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Florida International University Hospitality Review

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***Award of Excellence Recipient
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Florida International University Hospitality Review was recognized by the Florida Print Awards for its style and content.

Dr. Mary Tanke and Dale Gomez received this award on October 1st, 2010.

Timeshare Owner Preferences – An Analysis of Program and Service Relationships during Recessionary Times

By Randall S. Upchurch, Robin B. DiPietro, and Brumby McLeod

Since the 1970s various industry studies have indicated that the vacation ownership industry has enjoyed unprecedented growth in unit sales, resort growth, and the number of owners (American Resort Development Association [ARDA], 2007; ARDA, 2009a; ARDA, 2009b). However, due to the recent economic downturn these growth metrics are no longer obtainable. This external impact has caused developers to retrench and therefore reflect upon their existing product and service offerings, financial metrics, and consumer markets (ARDA, 2010a; ARDA 2010b). The crux of these findings indicates that the industry has shifted to maintaining and enhancing product and service offerings as a reaction to changing economic conditions. The findings reported in the body of this manuscript represent product and service preferences as collected from a random data pull of their existing ownership base. The study also revealed current preferences of timeshare owners with relation to services provided and products/amenities offered. Management implications and limitations of the current study are discussed.

Keywords: timeshare industry, vacation club ownership, service relationships, product features, satisfaction

INTRODUCTION

Vacation ownership, often referred to as timesharing, continues to be a growing piece of the lodging industry in the United States and worldwide. Vacation ownership is one of the fastest-growing lodging sectors (Upchurch & Gruber, 2002; ARDA, 2009b). Started in the late 1960s and having grown more than 1000% during the last two decades, it continues to be a large segment of the travel and tourism industry (Kaufman, Severt, & Upchurch, 2005; Kaufman, Upchurch, & Severt, 2006). As of 2006, annual sales reached approximately \$10 billion in the U.S. (ARDA, 2007), and the total estimated U.S. economic impact of the timeshare industry through direct and indirect contributions was approximately \$77 billion (ARDA, 2009b). Since 1984 the industry has reported growth rates ranging from 14% to 17% annually. In the last few decades, branded timeshares such as Disney and Marriott International have added more credibility to the industry and have become recognized leaders. The branded vacation ownership organizations' presence has opened up the industry to a wider range of users and owners.

As of 2002 six million American households owned timeshares (Upchurch, 2002) and an estimated additional 250,000 U.S. households purchase vacation ownerships each year (Woods, 2001). Many economic recession studies have profiled the average timeshare owner. One study finds the average timeshare owner to be older, making purchases after he/she is retired or his/her career has been fully established. More than half of timeshare owners (58.6%) are between the ages of 45 and 64. Almost 25% of timeshare owners are over 60 years old (Ragatz & Associates, 2003). Another study showed that 89.3% of timeshare owners are couples in their peak earning years, with an average household income of \$123,000 and no children at home (Upchurch, Rompf & Severt, 2006).

Timeshare developers, similar to other real estate developers, enjoyed unprecedented growth during the late 1990s and early 2000s, yet these growth rates are unlikely to continue as real estate markets have slowed dramatically, making retention and satisfaction of existing owners a necessary component in future resort development. In particular, these early benchmark studies measured satisfaction with (1) overall ownership, (2) product flexibility, (3) financial services affiliated with the timeshare product, (4) club resort and amenities, (5) owner communication, (6) the vacation experience, and (7) the sales experience. Attention to these elements of owner satisfaction requires frequent assessment of these metrics to ensure continued market penetration.

Again, in light of the current economic recession, it is imperative to reflect upon potential changes in consumer acceptance and usage patterns. With this economic premise in mind, the vacation ownership segment of the lodging industry lacks sufficient empirical research in the area of owner satisfaction regarding the importance of various product and service characteristics related to the owner's perception of the performance of the timeshare organization. Therefore, the current study proposes to help close that gap in the academic research by providing survey results from a study of a large timeshare organization and its owners. This information will help to determine the state of owner satisfaction in an industry often plagued by misperception and stereotypes surrounding credibility (Kaufman, Severt, & Upchurch, 2005). In order to ascertain the viability and sustained growth of this important segment of the lodging industry, it is critical to ensure that owners are satisfied with the overall service and products provided by their resort company. The current study proposes to analyze the importance-performance gaps that may exist regarding the service attributes and resort product features of a timeshare organization.

LITERATURE REVIEW

Overall Ownership Satisfaction

In an economic downturn of current proportions, it is critical for timeshare organizations to continue to evolve and evaluate their owners' satisfaction and other success indicators (ARDA 2010a; ARDA 2010b). When the economy slows down, people start reevaluating their purchases and try to determine which bills are essential and which are non-essential. Owning a timeshare is not a necessity for most consumers; rather, it is a luxury that can be sold. It is a critical assumption that retaining current owners is critical for the continuance of a brand. Retention of owners ensures that a brand can survive and possibly grow as the economic market improves.

