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Abstract

A case study of a family resort hotel demonstrated empirical relationships between guest satisfaction and their perception of the hotel's physical appearance, staff attitude, and the guests' age group. The 333 self-administered surveys also provided information about the guests' travel behavior and their experience at the hotel. The predictive regression model confirmed that the hotel was in need of remodeling, and that potential renovation projects will ultimately result in increased guest satisfaction.

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by
Ady Milman

A case study of a family resort hotel demonstrated empirical relationships between guest satisfaction and their perception of the hotel's physical appearance, staff attitude, and the guests' age group. The 333 self-administered surveys also provided information about the guests' travel behavior and their experience at the hotel. The predictive regression model confirmed that the hotel was in need of remodeling, and that potential renovation projects will ultimately result in increased guest satisfaction.

A family resort hotel located in the southeastern U.S. was selected for a case study on the impact of hotel remodeling on guest satisfaction. The 500-room chain property is situated on a popular hotel strip, among other similar properties serving the mid-priced family market. Family attractions, several theme parks, shopping, and restaurants are located within a two-mile radius of the hotel. In a landscaped environment, the hotel offers recreational amenities like swimming pools, tennis courts, children's playgrounds, video arcades, costumed characters, and puppet and clown shows catering to young children. Three themed restaurants offer guests dining flexibility: a buffet restaurant, open for breakfast and dinner; a pizza parlor, open exclusively for dinner; and an ice cream parlor, open throughout the day, offering snacks for breakfast, lunch, and dinner.

Recently the management considered remodeling the hotel's public areas and guest rooms. The various hotel areas were inspected by the respective department heads and recommendations were made to the administration regarding any necessary improvements.

Too often the scope of remodeling and renovation is based exclusively on management perceptions of the property's needs, while ignoring direct guest impact. However, prior to allocation of resources, the hotel management decided to conduct a guest survey to verify the need for remodeling from the hotel's guests' perspective.

The goal of this study was to evaluate guest perceptions regarding the need for hotel remodeling, and to assess the impact of such remodeling on future levels of guest satisfaction and repeat visits. Since the study was exploratory in nature, no formal hypothesis was developed regarding the possible empirical relationships between guest satisfaction and hotel remodeling.

Marketing Strategies Are Changing

The recession of the early 1990s provoked several consumer behavior trends that have had a negative impact on the hospitality industry. For example, according to the U.S. Travel Data Center (USTTA), U.S. travelers' purchasing behavior and the general trend to economize have sparked a climate among U.S. vacationers to stay with friends and relatives while away from home. To enhance value for money, more and more travelers have also been looking for discounts and travelers have prolonged their purchasing decisions anticipating last-minute price reductions.¹

As the economy continues its slow recovery from the recession, franchisers, operators, and hotel management companies have been shifting their marketing strategies to capture larger market segments. There are a variety of variables that may explain or predict customer purchasing behavior. Key among these variables is consumer satisfaction, as demonstrated through post-buying behavior, which has been recognized in the marketing literature because of its influence on repeat purchases and word-of-mouth advertising.²

Assael³ argued that satisfaction reinforces positive attitudes toward brand, leading to a greater likelihood that the same brand will be purchased again. Peter and Olson also claim that if consumers are satisfied with a product or brand, they will be more likely to continue to purchase, use it, and "tell others of their favorable experience with it." On the other hand, they add that if consumers are dissatisfied, they will be more likely to switch brands and complain to the manufacturers and other consumers about the product.⁴

A number of research methodologies to study customer satisfaction were developed by using the foundations of several consumer behavior theories. These include the disconfirmation paradigm mentioned by Bearden and Teel,⁵ Cadotte, Woodruff, and Jenkins,⁶ and Oliver,⁷ the expectancy value concept developed by Vroom,⁸ Ajzen,⁹ Fishbein and Ajzen,¹⁰ and Hogarth,¹¹ and rational choice.¹²

Several theoretical and empirical studies were published in the area of tourism and travel as it is related to satisfaction with a destination area,¹³ vacation activities,¹⁴ or tour management.¹⁵ In the hospitality industry, Cadotte, Woodruff and Jenkins studied satisfaction of restaurant patrons in fast food, family and atmosphere/specialty

restaurants. Barsky¹⁶ suggested a customer satisfaction score for the hotel industry (CS), based on the combination of three dimensions: expectations, perceived performance, and importance. Other studies evaluating service include Bitner,¹⁷ Chon and Olson,¹⁸ and Lewis and Morris.¹⁹

The literature suggests that satisfaction is often predicted by cognitive variables pertaining to expectations, perceived accomplishments, and personal value and norm systems. This study will attempt to predict hotel guest satisfaction by taking into consideration these cognitive variables, but also behavioral variables pertaining to travel patterns, and demographic characteristics of the hotel guests.

