

Analysis of Value in Delivery Process in Hotel Industry: A Special Reference to Star Classified Hotels in Colombo, Kalutara and Galle Districts

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Introduction

Customer satisfaction is of pivotal for service industries that provide an idea about the level of performance. Moreover, it will uncover the customers' perception of the services provided as against the customer expectations. In an intensively competitive business such as hospitality, the main strategy which can attract more customers is customer relationships. Measurement of customer satisfaction of a service could be performed by using the gap between the customer's expectation of performance and their perceived experience of performance (Ekinici and Riley, 1998).

Primary purpose of this research was to identify whether there is a relationship between service quality of value in delivery process and guest's overall satisfaction in hotel industry. Further, it examines the interrelationship of services to understand guests' actual image on Value in Delivery Process & to provide managerial implications on customer value approach.

Methodology

A sample of 22 star classified hotels from Colombo to Galle was considered for this study and 150 guests were selected for this study by using simple random sampling technique. Primary data were gathered by using a structured questionnaire and secondary data were collected from the internet, research articles, booklets magazines and the relevant institutions. Data was analyzed by using descriptive statistics and inferential statistics. Service quality delivered to guests was measured under several stages namely, Check -In/Reception, Ordering, Meal, Outdoor Services, Business centers, Check-Out. Each of these stages was deeply analyzed based on value dimensions. The following hypothesis was established in this study.

H₁: There is a relationship between value in delivery process with overall satisfaction

Results and discussion

The fitted regression model is as follows.

$$\text{Customer Satisfactory level (Y)} = 2.876 + 0.031 \text{ Check In} - 0.095 \text{ Odering} - 0.079 \text{ Meal} + 0.044 \text{ Outdoor services} + 0.249 \text{ Bs Centers} + 0.146 \text{ Check out} + \text{error}$$

The regression model explains a variance of 29% of the dependant variable. This shows that 71% of the customer satisfaction of the value delivery process is explained by some other variable which are not covered in this study.

Five star & four star hotels are conducting their businesses in a dynamic manner as they provide the facilities with technical equipments as well as helping guest's shopping & business transactions. As a result, guests have identified it as a key value factor in those hotels. In addition, those hotels are stipulating sports events, arranging

trips to visit cultural & historically valuable places have highly been accepted by guests. Hence, their satisfaction level upon those stages has significantly affected on their overall satisfaction.

As far as three, two & one star hotels concerned, they are quite different from Five & Four star hotels. They are still conducting their businesses in traditional manner. They try to attract guests from reception & meals which is not a significant way of conducting the business today. Guests are expecting a superior value in the overall process and that may include even the ability to access to the internet, business transactions, sports events, spa & other related services etc. However, it was identified that these hotels were not in a position to deliver those values at their value delivery stages. These hotels are applying cost cutting techniques because of the less number of guest arrivals to their hotels. This will further decrease service quality since they tend to reduce their staff and eliminate high packages as the fixed cost is higher in their processes.

Conclusions

Managers in five & four star hotels must continuously conduct this value adding parts to increase the service quality which they deliver to guests. Moreover, they should consider value as a critical factor & try to become veterans in delivering service in the hotel sector. In addition, the other stages such as Reception, Ordering meal & Check-Out should maintain in superior quality. It might be an additional advantage to create a superior value for their guests in all angles.

Service quality is multidimensional and some of these change over time. It is intangible although it is often assessed through tangible results of both service processes and service outcomes which also depend on the difference between customer expectations and perceptions.

When the service provider is able to understand and meet customer's expectation, a positive service encounter would be attained. After analyzing the problems and challenges in managing service encounters, several points can be drawn in relation to the attainment of positive service encounters. The primary and prioritized values we need to deliver are determined by analysis of the needs and values of stakeholders.

Value delivery will attract resources. Delivering value can attract customers and also more funding opportunities. Managers like to be credited with success. Value is a result, delivered to a real set of stakeholders. Value must be seen in the light of lifetime total cost aspects, and must be as profitable as alternative investments. Value occurs through time, as a stakeholder experience. Hence Value can be delivered early, and for part of one stakeholder's domain. This proves the value potential, and actually improves the real organization. There is never a really sufficient reason to put off value delivery until large-scale.

The value created by the interaction with a stakeholder type may be cumulated every time the system is used for some new activity, customer, transaction, or decision. It may be cumulated by a very large number of that type of stakeholder & through a very long time. Managers must constantly estimate, and manage the value for money, the return on investment & if the costs of delivering the value get out of hand, and exceed the value.

Service quality which cater to the guests via a process is an effectively cause to guests overall satisfaction. Not only that, but also stages of that process are interrelated. Hence managers should identify the importance of each stage & try to cater a superior value for the guests as they paid.

Findings of this research can be used for star hotels when they delivering value to the guests. They must be keen on customer touch points (six stages of Value in Delivery Process) to cater superior service quality to guests. Most of the guests are revisiting the same hotel & delivering superior value to them cause to enhance long run returns to the hotels. Designing a quality service is an important issue in today's global competitive environment. Based on the high quality services provided by the hotels to their respective customers, it will tend to increase the customer satisfaction level.

In the tourism industry and in particularly in the hotel sector the quality of service provided will tend to make the customers more loyal and eventually induce them to repeated arrival of customers. It makes the indication that there is a high importance of the maintaining the quality of service in the hotel industry & delivering superior value to guests will gain long run returns.

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