A 2007 study of three focus groups composed of sixteen timeshare owners was conducted in an attempt to discover how consumers derive and interpret value from vacations and timeshares. Twelve factors were identified through the interviews. The following are the five dimensions that were found to add value to *any* vacation experience: convenience (the location of and access to a specific resort/timeshare/hotel); location (a resort's position in regard to a destination's attractions); the opportunity to relax; social value (opportunity to spend time with family/ friends or social activities with other vacationers/timeshare owners); and fun and enjoyment value (vacation activities, activities provided by the timeshare resort, or facilities and services at the resort). The remaining seven dimensions relate specifically to vacation ownership/timeshares. These dimensions were ownership pride, financial value by purchasing property in comparison to multiple hotel/resort purchases, flexibility in purposes for use (visiting family, vacation, hosting others), the ability to give a timeshare as a gift, the feeling of owning a luxury product, and the exchange opportunity (Sparks, Butcher & Pan, 2007). These general dimensions were found to have an influence on the overall satisfaction with a timeshare product.

According to research done by the American Resort Development Association (ARDA, 2009a), overall timeshare owners are satisfied with the timeshare products they purchased. Approximately 85% of owners would rate their experience as "excellent," "very good," or "good." Approximately 64% of owners would recommend timeshare ownership to their family and friends. The findings were consistent regardless of ownership tenure (ARDA, 2009a).

In McMaster's (2001) study of timeshare-owner enjoyment, the findings showed that the owner-services division provides an integral function that is directly related to owner satisfaction. Three out of the top four amenities that lead to member satisfaction are directly related to the quality and function of customer-service agents who work with the timeshare organization. The top four amenities that were identified by timeshare owners were warm and friendly staff attitudes, on-site recreation areas clean and in good repairs, staff able to solve problems quickly, and staff knows area and can help find places of interest.

Kaufman, Severt and Upchurch (2005) found that the more timeshare organizations spend to inform and educate their owners on the various components and amenities offered by the organization, the higher the owners' satisfaction levels. This means that communication about the timeshare property and system is critical for owner satisfaction.

By identifying vacation habits and preferences, resorts are more knowledgeable about what their owners enjoy. Current popular locations for recent timeshare purchases have varied between the West (27.1%), the Southeast (41%), and international locations (11%). Over 80% of recent purchasers and current owners stated that the exchange opportunity was a significant motivating factor in their purchasing decision (Crotts & Ragatz, 2002; Ragatz & Crotts, 2000).

Study after study shows that in most instances timeshare owners are satisfied with their purchases and, using hindsight, would even repurchase again if faced with that choice (Haylock, 2004). Even in the U.K., the second biggest timeshare market, Ernst & Young established that in 1990, 75% of owners were satisfied or very satisfied with their purchases. Over eleven years and six countries worldwide, Ernst & Young and Ragatz Associates have found an average of 84% of timeshare owners "very satisfied" or "satisfied" with their purchases (Haylock, 2004). The implication of this research is that timeshare organizations have done a very good job of satisfying their owners. To ensure that this continues, especially as consumers become more discerning about where and how they spend their income, it will be necessary for timeshare developers to determine what resort products and services their guests desire.

Satisfaction with Product Flexibility

The timeshare-ownership industry is very robust and diverse in its offerings to consumers. Many different products and services are offered by timeshare organizations, including the quality of

accommodations, the locations of accommodations, point values and opportunities for the use and conversion of the points to upgrade locations and times of usage, the options for renting out units, and exchanging units for another resort within the vacation club network. A study done by Upchurch (2002) showed that owners were aware of the service/product flexibility, were satisfied with these options, and planned to use them over and over again.

Satisfaction with the Consumer Financial Services

The vacation-ownership product usually requires financing. In fact, many timeshare developers make more money in financing properties than on the actual sale of the units. In a study of timeshare value perception by Sparks, Butcher, and Pan (2007), the perceived financial value of the timeshare purchase detracted from the overall purchase experience. The owners interviewed in this study stated that the resale of the timeshare and the cost of maintaining it provided little to no value. Hovey (2002) proposed that if the timeshare industry could reduce some of the costs of sales, maintenance, and exit, the industry and product would be more attractive to people. Lowering maintenance costs lowers the cost of entry into the business; it could increase the overall market, and possibly increase owners' satisfaction.

Satisfaction with the Club/Resort Amenities

Amenities are the features that a club, resort, or hotel offer. In effect, often the amenities define a resort, and the selections offered are often a competitive advantage that can set one's brand apart from the competition (Kandampully, Mok, & Sparks, 2001). In the timeshare industry, providing additional amenities is a necessary cost of doing business, but because these upkeep costs often directly relate to the ensuing annual maintenance fees paid by timeshare owners, it is critical to ensure that the increased amenities are something desired by the owners (Stringam, 2008). The majority of timeshare studies have focused on consumer behavior related to the sales process or specific consumer preferences (Crotts & Ragatz, 2002; Kaufman & Upchurch, 2007; Sparks et al., 2007; Stringam, 2008; Upchurch, 2000; Upchurch et al., 2006).

