

Customer Feedback Helps in Driving An Improved Service Culture: The Case of Five Star Hotels in Pune District

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Abstract

In the present scenario of the Indian Hospitality Industry, service culture is a vital competitive policy which keeps both the customers happy and helps build a great base for Customer Loyalty. My paper is a modest attempt to examine the different feedback systems being followed by star category hotel and compare them from the view point of both the customers as well as the Hoteliers. The sample size used for the Customers was 150 out of which 110 actually responded which include both business and leisure travelers. The results show that the direct marketing tools used by hotels are very good to maintain contacts with the regular guest, but when it comes to relationship building, services provided at the hotels are the ones that help the most to build relationship and helps in driving an improved service culture.

Keywords: Service Culture, Loyalty, Feedback System

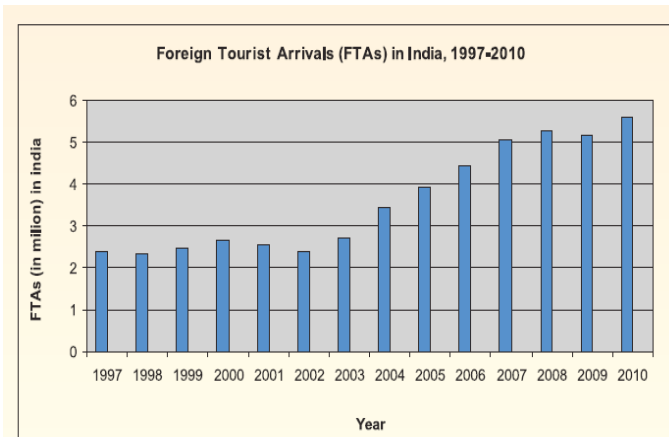
Introduction

In today's competitive world any business whose service is dependent on building relationship and in particular the Hotel Industry, needs to concentrate more and more on the customer feedback system in order to maintain Customer's Loyalty. Customer Loyalty is to a large extent dependent on the quality of services being provided by the Individual organization. Monitoring and improving customer service standards is a very important priority for any company's senior management team, who wants to drive repeat customer and get positive guest recommendation. Many

hotels in the world today tend to invest in the management of customers relationship to ensure that customers whose loyalty is in the short term will continue to be loyal in the long term.

Training and development formed an important part of the overall investment in order to ensure that the customers remain satisfied and being loyal to the individual brand. The growth in tourism is well anticipated as evident in the researches and analyses conducted by experts and relevant organizations in this industry. Burns and Holden [1] were among the early proponents of the idea where tourism is becoming one of the largest global export industries. India is one of the fastest growing free market economies with services as the main source of economic growth. It also employs almost one third of the countries population. India has won the World's leading Destination Marketing Award for the Incredible India campaign and has also earned international recognition with World Travel and Trade Council in 2008 ranking India as No "1" in long-term travel growth (Mohsin and Lockyer, 2010, 160). In one of the surveys in 2009 the Indian hotel industry was estimated around \$ 17 billion (Technopak Advisors, 2009). In the year 2010, the tourism sector witnessed substantial growth as compared to 2009. The Foreign Tourist Arrivals (FTA) in India during 2010 was 5.58 million as compared to the FTAs of 5.17 million during 2009, showing a growth of 8.1%.

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Source: (i) Bureau of Immigration, Govt of India, for 1997- 2009(ii) Ministry of Tourism, Govt .of India, for 2010 & 2011

Together with customer’s loyalty, quality is an equally important factor and may lead to the success of the tourism business. Kandampully [2] has emphasized that quality will steer tourism firms to successfully encounter the competitive challenges of the future. For Parasuraman et al. [3], service quality is both the significant differentiator and the most aggressive weapon possessed by many leading service organization. It has been discovered that leading service organizations endeavor to sustain a superior quality of service over their competitors in an effort to acquire and retain customer loyalty [4].

Loyalty vs Satisfaction

A huge gap prevails between customer satisfaction and customer loyalty. A study by Heskett et al., (1997) found that the link between customer satisfaction and customer loyalty was the weakest relationship in their service-profit-chain model. Customer satisfaction is very much possible without loyalty but loyalty is never possible without the customer being satisfied. But one must not forget that both the customer satisfaction and loyalty can be measured only through proper “Customer View Point”. Customer satisfaction measures how well a customer’s expectations are met by a given transaction, while customer loyalty measures how likely a customer is to repurchase and engage in partnership activities. Loyal customers are those who are not easily swayed by price inducement from competitors, and they usually purchase more than those less loyal customers [5].

Adapted from Ramay Winchester and Lee Curtis. Tennessee Department of Tourist Development. One

Visitor/Customer at a Time Hospitality Training Program. April 2002.

