnaire, it has been ensured that data comes from all category like male, female from all age groups and from different occupations etc.

2. Literature Review

Customer satisfaction can be achieved by providing quality service. Quality is important since the consumers can attest satisfaction through an evaluation of the quality of services offered to them compared to what they expected or have as experienced. The same has been affirmed by many scholars. According to Kuo, a primary challenge to hotel management in the modern hospitality industry is providing qualitative services to tourists and keeping them satisfied. As per Lewis(1983), the services and facilities offered by a hotel or hotel attributes are those features of services that lead consumers to choose one service over others. Wuest et al. (1996) defined perceptions of hotel attributes as the degree to which travellers find various services and facilities important to customers' satisfaction.

Few of the scholars examined the hotel selection decisions of customers by way of surveying in different jurisdictions. Ananth et al. (1992) surveyed 510 travellers, asking them to rate the importance of 57 hotel attributes in hotel choice decision. The results illustrated that price and quality was rated as the most important attributes across all age categories, followed by attributes related to security and convenience of location. Chu and Choi (2000) gathered the opinion of 343 Hong Kong tourists about the hotel attributes

importance. They finally discovered that service quality, business facilities, value, room and front desk, food and recreation and security are the main factors for hotel selection.

Hsieh et al. (2008) announced that "the quick problem solving abilities by the service personal", "price level", "sanitary hot spring environment", "convenience traffic route/shuttle", "special promotions", "convenience of reservation procedure" and "food and beverages service" are important hotel selection factors in Taiwan hot-spring tourism industry.

3. Methodology

3.1 Research Instrument

Relevant data for the present study has been obtained from primary sources. For the purpose of data collection, a well-structured and pre tested questionnaire was used for data collection. Before collecting data from respondents, primary draft of questionnaire was pre-tested by conducting a pilot survey from 50 respondents. Based on the comments received, some items were re-worded to eliminate ambiguity and some were reframed. Questionnaire consisted of four parts; first part is about the demographic variables like age, education, gender, marital status and occupation. Second part of the questionnaire contained 30 statements related to study the impact of various criteria on selection of a hotel. Third part of questionnaire contained 57 statements related to the stay in the current hotel which is used to study the feedback of the customers and fourth part of questionnaire is about some general statements like purpose of stay, problem solving experience, etc. All statements (except demographic and general questions) were taken on five point Likert scale. The respondents were asked to rate the statements on a five point rating scale where five indicated "Most Important", four indicated "Important", three for "Average", two for "Less Important" and one meant "Least Important" for Part – B of Questionnaire and for Part – C of Questionnaire five indicated that respondents were Highly Satisfied, four meant Satisfied, three for Moderate, two indicated Dissatisfied and one meant Highly Dissatisfied about what was described in the statement.

3.2 The Sampling Method

In the present study, sampling was done to maximise the accuracy of results and to save the time in data collection. A sample of 500 respondents was taken in a manner that would foster both the quality and representativeness of data to facilitate better analysis and interpretation. The sample area was a leading corporate hotel in India and the respondents were customers of the hotel who were checking out using judgemental cum convenience sampling methods.

3.3 Data analysis

In this study, the data collected is converted into meaningful information by its proper classification, tabulation, analysis, interpretation, and presentation. For this purpose appropriate statistical tools were used. The collected data was properly classified and tabulated first, and then it was analysed and interpreted with the help of various statistical tools such as means, standard deviations, percentages, factor analysis. Factor analysis was basically used to reduce the data for further analysis. Factor analysis is a multivariate statistical technique used to condense the information contained in a number of original variables into a smaller set of composite dimensions (factors) with a minimum loss of information (Hair, Anderson, Tatham and Black,1998).

Further, reliability analysis was used to refine the scale. Reliability of the scale shows the extent to which a scale produces consistent results, if measurements are made repeatedly. Malhotra, 2004 defiles it as the extent to which measures are free from random error.

Also, One-way ANOVA (Analysis of Variance) was used to compare the means of two or more groups for one dependent variable. It is used for testing hypothesis about group means by partitioning variance. The hypothesis tested in ANOVA is

H_0 : Group means are equal

H_1 : At least one of the group means is different.