Kaufman and Upchurch (2007) surveyed couples, single women, and single men. The researchers found that when purchasing a timeshare, couples place importance on a timeshare developer who is associated with a brand name. They also found that single women were most likely to be satisfied with exchange company services, but were also the most comfortable with their home-resort purchase and resultant experience.

Additionally, they found that men were the least satisfied with their overall timeshare purchase and experience (Kaufman & Upchurch, 2007).

Another study segmented owners by lifestyle. Twelve lifestyle groupings were found: (1) affluent empty nesters, (2) affluent couples with kids, (3) affluent professional and childless couples, (4) upcoming couples/hyperactive newlyweds, (5) teen-dominated families, (6) mature couples, (7) savvy career women, (8) upscale mature women (almost retired/retired), (9) educated working women, (10) single moms with careers, (11) well-to-do gentlemen, and (12) single dads. The only significant differences in satisfaction levels were those between affluent empty nesters, well-to-do gentlemen, and single fathers. The researchers suggested that single men may feel like outlier consumers because they account for such a small portion of timeshare owners (4%); therefore, their needs are not being met (Upchurch, Rompf, & Severt, 2006). A third study addressing segmentation focused on the senior market. Seniors (over 55 years) should be independently targeted because they can comprise a significant number of timeshare owners. Seniors spent more nights (average of 19 nights) away from home and 1.5 times more money on leisure travel than the under-35 age group. It was also found that they are more likely to use their home resort or save points in exchange for hotel stays or cruises. These timeshare consumers also sought these characteristics from their timeshare resort locations: safety, security, and historical/educational attractions (Kaufman, Upchurch & Severt, 2006).

Several studies have been conducted on the vacation habits and amenity preferences of timeshare owners. One such study compared the amenity offerings of vacation ownership resorts to hotels (Stringam, 2008). Timeshare resorts in North and South Carolina were compared to all hotels across the nation to identify amenity trends and competition. Findings suggested that hotels were much more likely than timeshare resorts to provide a gym and business amenities. Hotels were also ahead of timeshares in upgrading their bedding; this is a trend timeshares plan to follow within the next two years. Benefits that were more popular among timeshares in comparison to hotels included staffed health spas, organized social activities, and children's activities and playgrounds (Stringam, 2008).

Sparks, Butcher, and Pan (2007) evaluated the perceived value of a timeshare purchase. In general, customer value was typically considered to be an antecedent of customer satisfaction. Their study found that ownership and pride, flexibility, new experience, reward, and luxury were some of the components of owning a timeshare that provided value for

them, thus increasing their satisfaction with the product. This study provided a new focus that organizations could use when marketing to prospective timeshare owners, as well as a way to promote the value and enhance the overall satisfaction of the owners.

Importance-Performance Gap Research

Organizations should continually evaluate their service performance using guest perceptions to assess gaps between importance and performance. Guests often go into a relationship with preconceived notions of service attributes. If the perceived performance of the organization does not match the perceived level of importance that the guest places on the attribute, there is a service gap. This gap can cause dissatisfaction for the guest. Therefore, an organization needs to identify such service gaps to minimize their occurrence and to diligently resolve those that do occur.

Customer satisfaction occurs when the customer's expectation of the service provided matches his/her perception of the actual service received (Sasser, Olsen, & Wyckoff, 1978; Groonroos, 1978; Parasuraman, Zeithaml, & Berry, 1985). Customers judge the services provided or the product delivered to them by making a very subjective value judgment that many times does not reflect reality. The current competitive market conditions within the service industry have caused organizations to shift their focus to customer satisfaction because long-term satisfaction is believed to lead to profitability. Better services will assure customer satisfaction. Ensuring that the customers' priorities become the priorities of the organization will also help with customer satisfaction. The general belief is that satisfied consumers will stay loyal and will, in return, ensure positive word of mouth, referrals to other people, and overall increased revenues (Munusamy & Fong, 2008).

Purpose of Research

The purpose of this study was to assess the influence of timeshare program offerings and owner service offerings upon owner (i.e., member) satisfaction with the timeshare resort unit purchase within the context of the current economic recession. The purpose of this study was twofold: first, to analyze the way in which the owners use their timeshare ownership via developer-provided program offerings and member services; and second, to determine the degree to which these timeshare program offerings and member services interact to influence owner-satisfaction indices.

STUDY METHODOLOGY AND SURVEY ELEMENTS

In an effort to gauge member preferences for resort program offerings and owner services, the researchers collaborated with the timeshare resort developer's executive team. The developer's team consisted of executives from the developer's functional divisions of marketing, sales, owner services, and resort operations. The resort team provided input concerning the type of product, service, and satisfaction indicators, while the university team provided input on questionnaire construction, sampling procedures, and statistical manipulation of the data. This process yielded survey items that captured member satisfaction with program and owner services, program-usage characteristics, service-usage patterns, and resort-reservation patterns that pertained specifically to that year's product and service offerings (Figure 1).