What is customer service?	
Customer service is	Customer Service is not
Attention	Neglect
Courteous Words	Sharp Replies
Smiles	Bored Looks
Enthusiasm	Dullness
Response	Indifference
Warmth	Coldness
Understanding	Closed Mind
Patience	Irritation
Sincerity	Being Mechanical
Consideration	Annoyance
Remembering Details	Forgetting Details
Facts	Arguments
Creative Ideas	Humdrum
Giving	Receiving
Action	Delay
Appreciation	Apathy

Methodology

A self administered questionnaire was used to measure the response on the quality of service from the point of view of the guest. A separate questionnaire was prepared to identify the various modes and methods of feedback system being utilized by the hotels in Pune district. The sample sizes of hotels were restricted to the major five star hotels in Pune district including the twin hill station of Lonavala, Khandala. Both quantitative and qualitative questionnaire were used to get the basic data’s required for analysis. The sample size used for the guest was 150 out of which 110 actually responded which include both business and leisure travellers. The type of research is mostly analytical and descriptive. Descriptive analysis includes type of tourist, their stay pattern in hotels, major tools used for generating customer feedback.

Objective

The main objective of the study was to find out how much the customers point of view is important in order to generate regular business and increase the loyalty of the customers with special reference to the Hotel Industry in the district of Pune. Service culture is directly linked to the ultimate satisfaction of a customer and the same

is linked to the development of business in hospitality. The study tends to find out which are the most important area of operations responsible for the ultimate customer satisfaction and how hotels can work on developing those areas.

Reliability and Validity of the Methodology Used

“Reliability describes how far a particular test, procedure or tool, such as a questionnaire, will produce similar results in different circumstances, assuming nothing else has changed” (Roberts, 2006, 41). Separate questionnaire were designed for both qualitative and quantitative research. The questions for qualitative research were same for all the interviews but was twisted a bit to gain more information, it had both open and close-ended questions. The information collected from one source was verified with other interviewees to ensure accuracy and reliability of the qualitative research. Similarly for quantitative research it had same question for all the interviews and mostly consisted of close-ended question, open-ended questions were added to know customer perception in detail. The statistical and quantitative nature of this kind of research makes it easier to demonstrate reliability, accuracy and validity. A sample size of minimum 40 interviewees enhanced the reliability of quantitative research. The researcher being the only one to administer the questionnaires and conduct the interviews enhanced the reliability of both the research methods. Ensuring privacy and confidentiality of data while conducting interview further made the data more reliable as it helped build trust with the interviewee.

“Validity reflects whether the means of measurement are accurate and whether they are actually measuring what they are intended to measure” (Golafshani, 2003, 599). The qualitative research with the hotel marketing managers gave a reflection of how they practice relationship with their customers through direct marketing tools and reflected only one side of it i.e. the seller’s point of view. This type of research would have been criticized on the grounds of missing customer perception and therefore the data collected will lack the validity of what needs to be measured. Hence a quantitative research with the customers filled in the gap by knowing how the customers perceive the marketing strategy used by hotels, does direct marketing really helps in building relationship

or is there a dark side to it. An open question at the end of quantitative research helped the researcher to further provide recommendations that customers would like to see in terms of hotel marketing, which will reflect the predictive validity of this research.

Data Analysis

The data was collected by conducting personal interviews, over the phone, mails; help was taken from an online tool, observation and personal experience. Hence an Interpretive Phenomenological Analysis (IPA) principle was used to interpret the collected data. “This approach is phenomenological that involves detailed examination of the participant’s life-world; it attempts to explore personal experience and is concerned with an individual’s personal perception or account of an object or event” (Smith and Osborn, 2007, 53). The principle has its roots in psychology and offers insight into how a given person, in a given context, makes sense at the same time it also recognizes the central role of the researcher in understanding the experiences of the participants in a given phenomenon. However access to the participant’s personal world is complicated and dependent on the researcher’s own conceptions and ideas that make senses to the participant’s environment through interpretive activity. Hence to use this kind of principle for data analysis the researcher exhibited some personal attributes like friendliness approach and at the same time also assured the confidentiality of the data while conducted interviews that encouraged an open dialogue between the researcher and the participants, which further helped to demonstrate an inductive approach, evading prior assumptions. The IPA employs qualitative method, but this principle was also found appropriate for the quantitative method as interviews were conducted for both the methods that enabled the participants to provide a richer and comprehensive data, which further helped the researcher to investigate interesting facts that emerged from the data collected.

