



**Impact of sustainable practices on customer
satisfaction in hotel industry
(Evidence from Boutique Hotels in Southern Province,
Sri Lanka)**

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ABSTRACT

Tourism industry has become one of the most profitable industries in the world. Customer satisfaction has been identified as a key performance indicator in hotel industry. It is essential to have customer satisfaction in every business. This study focused on customer satisfaction of registered boutique hotels in Southern province Sri Lanka.

Customer satisfaction is one of the most important strategic mechanisms of best practice hotel organizations. Daily, managers and employees are continuously faced with the challenges of establishing and maintaining customer satisfaction.

The overall objective of this study was to examine the level of customer satisfaction on sustainable practices in registered boutique hotels. The purpose of this study is to seek and identify sustainable measures that can be used in the boutique hotel industry for purposes of assessing existing sustainable practices and evaluating customer satisfaction on those practices. The results from the research will enable hotel owners, managers and decision makers to identify the best sustainable practices in boutique hotels and customer loyalty, culminating in customer value.

The data were collected using two questionnaires containing Multiple choice questions for hoteliers and five point likert scale questions for foreign and local tourists. Customer satisfaction is measured under four dimensions such as length of stay, Customer Loyalty, Repeat Sales and Referrals. Hundred residential customers of the hotels were randomly selected. Hoteliers response and customers' feedback conducted to enrich the findings. Data were analyzed using descriptive statistics, SPSS Version 21 with Pearson correlation Analysis . Majority of the customers expressed their satisfaction with the socio-cultural sustainable practices they received from the hotel especially regarding length of stay, referrals and customer loyalty . Findings revealed that the boutique hotels had moderately fulfilled the customers' satisfaction with regard to economic sustainable practices and environmental sustainable practices. It was note-worthy that a minority of customers felt overall dissatisfied with the service of the hotels. Customers seemed to have perceived the same service differently. Customers' expectations had been influenced by their knowledge about boutique hotels sustainable practices. The finding of the present study indicates that the positive relationship was observed among hotel sustainable practices and customer satisfaction.

Key words: Environmental, economic, Socio-cultural Sustainable Practices, Boutique hotel Industry, Customer Satisfaction