Figure 1
Developer Program Offerings, Owner Service
Characteristics, and Satisfaction Indices

<u>Program Offerings</u>	<u>Service Characteristics</u>	<u>Satisfaction Indices</u>
vacation stay at original resort of purchase	professionalism of the service agent	how satisfied are you with your membership
vacation stay at another developer resort collection	service agent knowledge of benefit programs	how satisfied were you with your most recent resort experience
external exchange option	ease in contacting owner service department	how satisfied is your family with their membership
convert points to other member options	clarity of owner service information	
banked or borrowed time	reservation request satisfaction	
used a weekend getaway package	agent's knowledge of resort collection	
take a cruise line option		
stayed at a hotel affiliate		
Scale 1=high preference to 3=low preference	Scale – 1=strongly agree to 5=strongly disagree	Scale – 1=Very satisfied to 5=very dissatisfied

Relative to the purpose of this study, the executive team sought to gather feedback from one of the developer's newest resort locations. This resort, which was located in the Southeastern United States, had, at the time of survey administration, 3,011 members, who had used their resort benefits within the same year. All 3,011 members were mailed a print survey with the understanding that only one survey be completed per household. Each survey was tracked by means of a unique

membership identification number that was assigned to the member at the point of sale. The members were told to return their completed survey within two to four weeks of receipt. This process yielded a response rate of 2,604 out of 3,011 usable surveys, for a percentage of 86.5%. It should be noted that the developer offered an incentive for participating in the study, which ranged from a free weekend vacation to an additional week stay at one of the developer's resort locations. The widely accepted social science cut-off is that alpha should be .70 or higher for a set of items to be considered a scale, but some use .75 or .80, while others are as lenient as .60 (Cortina, 1993).

The key components of the survey consisted of three satisfaction items, eight program-usage characteristics, six service characteristics, and three reservation-usage characteristics. The satisfaction indicators were: How satisfied are you with your membership? How satisfied were you with your most recent resort experience? How satisfied is your family with this membership? The eight program characteristics were to what degree have you utilized the following options: a vacation stay at original resort of purchase, vacation stay at another developer resort collection, exchange option, converted points to other member options, banked or borrowed time, used a weekend getaway package, took a cruise line option, and stayed at a hotel affiliate. The service-usage characteristics concerned the degree to which the member was satisfied with the developer's owner service offerings. These included professionalism of the service agent, knowledge of benefit programs, ease in contacting owner services, clarity of owner service information, reservation request satisfaction, and knowledge of resort collection (Figure 1). The remaining part of the survey concerned the reservation order of preference concerning the member's resort stay. The options were location, date of stay, and type of unit.

RESEARCH QUESTIONS

As noted previously, the developer was interested in determining the impact of product, service, and reservation patterns upon the three chosen indicators of service and satisfaction. The stepwise regression statistical analysis in conjunction with the Varimax rotation procedure was used to answer those questions via the design of the following research questions.

R₁: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance upon the dependent variable of "overall, how satisfied are you with your membership?"

R₂: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance upon the dependent variable of “how satisfied are you with your most recent resort experience?”

R₃: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance upon the dependent variable of “how satisfied is your family with your membership?”

STUDY FINDINGS

Descriptive Analysis

In terms of statistical mean preference when layered in rank order from highest to lowest, this group of resort members preferred to use their originally purchased timeshare interval at their designated timeshare resort followed by use of their points for a stay at one of the developer's other resort locations; to use an external exchange at a resort property outside of the developer's internal resort collection; to allocate their purchase points to the current or upcoming year for a longer stay or a bigger unit; to spend a weekend at one of the developer's hotel affiliates; to accept one of the developer's timeshare weekend getaway promotional packages; and lastly, to take advantage of a cruise-line excursion package, as offered through the timeshare developer. Clearly this usage profile represents a diversity of ways in which the timeshare purchaser can use the timeshare purchase in a way that accommodates individual vacation needs.

It should also be understood that the timeshare owner must use the developer's owner services division to make use of the annual allotment of points. This equates to a form of inventory management whereby the owner is required to prioritize reservation preferences in terms of choice of resort, vacation date, and size of unit. When asked about their order of preference, from highest to lowest, this group of respondents rated them as vacation date, resort location, and size of sleeping unit.

These owner service agents serve as the primary interface between the company and their over 100,000 members. Therefore, it is important for this timeshare developer to assess satisfaction with the services offered by this division. Table 1 indicates that the members rate the owner services division very highly on all six service characteristics.

Lastly, this timeshare developer leveraged an annual member-satisfaction survey for a little over a decade in an effort to benchmark how the company was performing in the areas of sales, marketing, and operations. The overall average for the primary indices that specifically relate to the quality of service provided by this developer was very high on all three indicators (Table 1 – membership satisfaction indices).