Guests Are Interviewed

A self-administered questionnaire, developed following a brainstorming session with the hotel's management team, included items pertaining to the guests' vacation travel behavior, dining experiences at the hotel's restaurants, perception of physical appearance of the hotel's facilities, and demographic characteristics. The majority of the items in the questionnaire were structured; however, several open-ended items were used to explore additional information not included in the structured questions.

In an attempt to control participation in the survey, the population sample consisted of the guests who stayed at the hotel at least two nights. This criterion was established in order to ensure that the hotel guests had the opportunity to familiarize themselves with the property. Respondents were randomly intercepted at the guest services desk, briefly pre-screened for a minimum two-night stay, and asked to participate in the study.

Each respondent who returned a completed questionnaire to the guest services desk received a free buffet breakfast coupon, and the opportunity to win \$100 cash in a drawing that was held at the end of the data collection period. During a period of six weeks, 450 guests were approached and asked to participate in the study. A usable sample of 333 hotel guests was obtained, to yield a response rate of 74 percent.

This methodology was adopted as an alternative to the conventional guest surveys such as comment cards, which are self-administered and left in the guest room, or handed out to the guest upon check out. The employment of a "convenience sample" and the lack of control over who actually fills in the questionnaire may cause a bias in the results, especially when certain demographic groups have a higher propensity to participate in such studies. Furthermore, length of stay at the hotel may also have an impact on the quality of the information provided in the survey. For example, a short stay may not necessarily give the guest the opportunity to experience most of the property's

facilities and services. Finally, seasonality may also have an impact on the response, but very little information is available as to whether the surveys are generally analyzed with this factor in mind.

The median age of the respondents was between 40 and 49 years; gender distribution was 40.6 percent males and 59.4 percent females. The majority of the respondents (95.5 percent) resided outside the state in which the hotel was located. While the majority were U.S. residents, just under a quarter of the sample lived in foreign countries. The sample represented respondents from 35 states and Puerto Rico, and from 18 countries.

Almost one half of all the respondents participated in the study (49.2 percent) had previously visited the resort area, and traveled mainly as families (63.3 percent), couples (23.2 percent), individually (7.0 percent), in groups of couples (3.4 percent), or in tour groups (3.1 percent).

Most of the respondents arrived to the resort area by plane (73.2 percent) or private car (20.7 percent). Others traveled by rental cars (4.0 percent), recreational vehicles (.9 percent), or tour buses (.3 percent). The majority came to the resort area primarily for vacation (94.2 percent), while others were in the areas to visit friends and relatives (1.5 percent), on business (.9 percent), or to attend a convention (.9 percent), or other reasons (2.4 percent).

Respondents stayed at the resort area between two and 21 days, with an average of 7.5 days and a median of seven days. The majority (88.1 percent) had never stayed at this hotel before. The average guest stayed at the hotel 5.4 nights, with a median of five nights. The hotel guests were in parties averaging 3.5 people, with a median of three people. Typically, there were 2.3 adults in the traveling party, and those parties accompanied by teenagers or children reported an average of 1.3 teens and 1.7 children.

Public Areas and Guest Rooms Are Rated

Respondents were asked to evaluate the physical condition of the hotel's public areas that they used and which were under consideration for remodeling by the hotel's management. Each guest was asked to score each area on a scale from "1" to "5," where "1" indicated a "poor" rating and "5" indicated an "excellent" rating. Guests were also provided with the opportunity to indicate their perceptions of the physical conditions of other areas in the hotel in an open-ended category.

Most of the respondents rated highly the hotel's public areas, video games arcade, buffet restaurant, lobby and gallery (all at 4.0) to pizza parlor and lounge (at 3.8). A large proportion agreed that the lobby and gallery, and the ice cream parlor were in need of remodeling (46.3 percent and 43.8 percent, respectively). The relatively high rating was inconsistent with the perception of the need to remodel; however, the

ranking of their perceptions may indicate priorities to management as perceived by their guests.

The hotel guests were also asked to evaluate the physical appearance of their guest rooms by scoring a similar scale; 31.5 percent rated them 5.0 and 38 percent a 4.0, the mean. Only 5 percent rated them poor.

Potential Hotel Amenities and Services Do Influence Guests

Respondents were asked to indicate what hotel features might influence their decision to come back to the hotel. The majority (72.5 percent) wanted free shuttle service to local theme parks and attractions. Proximity to the local attractions ranked second (59.1 percent), followed by a mini-kitchenette in the guest room (45 percent), free meals for children (43.4 percent), and a convenience store on the hotel's premises (30.3 percent). Other amenities recommended included free family entertainment nightly (17.8 percent) and a children's activity center (15.9 percent).