Research Findings and Analysis

It was observed that a majority of people who stayed at the luxury hotels were business travellers (65%, fig 1). After China, India is one of the fastest growing economy in the world, it has seen tremendous growth in various industries like IT, manufacturing, automobiles, etc.,

which has resulted movement of the corporate employees within the country itself. Luxury hotels in India are well equipped with all the business convenience facilities and environment to attract business and corporate travellers. Hotels have tie-ups with the corporates and offer special rates for the rooms and conferences. A changing trend in the leisure travellers of India, has resulted a low percentage of growth in the luxury hotels of India. The leisure travellers instead of spending huge amount by staying in luxury hotels use the same amount to travel international destinations like Singapore, Thailand, Malaysia, Mauritius, Dubai, etc. According to one of the surveys in 2007 there were 9.8 million travellers from India to various destinations in the world and has been growing at a rate of 16% since 2004, only 40% of the outbound travellers; travelled for business purpose (UNWTO, 2009). The number for foreign travellers in India has gone up considerably, but it was also observed that these travellers preferred staying at budget hotels because of their long stay in the country. Also the percentage of domestic travellers has seen a tremendous growth within the country, but price always remains the biggest factor, which affects their stay at luxury hotels. Though the trend is changing and Indian travellers with their growing income and changing lifestyles are willing to spend on their stay in luxury hotels, it will still take time to see a substantial growth.

Figure 1:

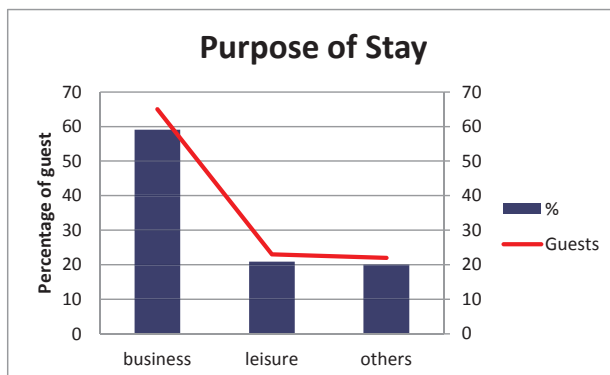
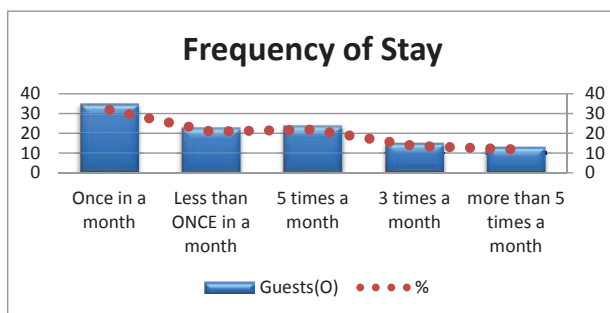
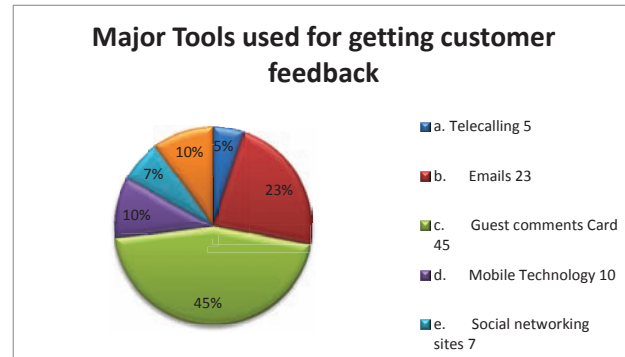


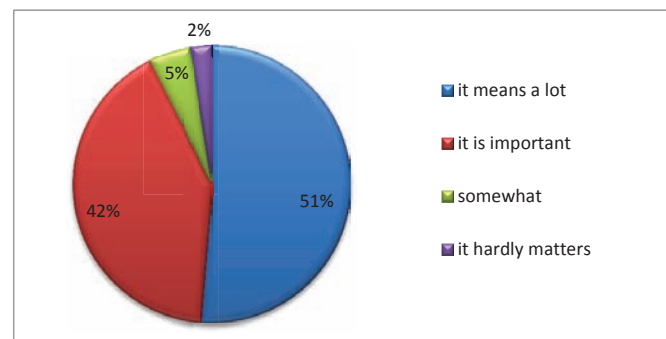
Figure 2:



When questioned, which marketing tool helped the most to build relationship a majority of the respondents voted for Guest Comment Cards (45%, see fig 2), followed by emails. They are happy to maintain relationship through mails as it does not affect their personal life and cause undue disturbance at work, but mass mailing should be avoided. They were even happy to receive promotional letters through direct mail (23%) and stay connected with their hotel through social networking sites (7%). Telemarketing was voted as the least (5%) relationship-building tool. Customers believe that telemarketing is irritating most of the time and hampers the relationship. To prevent customers from receiving unnecessary telemarketing calls; the government of India has started a service “Do Not Call”. Most of the hotels that were interviewed, avoid telemarketing and it is only practiced by taking prior permission from the guest.