Table 1
Mean ratings

<u>Program Offerings</u>	Mean	s.d.	<u>Service Characteristics</u>	Mean	s.d.
vacation stay at original resort of purchase	2.17	0.66	professionalism of the service agent	1.44	0.61
vacation stay at another developer resort collection	2.19	0.57	service agent knowledge of benefit programs	1.66	0.83
external exchange option	2.22	0.68	ease in contacting owner service department	1.84	0.95
convert points to other member options	2.52	0.50	clarity of owner service information	1.84	0.90
banked or borrowed time	2.30	0.45	reservation request satisfaction	2.00	1.13
used a weekend getaway package	2.68	0.53	agent's knowledge of resort collection		
take a cruise line option	2.90	0.39			
stayed at a hotel affiliate	2.63	0.48			
Scale 1=highest preference to 3=lowest preference			Scale – 1=strongly agree to 5=strongly disagree		
<u>Reservation Preference</u>	Mean	s.d.	<u>Membership Satisfaction Indices</u>	Mean	s.d.
Resort location	1.53	0.97	how satisfied are you with your membership	1.94	1.02
Vacation date	1.45	0.91	how satisfied were you with your most recent resort experience	1.98	1.09
Unit size	1.63	0.99	how satisfied is your family with their membership	2.03	1.04
Scale 1 =high to 4=low preference			Scale – 1 =Very satisfied to 5=very dissatisfied		

Regression Analysis

R₁: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance in the dependent variable of “overall, how satisfied are you with your membership?”

In agreement with Sasser et al. (1978), Gronroos (1978) and Parasuraman et al. (1985), the actual service received by the customer is integral to the perceived rating of satisfaction. This is supported by the finding that the “clarity of the information provided by the service agent” and the “ease of contacting the developer’s owner service division” significantly contributed to the total model variance. It should be noted that the other remaining owner-service item contributed to this model, as well; however, the lingering variable of the “service agent is knowledgeable of other marketing programs offered by the developer” was not of significant impact upon this dependent variable.

Overall, this fourteen-item model accounted for .519 of total variance in predicting the members’ overall satisfaction with their membership. The implication is that owner services is rated very high, followed by the order of reservation preference (size of unit, vacation date, resort location), which was accentuated with the option of taking advantage of weekend getaway packages as exerting a higher degree of influence upon the respondents’ perception of overall membership satisfaction. Fourteen items factored into this model; five of the owner-services variables, six of the eight program options, and all three of the reservation preference options exerted a significant influence of less than .001 upon the dependent variable (Table 2a). There was no multicollinearity (VIF) found within this model.

Table 2a
Dimensions affecting satisfaction with overall membership

Sample - Members	R ² Sig.	Dimensions	Beta	Adjusted Beta	Sig.	VIF
Best model (14)	.519	Clarity of service agent information	.259	.230	.000	3.02
		Ease of contacting service agent	.386	.359	.000	1.53
		Use weekend getaway packages	-.441	-.229	.000	1.20
		Unit size during stay	.311	.301	.000	3.67
		Resort location	-.352	-.313	.000	4.04
		Vacation date	.192	.183	.000	2.17
		Convert points to hotel stay	.273	.133	.000	1.17
		Vacation at another developer resort	.231	.129	.000	1.29
		External exchange	-.128	-.085	.000	1.22
		Service agent professionalism	.142	.085	.000	2.17
		Service agent knowledgeable of resorts	-.080	-.092	.000	2.08
		Bank & borrow	-.179	-.080	.000	1.28
		Vacation at primary resort	-.087	-.057	.000	1.25
		Service agent satisfied my request	.076	.084	.001	3.30

R₂: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance upon the dependent variable “how satisfied are you with your most recent resort experience?”

In reference to Table 2b a fourteen-variable model explains .474 of the variance in the dependent variable “what is your overall satisfaction with your most recent vacation experience?” Once again, a combination of owner service factors, program offerings, and reservation preference composed the model. The similarity on this dependent variable is that once again the role of the owner service division plays a crucial role with perceived owner satisfaction. Hence, it appears that a high degree of importance is placed upon the service agent’s being knowledgeable about the developer’s resort collection, the ease of contacting the owner service division, along with this office’s ability to address their reservation preferences and vacation preferences. Therefore, for this dependent variable it is apparent that the proximity of the member’s upcoming vacation request requires the skills of the owner services agent. This also implies that the agent must be knowledgeable regarding specific program offerings and any other vacation options that the member might want to use during a planned vacation stay.

Overall, respondents indicated that all six of the owner service dimensions were important, with the service agent’s knowledge of the developers’ resort collection being the most influential. Five of the program offerings received higher preference in usage, with the exchange option being the most significant. All three of the reservation preferences were important, with the order of influence being unit size, vacation date, and resort location. Finally, all three of the owner service agent dimensions were represented, and all three of the reservation preferences were present, yet only five of the available program offerings were present in this model. There was no evidence of multi-collinearity (VIF) present in this model.