Respondents were also asked to evaluate the extent of their agreement with certain statements regarding the hotel's services on the same type of scale, where "1" indicated strong disagreement and "5" indicated strong agreement. The statements were provided by the hotel's management and reflected their perceptions about various operational areas that needed improvement.

Hotel guests strongly agreed that the hotel's staff was warm and friendly (4.4), that a deli/bakery restaurant, available for all three meals, would be appropriate at this hotel (4.2), and that the hotel should offer a supervised children's activity center (3.5). Respondents neither agreed nor disagreed that they would leave their children in a supervised program (3.2), and disagreed that the buffet restaurant needs remodeling (2.8).

Overall Satisfaction Is High

The majority of the respondents were either "very satisfied" (48.5 percent) or "satisfied" (42.6 percent) with their overall hotel stay experience. A step-wise multiple regression was conducted in order to identify what factors determine respondents' level of satisfaction with their stay at the hotel. The dependent variable was "level of satisfaction with hotel stay." The independent variables consisted of the following 28 variables: vacation travel behavior (six variables), perception of physical appearance of various areas in the hotel (six variables), perception of hotel's children shows (two variables), rating of experience in the hotel's restaurants (three variables), perception of various services provided by the hotel (eight variables), and three demographic variables. These variables are summarized in Table 1.

Table 1
Summary of Independent Variables included
in the Regression Model

	Mean Deviation	Standard Deviation
Vacation Travel Behavior:		
1. Length of current vacation (days)	7.50	3.44
2. Number of lodging nights at the hotel	5.44	2.69
3. Total party size	3.46	1.50
4. Number of adults in the party	2.31	1.10
5. Number of teens in the party	1.31	0.23
6. Number of children in the party	1.69	0.56
Perception of physical appearance of various hotel areas:⁽¹⁾		
7. Lobby and gallery	3.97	0.94
8. Video game arcade	3.96	0.67
9. Pizza Parlor and Lounge	3.80	0.80
10. Ice cream parlor	3.56	1.00
11. Restaurant	4.03	0.80
12. Guest room	3.95	0.87
Perception of children's entertainment:⁽¹⁾		
13. Clown show	4.13	0.54
14. Live entertainment children show	4.10	0.40
Rating of Experience in the Hotel's restaurants:⁽¹⁾		
15. Buffet restaurant	3.96	0.84
16. Pizza Parlor and Lounge	3.87	0.60
17. Ice cream parlor	3.42	0.79
Guest Perceptions of proposed renovations and other hotel services⁽²⁾		
18. Hotel staff is warm and friendly	4.40	0.80
19. A deli/bakery would be appropriate	4.20	0.90
20. Hotel should offer children activity center	3.50	1.20
21. Leave children in hotel's supervised program	3.20	1.30
22. Buffet Restaurant needs remodeling	2.80	1.20
23. Relocate children's entertainment to a family restaurant	2.67	1.10
23. Convert Pizza Parlor into an adult-oriented restaurant ⁽³⁾	3.62	1.22
24. Extent to which guests will have their children participate in children's programs ⁽⁴⁾	3.1	0.90
Demographic characteristics:		
25. Age group	Frequency distribution: under 19: 0.6%; 19-29: 12.3%; 3-39: 36.7% 40-49: 25.9%; 50-59: 13.3%; 60-69: 8.6% over 70 years: 2.5%	
26. U.S. residency status	U.S resident: 95.5%; Int'l visitor: 4.5%	
27. Gender	Male: 40.6%; Female: 59.4%	
Key:		
(1) 1 to 5 scale; 1= very poor 5=excellent		
(2) 1 to 5 scale; 1= strongly disagree 2=Strongly agree		
(3) 1 to 5 scale; 1= not at all 5=very much		
(4) 1 to 4 scale; 1= Unlikely 4=very likely		

Table 2
Multiple Regression of Level of Satisfaction with Hotel Stay
on Vacation Travel Behavior, Perceptual, and Demographic
Characteristics

	Standardized Regression Coefficient	T	Zero Order Correlation	Cumulative R ²
1. Guest room's physical appearance	0.38	8.4	0.60	0.35
2. Perception of the hotel's staff	0.36	8.3	0.55	0.47
3. Ice cream parlor's physical appearance	0.17	4.0	0.44	0.49
4. Age of the respondent	-0.15	-3.8	-0.12	0.51