The overall variation between the groups and within groups is measured. The F-test was used here to find whether the variation between groups is greater than variation within groups. Further, Post hoc analysis is done in the cases where there was found a significant difference between the group means. Tukey's Honestly Significant Differences (HSD) method was applied to make all pair wise comparisons of means (Angus M. Brown, 2005)

4. Results and discussion

4.1 Sample Description

Table 1: Demographic characteristics of respondents, N=452

Gender	
Male	58.2%
Female	41.8%

Status	
Married	76.1%
Single	23.9%

Age	
Below 18 years	1.8%
18-25 years	16.6%
25-35 years	21.2%
35-45 years	31.4%
Above 45 years	29.0%

Qualification	
High School	6.2%
Graduate	37.2%
Post Graduate	46.7%
Doctorate	10.0%

Occupation	
Student	5.1%
Government Employee	14.6%
Private Employee	53.8%
Self Employed	26.5%

Monthly Income	
Below 1 Lakh	13.3%
1-2 Lakh	27.4%
2-3 Lakh	38.5%
Above 3 Lakh	20.8%

Table 2: General Statement

Purpose of stay	
Business	57.5%
Leisure	16.6%
Visiting friend & relatives	19.9%
Attending seminar / conference / study	5.1%
Others	0.9%

Source of awareness	
Friend	4.6%
Media	5.3%
Travel agent	19.5%
Search engine / travel portal	70.6%

Companion	
On one	42.7%
Partner / Spouse	13.5%
Friend	3.1%
Co-worker	36.1%
Family / relatives	4.6%

4.2 Factors Influencing Hotel Selection

A common view point of respondents towards 30 statements regarding factors influencing Hotel Selection with the help of 5 point Likert scale (1= Least Important, 2= Less Important, 3= Average, 4= Important, 5= Most Important) was taken. The mean values ranges from 2.91 to 3.63. The Cronbach's alpha value of all 30 statements was 0.881.

The first step required for factor analysis is correlation matrix. In this inter-correlations were observed between 30 variables. In correlation matrix, it was observed that variables correlate highly with a group of other variables, but correlate vary badly with variables outside that group. These highly inter- correlated variables construct one core variable, known as factor. Correlation of 30 statements was found highly correlated, which shows factor analysis is apt for analysis. All the 30 statements has correlation value above 0.30 (Srinivastava T.N. & Rego S., 2011).Major concern of this study is to determine the minimum nuber of factors that report for maximum variance in data, so Principle Component Analysis (PCA) was adopted(Malhotra,2008).

Table 3: Kaiser – Meyer- Olkin and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.880
Bartlett's Test of Sphericity	Approx. Chi-Square	5513.142
	Degrees of Freedom	435
	Sig.	.000

Table 4: Rotated Component Matrix

Parameter	Component					
	1	2	3	4	5	6
Security personnel are responsible	**.751**	.109	.014	-.170	.025	.183
Electronic key card	**.706**	.019	.146	.052	.156	-.096
Fire alarms	**.694**	.076	.068	-.201	.230	.061
Round the clock security	**.679**	.015	.034	-.137	.174	.069
Visible staff presence	**.670**	.119	.424	-.083	-.121	-.101
Sprinkler system	**.664**	-.028	.184	.145	.131	-.170
Bright hallway and public areas	**.651**	-.049	.126	.165	.246	-.212
CCTV surveillance	**.580**	.216	.210	-.006	.138	.020
Locker in room	**.558**	.054	.459	-.144	-.051	.019
Cloak room availability	**.537**	-.076	.105	.225	.366	-.163
Swimming and other recreational activities	**.497**	.072	.464	.137	.035	-.020
Room comfort	.035	**.823**	.109	.196	.082	.000
Room is quiet	.078	**.815**	.011	.051	.190	.127
Room Facilities	.075	**.791**	.125	.147	.108	.043
Hotel and Room cleanliness	.084	**.511**	.253	.150	.341	.096
Check-in / Check-out are efficient	.315	.029	**.708**	.023	.101	-.038
Staff are polite and friendly	.046	.217	**.656**	.004	.276	.165
Staff provide efficient service	.093	.160	**.624**	-.071	.284	.204
Staff have multi-lingual skills	.371	.040	**.590**	.019	.070	.017
Room value for money	.126	-.011	-.008	**.742**	-.079	-.053
Hotel Food and Beverage value for money	-.153	.190	.063	**.650**	.242	.165
Hotel provide comfortable ambience	-.068	.152	.004	**.632**	-.011	.182
Hotel is part of reputation	-.121	.206	-.157	**.599**	.151	.199
Acceptance of all credit / debit card	.051	.038	.092	**.522**	.107	.427
Close to the beach	.262	.071	.108	.292	**.705**	-.089
Close to the shopping centre / town	.217	.195	.168	.161	**.676**	-.063
Close to the jungle	.268	.343	.127	-.198	**.621**	.217
User-friendly website	.211	.272	.223	-.052	**.594**	.092
Car parking	-.120	.136	.104	.197	.033	**.800**
Business centre	-.026	.053	.087	.289	-.033	**.796**

The Table 4 evidently illustrate that Factor 1 is linear combination of variable number 5, 8, 10, 21, 22, 23, 25, 26, 28 & 30. Factor 2 consists of variable number 11, 14, 15 & 16. Factor 3 comprises of variable number 1, 2, 3 & 4. Factor 4 contains variable number 12, 13, 17, 18, & 19. Factor 5 includes variable number 20, 24, 27, & 29 and Factor 6 incorporate variable number 6 & 7. Once the number of extracted factors is finalized, next job is to interpret and name these factors.