Table 2b
Overall satisfaction with most recent vacation experience

Sample - Members	R ² Sig.	Dimensions	Beta	Adjusted Beta	Sig.	VIF
Best model (14)	.474	Service agent knowledgeable of resorts	.378	.290	.000	2.13
		Ease of contacting service agent	.467	.293	.000	1.47
		External exchange	.540	.246	.000	1.22
		Convert points to hotel stay	-.516	-.169	.000	1.51
		Service agent knowledge of developer programs	1.029	.558	.000	6.74
		Service agent professionalism	-1.154	-.469	.000	4.95
		Exercise cruise option	-.581	-.152	.000	1.13
		Unit size during stay	.505	.324	.000	3.21
		Vacation date	-.488	-.284	.000	3.81
		Clarity of service agent information	-.379	-.227	.000	3.93
		Booked hotel stay with developer’s parent company	-.296	-.093	.000	1.45
		Resort location	.140	.087	.000	2.28
		Bank & borrow	-.196	-.059	.000	1.17
		Service agent satisfied my request	.146	.110	.000	3.54

R₃: What combination of product offerings, owner services, and reservation characteristics accounted for the most variance upon dependent variable “how satisfied is your family with your membership?”

The purchase and use of the timeshare had a long-term positive impact on the family's quality of life. This indicator of long-range benefit yielded a ten-item model that attributed .574 of the model's influence upon the dependent variable of family impact.

For this group of respondents four of the six owner service items exerted a significant influence, while only four of the marketing programs indicated a relationship, and only two of the reservation preferences were noted to have an impact. Therefore, the importance of the developer's owner service agent is not surprising given the variety of marketing programs that owners could avail themselves of over their years of continued membership. From this longitudinal perspective it is interesting to note that marketing vacation programs at the primary resort, booking a hotel stay at the developer's parent company, converting timeshare points into a hotel stay with the developer's parent company, and using a mini-vacation with the timeshare developer—all of these exert a long-range impact upon the member's family. What this indicates is that the quality of the timeshare product, along with the flexibility of using membership benefits for regular hotel stays, is a very significant requisite for these members. Apparently, what these members expected in level of products and services are in alignment with what they experienced. Once again, there was no evidence of multi-collinearity (VIF) present in this model.

Table 2c
Membership impact upon family lives

Sample - Members	R ² Sig.	Dimensions	Beta	Adjusted Beta	Sig.	VIF
Best model (10)	.574	Ease of contacting service agent	.356	.318	.000	1.48
		Unit size during stay	.631	.569	.000	3.10
		Service agent professionalism	.231	.133	.000	2.03
		Vacation date	-.276	-.221	.000	2.95
		Service agent satisfied my request	.217	.232	.000	2.42
		Service agent knowledgeable of resorts	-.154	-.172	.000	1.91
		Vacationed at primary resort choice	.144	.093	.000	1.13
		Booked hotel stay with developer's parent company	-.335	-.155	.000	1.42
		Convert points to hotel stay	.249	.119	.000	1.41
		Use weekend getaway packages	-.134	-.069	.000	1.07

DISCUSSION OF RESULTS

This study reveals that, for the timeshare consumer, the role of owner services remains critical to consumer satisfaction whether it is viewed from a macro (overall satisfaction), immediate (satisfaction with most recent vacation), or long-range impact (family) perspective.

In reviewing Tables 2a, 2b, and 2c, it is apparent that the developers' Had both knees replaced various, attractive marketing-program offerings interact with their members' perceptions of overall satisfaction as well as their satisfaction with their most recent vacation. This observation does not discount the importance of the various marketing program offerings upon the perceived (and long-range) family impact. Hence, what these results indicate is that the timeshare consumer views certain service and marketing elements to be critical to their long-range, rather than personal, vacation needs. In reflecting upon Table 2c, this explains the very linear approach noted by these timeshare consumers concerning the long-range role that owner services plays in completing vacation requests. According to Table 2c, the critical nature of this request is exemplified by the member's being able to contact the owner service's office with relative ease, by the agent's professionalism during this interaction, by the agent's knowledge of the developer's resort collection, by the agent's adeptness in completing the tangible

components of the member's vacation request (size of unit, vacation date, allocation of points for a hotel stay, booking a hotel stay), and by the agent's proficiency in completing any kind of member request (e.g., to make use of a getaway package at a timeshare resort of choice). It is important to note that these timeshare owners reported that the ease of contacting the service agent, the professionalism of the service agent, and the knowledge of resorts exhibited by the service agent were important to sustained satisfaction and therefore loyalty to this brand. This assumption is based upon the Beta scores located in the upper portion of the model. This Beta profile offers strong support for the critical nature of maintaining a service focus during the current turbulent economic times.

CONCLUSION

The purpose of this study was to analyze the way in which timeshare owners use their ownership via developer-provided program offerings and member services, and to determine owner satisfaction related to those program offerings and services within the context of the current economic recession.