Note: N=333
R²= 0.51

Prior to running the regression model, a correlation matrix of all independent variables was produced to check possible correlation among variables that may lead to multicollinearity. The results indicated that four variables significantly predicted respondents' level of satisfaction with their hotel stay, and the variance explained by the regression was 51 percent (Table 2). More specifically, respondent's level of satisfaction was attributed to the following:

- perception of physical appearance of the guest room
- perception of hotel staff attitude toward guests ("warmth and friendliness")
- perception of the physical appearance of ice cream parlor
- age of the respondents

Hotel guests who rated more favorably the appearance of their guest room and the ice cream parlor perceived the hotel's staff to be warm and friendly, and were younger and more likely to be satisfied with their stay at the hotel. These findings are consistent with Barsky's study indicating high customer satisfaction scores in the area of employee attitudes, location, and room.

The inclusion of two variables pertaining to the physical condition of the hotel empirically proved that level of guest satisfaction will improve by taking remedial steps through remodeling. This finding is

important information for management to justify a hotel's resource allocation for projects that will eventually result in increasing guest satisfaction.

The "perception of hotel's staff" variable entered into the regression model in almost equal strength ($r=0.55$) as the "room physical appearance" variable ($r=0.60$). This evidence highlighted the important role of the hotel's personnel in contributing to the guest's overall satisfaction.

Finally, one demographic variable, age, also entered the regression model, indicating a reverse relationships between age and level of satisfaction, suggesting that younger guests are more likely to be satisfied with the hotel, and, consequently, the impact of remodeling would not be as positive as it would be with older guests. This finding may also be linked to Powers' suggestion²⁰ that as individuals get older, they place greater importance on service because they are more sophisticated in their tastes, and are attracted by high quality and value pricing.

Study Shows Definite Relationships

A growing number of accommodation facilities seek information from guests about their experiences with the front desk, accommodations, room service, restaurants and lounges, recreational facilities, banquet and convention facilities, or other miscellaneous services like telephone operator courtesy, message delivery, and laundry. Some hotels also ask their guests for feedback pertaining to staff service and attitude, the decision process that led to the selection of the hotel, the role of referrals, and several demographic and trip characteristics.

While hotel guest surveys provide an enormous database, very few studies, if any, apply statistical analysis beyond the measures of central tendency like the arithmetic mean, the median, or the mode. Empirical studies, like this one, are useful to find relationships between dependent and independent variables. In the case study presented in this article, clear relationships were found between guest satisfaction and an array of independent variables, like guests' perception of the hotel's physical appearance, hotel staff's attitudes, and guests' demographic characteristics.

The identification of specific guests' needs and wants that attribute to greater satisfaction may be useful for decision makers in developing strategies that will incorporate programs, services, and amenities that will yield higher repeat visits and increased market share. In this case, the statistically significant results gave a clear indication to management to proceed with the remodeling project, and to prioritize the allocation of resources toward guest rooms and one of the hotel's restaurants.

Furthermore, the lack of empirical relationships between satisfaction and other independent variables may also be a useful source for

management decision making. Certain services or products, often provided by many hotels, have little value for some market segments, and, therefore, resources may be shifted from one area to another to yield higher satisfaction, and, consequently, repeat purchase. In this case, the hotel provided an array of children's activities and nightly entertainment that were poorly attended. Since the empirical analysis did not reveal any relationships between guest satisfaction and these services or amenities, management may be able to shift resources from these activities to projects that would yield greater satisfaction.

The research also indicated that overall satisfaction with the hotel may vary across market segments and vacation travel behavior. The case presented a relationship between age and level of satisfaction. Although many hotels employ guest satisfaction surveys, they assume homogeneity of the marketplace, and consequently include very limited questions pertaining to demographic characteristics, other market segment characteristics, or travel behavior.

However, from a practical standpoint, market segmentation assumes a heterogeneous marketplace, and, consequently, the product should be defined for specific market segments based upon differences in users' needs and wants and the diversity of demand.²¹ These findings may be useful in developing advertising themes by applying different messages to address diverse consumers' needs.

Although this study illustrated an example of possible relationships between guest survey variables, it uses data derived from a single property, and, therefore, the applicability of the results to other hotels may be limited. In addition, since there was no control over who participated in the study, the results may have been biased by either favorable or unfavorable participants.

Despite these limitations, the findings may be useful in developing new hypotheses regarding guest perceptions and satisfaction. Future studies should not only include new hypotheses, but also extend the sampling universe to include nationwide and international samples. This will allow decision makers to learn more about new relationships between satisfaction and guest characteristics may be applicable across hotel chains and independent properties in North America and elsewhere.

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