Table 5: Principal component results regarding "factors influencing hotel selection"

Factors	Description	Loading	Eigen value	% variance
Factor-1:SecurityandSafety			**25.163**	**16.929**
	Security personnel are responsible	.751		
	Electronic key card	.706		
	Fire alarms	.694		
	Round the clock security	.679		
	Visible staff presence	.670		
	Sprinkler system for fire safety	.664		
	Bright hallway and public areas	.651		
	CCTV surveillance	.580		
	Locker in room	.558		
	Cloak room availability	.537		
Factor-2:RoomQuality			**13.360**	**9.193**
	Room comfort	.823		
	Room is quiet	.815		
	Room Facilities	.791		
	Hotel and Room cleanliness	.511		
Factor-3:Staf Service Quality			**6.488**	**8.865**
	Check-in / Check-out are efficient	.708		
	Staff are polite and friendly	.656		
	Staff provide efficient service	.624		
	Staff have multi-lingual skills	.590		
Factor-4:Value			**5.483**	**8.685**
	Room value for money	.742		
	Hotel Food and Beverage value for money	.650		
	Hotel provide comfortable ambience	.632		
	Hotel is part of reputation	.599		
	Acceptance of all credit / debit card	.522		
Factor-5:Location			**4.013**	**8.314**
	Close to the beach	.705		
	Close to the shopping center/town	.676		
	Close to the jungle	.621		
	User-friendly website	.594		
Factor-6:General Amenities			**3.773**	**6.294**
	Business centre	.800		
	Car parking	.796		
Total Variance Explained				**58.281**

Further, it was studied whether the following variables "age", "status", "gender", "qualification", "occupation" and "monthly income" has any significant impact on the different selection criteria factors, respectively. The One-way ANOVA was used to understand these differences.

Firstly dependent variable was " Security and Safety", "Room Quality", "Staff Service Quality", "Value", " Location" and "General Amenities" and independent variable is age group. The hypothesis to be tested was:

H_0 : There is no significant difference in the factor selection of a hotel with respect to age.

H_1 : There is significant difference in the factor selection of a hotel with respect to age.

Table 6: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
	Between Groups	4.404	4	1.101	1.102	.355
Security And Safety	Within Groups	446.596	447	.999		
	Total	451.000	451			
	Between Groups	5.000	4	1.250	1.253	.288
Room Quality	Within Groups	446.000	447	.998		
	Total	451.000	451			
	Between Groups	3.422	4	.856	.855	.491
Staff Service Quality	Within Groups	447.578	447	1.001		
	Total	451.000	451			
	Between Groups	10.474	4	2.618	2.657	.032
Value	Within Groups	440.526	447	.986		
	Total	451.000	451			
	Between Groups	4.404	4	1.101	1.102	.355
Location	Within Groups	446.596	447	.999		
	Total	451.000	451			
	Between Groups	13.706	4	3.426	3.503	.008
General Amenities	Within Groups	437.294	447	.978		
	Total	451.000	451			

It is clearly seen that p value for factor "Staff Service Selection" is 0.032 , which is less than 0.05,the assumed level of significance. Therefore, the null hypothesis is rejected. This means the in selection for factor "Staff Service Quality" due to various age groups cannot be attributed to chance. Similarly it is for the factor "General Amenities". Now the null hypothesis is rejected for these two factors, the interest is in examining which pair of age groups are significantly different. The Posthoc Analysis was carried out and it was found out that there was no significant difference in the selection factor "Staff Service Quality" corresponding to different age groups. There is a significant difference in selection for factor "General Amenities" corresponding to age of 25-35 years and above 45 years. Also there is a significant difference corresponding to age of 35-45 years and above 45 years.

The similar analysis was carried out with variables "status", "gender", "qualification", "occupation" and "monthly income". The mean selection of factor "Security and Safety" due to different gender are different. There is difference in the average selection of factor "Room Quality" with different marital status.