The study found that owner services for this particular organization were rated very high, followed by the order of reservation preference (size of unit, vacation date, resort location). This was accentuated with the option of taking advantage of weekend getaway packages as exerting a higher degree of influence upon the respondents' perceptions of overall membership satisfaction. This emphasizes what other research has found, namely that timeshare organizations need to have outstanding service providers in order to ensure owner satisfaction.

In relation to their most recent resort visit, these owners placed a high degree of importance on the service agent's knowledge of the developer's resort collection, on the ease of contacting the owner service division, and on that's office's ability to address their reservation preferences and vacation preferences. This finding again emphasizes the need for outstanding hiring and training practices to ensure that the service provided to owners will make them feel well taken care of at the timeshare operation.

The importance of the developer's owner service agent is not surprising given the variety of marketing programs that owners could possibly avail themselves of over their years of continued membership. What this finding indicates is that the quality of the timeshare product, along with the flexibility of using membership benefits for regular hotel stays, is a very significant perquisite for these members. In the long term

it is critical that marketing programs continue to be developed with future owners' needs in mind in order to ensure that they continue to feel "value" for the timeshare purchase.

This study added to the literature regarding the preferences of timeshare owners with relation to services provided and products/amenities offered. If owners are to be retained, research must continue to be undertaken in the area of timeshare owner satisfaction. The gap must be closed between the importance of various attributes and the perceived performance of timeshare organizations regarding those attributes. As based on this study's satisfaction indicators, it appears that owner service and onsite resort services are able to keep consistent pace with owner expectations of product and service provisions. Future research into a variety of timeshare organizations can determine whether similar results are found in other settings and whether preferences of timeshare owners are unique to a particular brand or can be generalized across brands.

STUDY LIMITATIONS

This study was limited by the fact that it was a single-site study, albeit fairly large in sample size. The timeshare resort developer was affiliated with a branded hotel chain and had over a decade of history in the timeshare industry. Therefore, the marketing programs and customer services (owner services) reflected the parent company's service culture and history, implying that the results of this study cannot apply to other timeshare companies with less mature customer-service systems, policies, and procedures.

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The Foodservice Industry's Social Responsibility Regarding the Obesity Epidemic, Part II: Incorporating Strategic Corporate Social Responsibility into Foodservice Operations

By Audrey C. McCool and Barent N. McCool

Just as all types of business firms are now expected to go beyond their profit-oriented activities in boosting the well-being of the community, so, too, is corporate social responsibility (CSR) expected from foodservice firms. The significance of the obesity epidemic, combined with the foodservice industry's role in the development of this epidemic, suggests that the industry has an ethical responsibility to implement CSR activities that will help reduce obesity, particularly among children. CSR should be seen as an efficient management strategy through which a firm voluntarily integrates social and environmental concerns into its business operations and its interactions with stakeholders. Although costs are associated with CSR initiatives, benefits accrue to the firm. Decisions regarding alternative CSR activities should be based on a cost-benefit analysis and calculation of the present value of the revenue stream that can be identified as resulting from the specific CSR activities. CSR initiatives should be viewed as long-term investments that will enhance the firms' value. Key areas for foodservice firms' CSR activities include marketing practices, particularly practices impacting advertising to children and marketing that will enhance the firms' visibility; portion-size modification; new-product development; and consistent nutrition labeling on menus.

INTRODUCTION

CSR is no longer a vague concept with limited relevance to the foodservice industry. In today's high tech world, news spreads quickly; everyone is expected to do his/her part to take care of the world, and corporate responsibility is a business necessity. Firms are expected to go beyond their profit-oriented activities and boost the well-being of the community. Modern consumers increasingly make purchasing choices from businesses that they trust to be good corporate citizens. Such trust is difficult to earn and easy to lose; once a company loses trust, it may lose its customers' business forever. Although there may be no readily available tool for calculating the payback to a firm for its civic or public health actions, many corporate officials believe that "doing the right thing" has a value that cannot be measured. Indeed, if a business' aim is to survive and prosper, the best way is to take a long-term view and understand that if it treats society well, society will return the favor. ("Act responsibly," 2004; Falck & Hebich, 2007; International Organization for Standardization, 2009; Nicolau, 2008).

Part I of this two-part discussion of the foodservice industry's responsibility regarding the obesity epidemic pointed out that there is

little doubt that the current obesity epidemic is nearing crisis proportions, and that the potential long-term economic impact of the epidemic may be catastrophic to the U.S. economy (McCool & McCool, 2010). Today Americans are intensely concerned about the obesity problem and poor nutrition in general. The foodservice industry has played a significant role in the development of this epidemic, even if that role is only one of several contributing factors. Americans are dining out today more than ever before; almost half of consumers' food dollar is now spent in restaurants and other foodservice establishments. Many persons are getting at least one-third of all their calories from restaurant foods, and the higher frequency of eating meals outside the home has been associated with adverse nutritional consequences (Frumkin, 2010; Kant & Graubard, 2004).