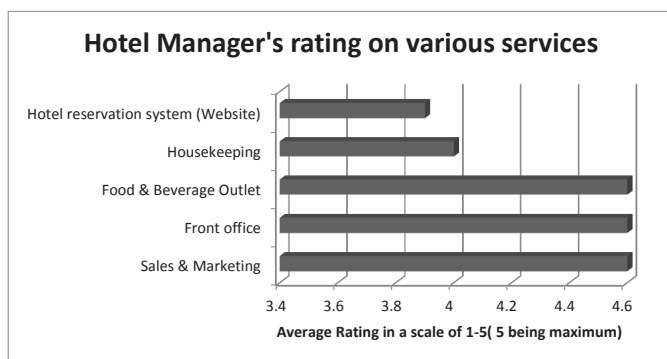
When asked about the services provided at the hotel, interviewees believed that it is the services that matter the most and it also affects the relationship to a great extent. When asked to the regular customers about the importance of being recognized by the hotel staff, it was seen that 93% of the respondent felt it is important or it meant a lot to them. Only 7% felt that it hardly mattered. (see fig. 3).

Figure 3:



One of the questions asked in both the research interview was based on the various services offered by hotels. A view of both the service providers and the service receivers was necessary to know what each felt about the different service. Customer perception plays a very important role over here since customers are the one who pay for the services. Interviewees were asked to rate each service that helps the most to build customer relationship on the Likert scale of 1 - 5 (1 = least important and 5 = most important). Mean was calculated for the scores received. (fig 4 & 5).

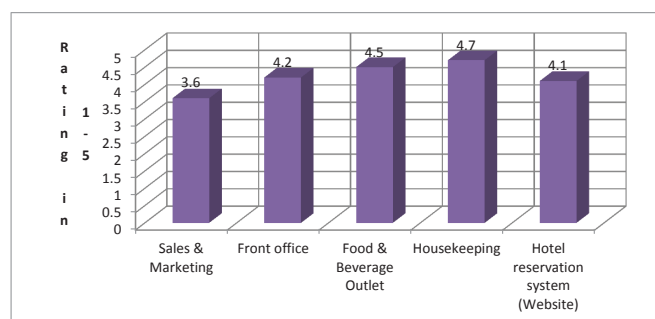
Figure 4:



The average rating received from the hotel managers for the sales and marketing, front office and food and beverage outlets is 4.6 out of 5 (see Fig 4). According to them these services helped the most to build customer relationship. Whereas the customer's view on this was very different. It was seen that the customers rated the housekeeping department as the important service that helps them to build relation with the hotel, it received an average of 4.7 out of 5 (see Fig 5)., followed by the food and beverage outlets and then the front office. Sales and marketing received an average of 3.6, which is the least out of the various service offered. Since the quantitative research was conducted online, the researcher was unable to get customers view on why house keeping is most important. Only two of the interviewees were asked why they think the house keeping is so important. The reply was, hotels earn their major revenue from rooms and it is very important to maintain the hygiene and cleanliness in the rooms and at the property as well. House keeping staffs by doing their job well create the first good impression on the guest and since they are one who comes in direct contact with guest most of the time, they are the one who help the most to maintain relation. When asked about

the food and beverage outlets, they replied that it is not necessary the guest who lives at a certain property would compulsorily dine over there, he would try some other local restaurant, the only time they visit the food outlet is for their breakfast in the morning, when there is a hurry to leave for work. The two interviewees who gave their view on this particular question were employees of some corporate and were staying at the property for business purpose; they had never seen or had any communication with the sales department. The reason being every corporate has a representative who takes care of the hotel and other booking for the corporate employee and since the hotels have tie-ups with these corporates; the hotel sales team is in touch with the corporate representative only.

Figure 5:



Conclusion

As far as, this research is concerned, it was observed that most of customers believed that the direct marketing tools used by hotels are very good to maintain contacts with the regular guest, but when it comes to relationship building, services provided at the hotels are the ones that help the most to build relationship. The Indian hotel industry currently faces a shortage of 4,30,000 rooms and it will obviously see a huge competition in the future in this area. Most of the customers interviewed during the research also believed that service provided at the hotels not only distinct them from the competitors, but it also give them the competitive advantage to survive in this highly competitive market. Too many options will create too much confusion in the minds of new customers and this is where regular customers will play a very important role in hotel sales by spreading the word of mouth. It also shows that hotels need to explore better ideas to maintain relation with their loyal guests. To maintain the service

quality it is important that hotels maintain their service culture throughout the organisation and at the same time keep the employee turnover low by maintaining good relation with its employees.

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