Also the difference in selection of factor "Value" due to various qualification levels is not by chance. Further, in Posthoc analysis it was found that there is a significant difference in selection for factor "Value" corresponding to High School and Graduate. Also there is a significant difference corresponding to High School and Post Graduate and High School and Doctorate, respectively. Moreover, there is difference in selection of factor "Security and Safety" due to different occupations and this difference is corresponding to student and Government Employee and Government and Private employee, respectively. Also, there is a difference in

average selection of factor "Value" with different levels of monthly income. The selection of factor "Value" corresponding to monthly income below 1 lakh is the highest, followed by the selection by persons with monthly income of 1-2 lakhs, 2-3 lakhs and above 3 lakhs, respectively.

4.3 Data Analysis of Feedback Mechanism

To measure the customer satisfaction towards various services provided by the hotel. After observing the full mechanism of hotel, questionnaire was developed. With the help of questionnaire, responses were collected regarding various services.

Table 7: Satisfaction with various Services

Check-in Experience	77.40%
Stay Comfort Experience	85.07%
Internet and Computing Experience	86.54%
Breakfast and Dining Experience	90.20%
In Room Butler Experience	88.80%
Hotel Services	77.46%
Service of the Associates	82.24%
Check-out Experience	89.30%

5. Conclusion

As the result of this study, it was observed that there are two main factors that influence customers decisions towards selecting hotels. Firstly, out of all the factors that used in this study "Security and Safety" is something customers are very keen at followed by "Room Quality". So, it can be concluded that hotels should take enough measures to provide "High Security Services" along with "Room Quality" to run a successful business. Apart from these factors "Staff Service Quality", "Value" and "Location" also influence customers at a significant level during hotel selection.

Furthermore, based on the feedback analysis done on the hotel it was identified that the Loyalty Programme of the hotel must be strengthened in order to maintain the customer relationship, such that customers would continue selecting the same hotel. On above that hotel management should make sure that the detailed information of all hotel services accessible at various customer touch points. Additionally, expertise of

service should be in place instantly during any problems faced by customers. At last, hotels should always make sure in getting customers to connect with travel portals if required.

6. References

1. Ananth, M., DeMicco, F. J., Moreo, P. J., & Howey, R. M. (1992). Marketplace lodging needs of mature travelers. *Cornell Hotel and Restaurant Administration Quarterly*, *33*(4), 12-24.
2. Bartlett, M. S. (1950). Tests of significance in factor analysis. *British Journal of statistical psychology*, *3*(2), 77-85.
3. Brown, A. M. (2005). A new software for carrying out one-way ANOVA post hoc tests. *Computer methods and programs in biomedicine*, *79*(1), 89-95.
4. Chu, R. K., & Choi, T. (2000). An importance-performance analysis of hotel selection factors in the Hong Kong hotel industry: a comparison of business and leisure travellers. *Tourism management*, *21*(4), 363-377.
5. Cronbach, L. J. (1990). Essentials of psychometric testing.
6. Gorsuch, R. (1974). Factor Analysis, Philadelphia: WB Saunders Co. *GorsuchFactor Analysis1974*.
7. Harman, H. H. (1976). *Modern factor analysis*. University of Chicago press.
8. Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). Multivariate data analysis. 1998. *Upper Saddle River*.
9. Hsieh, L. F., Lin, L. H., & Lin, Y. Y. (2008). A service quality measurement architecture for hot spring hotels in Taiwan. *Tourism Management*, *29*(3), 429-438.
10. Kannan, S. (2005). *Hotel Industry in India*. Deep and Deep Publications.
11. Kuo, C. M. (2009). The managerial implications of an analysis of tourist profiles and international hotel employee service attitude. *International Journal of Hospitality Management*, *28*(3), 302-309.
12. Lewis, R. C. (1984). The basis off hotel selection. *Cornell hotel and restaurant administration quarterly*, *25*(1), 54-69.
13. Malhotra, N. K., Birks, D. F., Palmer, A., & Koenig-Lewis, N. (2003). Market research: an applied approach. *Journal of marketing management*, *27*, 1208-1213.

14. Sohrabi, B., Vanani, I. R., Tahmasebipur, K., & Fazli, S. (2012). An exploratory analysis of hotel selection factors: A comprehensive survey of Tehran hotels. *International Journal of Hospitality Management*, *31*(1), 96-106.
15. Wuest, B. E., Tas, R. F., & Emenheiser, D. A. (1996). What do mature travelers perceive as important hotel/motel customer services?. *Hospitality Research Journal*, *20*(2), 77-93.