Loyalty of the Customers towards Star Hotels

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Abstracts - This study is conducted on loyalty of the customers towards star hotels. The researcher has gone for both primary and secondary data. This study is confined only to 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 main objective of this study is, therefore, to find out the factors influencing the customers to prefer star hotels for their stay, to ascertain the loyalty of the customers towards their star hotels in Coimbatore and to offer suitable suggestions to improve the loyalty of the customers towards select star hotels in Coimbatore based on the findings of the study. The study concludes that the select star hotels should take appropriate measures to make certain the customers' satisfaction on their service delivery to fulfill their expected requirements. If the study provokes the authority concerned to take some positive measures for improving the service performance, the researcher will feel amply rewarded.

Keywords: Assurance; Customer Loyalty; Empathy Service Quality and Service Performance.

I. INTRODUCTION

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 [1]. In general, customers are satisfied, if they receive good service quality from hotels and their behavioural intentions are by and large favourable [2].

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 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.

The efforts of hotels so as to differentiate themselves from their rivals have been an effective factor in placing much more importance to customer satisfaction and service quality. At this juncture, some key questions that the hoteliers have to ask themselves are “What are the factors that influence the customers to refer a star hotel for stay in Coimbatore?” To what extent the customers are satisfied with the services of the select star hotels? What is the perceived level of service quality by the customers in the select star hotels? Is there any service quality gap in the select star hotels? And what is the level of customers’ loyalty with the select star hotels? In this context, the researcher has made an attempt to examine the service performance of the star hotels in Coimbatore.

Objectives of the Study

The main objective of this study is to examine the service performance of the select star hotels in Coimbatore. Besides, the study has the following secondary objectives:

1. To find out the factors influencing the customers to prefer star hotels for their stay.
2. To ascertain the loyalty of the customers towards their star hotels in Coimbatore.
3. To offer suitable suggestions to improve the customers loyalty towards select star hotels in Coimbatore based on the findings of the study.

Hypotheses

In order to examine the perception of customers towards service performance of the select star hotels, the following null hypotheses have been formulated and tested:

**H₀₁:** 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.

**H₀₂:** There is no significant relationship among the acceptance levels of the customers belonging to different demographic profiles towards perceived service quality in the select star hotels.

**H₀₃:** There is no significant difference between the expected and perceived levels of customers’ loyalty in the select star hotels.

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II. SCOPE OF THE STUDY

The present study attempts to examine the customers’ loyalty of the select star hotels in Coimbatore in terms of service quality and customer satisfaction. The study is confined only to three types of star hotels i.e. three star, four star and five star hotels. The service performance is the vast subject; therefore, the most important aspects of service performance namely range of hotel services, customer satisfaction with the hotel services, perceived service quality, service quality gap and loyalty of the customers with their star hotels only are studied.

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>
<thead>
<tr>
<th>Hotel</th>
<th>No. of Hotels in Operation</th>
<th>Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Hotels</td>
</tr>
<tr>
<td>3 star hotels</td>
<td>34</td>
<td>10</td>
</tr>
<tr>
<td>4 star hotels</td>
<td>07</td>
<td>02</td>
</tr>
<tr>
<td>5 star hotels</td>
<td>03</td>
<td>01</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>13</td>
</tr>
</tbody>
</table>

Tools for Data Collection

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 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. Pre-testing of questionnaire was done, involving 25 respondents to know the relevance of the questions. In the light of pre-testing, necessary changes were incorporated in the questions and their sequences. 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.

Period of Data Collection

As an essential part of the study, the primary data were collected for a period of 6 months from April 2016 to September 2016.

III. LIMITATIONS OF THE STUDY

1. The selection of a more representative sample would bring more illuminating and comprehensive database for decision making. The present study has the limitation of time and resources, usually faced by the researchers. It is confined to only 13 star hotels and a sample of 650 respondents in a sole city. Hence, the findings cannot be treated as representative of the entire hotel industry.

2. Perceptions, satisfactions, and expectations usually are highly subjective versions of reality. Besides, in any study having a bearing on attitude, incomplete and non-responses to some questions could not be avoided. However, the researcher took maximum efforts to minimize such errors.

IV. FINDINGS OF THE STUDY

1. No significant relationship is found among the acceptance levels of the respondents belonging to different gender, age groups, educational status groups, occupations, income groups and types of hotels towards loyalty with their hotels. On the other hand, a significant relationship is found among the acceptance levels of the respondents belonging to different hotels towards loyalty with their hotels.
2. Male respondents, respondents in the age group 41-50 years, respondents with postgraduation and above qualifications, professionals, respondents having monthly income Rs.50001-75000, customers of the 5 star hotel and customers of the Le Méridien higher acceptance level towards loyalty with their hotels in Coimbatore.

3. There exists stability in the acceptance level of male respondents, respondents in the age group upto 30 years, respondents with degree qualification, professionals, respondents having monthly Rs.50001-75000, customers of the 5 star hotel and customers of the Hotel City Tower towards loyalty with their hotels in Coimbatore.

4. There has been a low correlation (0.092) between the customer loyalty and the selected personal variables in the select star hotels. The R square indicates that 0.80 per cent of variation in the customer loyalty is explained by all personal variables taken collectively. The F value indicates that the multiple correlation coefficients are insignificant. Gender, age, educational status, monthly income and type of hotel have no significant effect on customer loyalty in the select star hotels.

5. Out of 650 respondents, 32% of the respondents disagree about their loyalty with the select star hotels, followed by agree (26.92%), and neither agree nor disagree (20.31%), 13.23% and 7.54% of the respondents strongly agree and strongly disagree in that order. The mean acceptance score reveals that the respondents have higher acceptance level towards saying the positive things on their pleasure staying experience at this hotel to others (3.34), followed by won’t switch, if a competing hotel is to offer a better rate or discount on their services (3.29). In case of ‘consider the performance in this hotel strong’, the respondents have lower acceptance score (2.88).

V. SUGGESTIONS OF THE STUDY

1. 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.

2. 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.

3. As service delivery quality moves from internal customers, the select star hotels should make available the necessary incentives to boost internal customer satisfaction. The human resource department should care more about reward and compensation policy for staff. The job at the star hotel requires special or professional skills. Therefore, it is crucial to maintain staff loyalty and make them work with their responsibility and commitment. Offering some performance incentives can motivate hotel employees to perform their duties with all their heart as they know their performance and contribution to the overall service performance.

VI. CONCLUSION

The select star hotels should take appropriate measures to make certain the customers’ satisfaction on their service delivery to fulfill their expected requirements. If the study provokes the authority concerned to take some positive measures for improving the service performance, the researcher will feel amply rewarded.

REFERENCE