The foodservice industry has a record of becoming actively involved in social issues, including smoking and foodborne illnesses (McCool & McCool, 2010). Today consumers are expecting businesses to behave responsibly and are looking for more information about the food they are consuming and its impact on their health (Frumkin, 2010). Thus, it seems logical that the foodservice industry should recognize that it has social responsibility regarding the obesity epidemic and take the initiative in assuming a leading role in the nation's efforts to combat obesity, a far more critical public health issue than any previously faced in the U.S. Such a proactive approach would reflect the foodservice industry's long-standing support of each operation's local community while also helping to deflect potential obesity-related legal and legislative actions that would be detrimental to the industry as a whole.

Both smoking and foodborne illnesses represent significant public health issues related to the foodservice industry (McCool & McCool, 2010). One might ask whether the industry has taken actions to reduce the problems associated with these health issues because the industry believes that it has an ethical and a social responsibility to do so or because it has an economic interest in doing so. Perhaps it is both; perhaps the industry's economic interests are related to its ethical and social responsibility. One might ask, then, whether such a relationship between a foodservice firm's economic interests and social responsibility carries over to the current obesity epidemic. If so, what actions might be appropriate for the industry to take to help reduce the incidence and associated economic burden of obesity? To consider these questions, it is first necessary to consider the concepts of ethical and social responsibility as they might be applied to the foodservice industry.

DEFINING ETHICS

If foodservice establishments are to be evaluated relative to their ethical behavior in regard to the obesity epidemic, it is necessary to consider the term *ethics*. Parhizgar (2001, p. 134) stated:

Ethics involves critical analysis of cultural value systems in order to determine the validity of their rightness or wrongness in terms of two major criteria: truthfulness and its justification. Ethics examines the relationship of an individual in respect to society, to nature, and/or to God. It examines popular cultural elements, justifications, and generalizations of customs, conventions, and traditions in terms of justness, fairness and worthiness.

He went on to say "Ethics is to harmonize conflicting psychosocial interest between an individual and other people" (p. 134). Ross (2004, p. 4) quoted Nash (1993, p. 5) in saying that "business ethics may be understood as '... how personal moral norms apply to the activities and goals of commercial enterprise.' " Rendtorff (2009) noted that ethical principles are important to service firms, i.e., firms such as foodservice establishments that deal directly with people, and that such principles apply to all the firm's stakeholders, including both employees and customers. He defined four ethical principles relevant to these firms: autonomy, dignity, integrity, and vulnerability (See Table 1). In Table 1, the concepts embodied in each of these principles are identified, and the identification is expanded to illustrate how it might apply to the foodservice industry and the obesity epidemic. These principles could provide guidance to foodservice firms as they consider their relationship to the obesity epidemic and their ethical responsibility to all of their stakeholders, including their local community.

Table 1
Ethical principles for service
industries as defined by Rendtorff (2009)¹

Principle	Concept Embodied in the Principle	Concept Applied to the Foodservice Industry and the Obesity Epidemic
Autonomy	Establishments should be free to work, produce, trade, buy, & sell and make profits	Establishments should be free to sell whatever food products they wish, consistent with their business strategy and profit objectives; the obesity epidemic is irrelevant unless incorporated into the business strategy
Dignity	Reflects an emphasis on human rights; related to whether a firm can be held responsible for its actions; concerns the relations of the firm to the environment	Establishments need to consider customers' rights to be able to obtain healthful food; they can be held responsible for selling products which contribute to obesity, particularly if they do not consider the relationship of such products to environmental issues.
Integrity	Linked to honesty and uprightness in character; implies commitment and conscientious adherence to one's moral principles; expresses the willingness, capacity, and readiness of a firm to be committed to act as a good citizen and responsible moral agent in society	Establishments' decision-making regarding products sold based on corporate values; values would incorporate a perspective on social responsibility that would impact decision making regarding possible actions that might be taken to help alleviate obesity among all establishment stakeholders
Vulnerability	Implies respect for weaker or less powerful persons or organizations; leads to taking responsibility for giving such persons or organizations fair treatment and not exploiting their vulnerability	Establishments would treat persons with respect and not try to get them to purchase and consume foods of low nutritional value or which could potentially contribute to persons' obesity in order to increase profits

¹Rendtorff, J.D. (2009). Basic ethical principles applied to service industries. *The Service Industries Journal*, 29(1), 9-19.

CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

Today business firms are expected to have ethical responsibilities; thus, they are expected to go beyond their profit-oriented activities and boost the well-being of the community. People tend to put their trust in responsible firms. Trust in a firm and the product sold is very important to a foodservice establishment, as food is closely related to the health and wellbeing of the customer, as has been noted in Part I's discussion regarding foodborne illnesses (McCool & McCool, 2010). CSR initiatives can reflect a strong public relations strategy that can lead to competitive advantages and long-term financial rewards, particularly in today's market environment, in which many stakeholders may have strong social concerns (Nicolau, 2008). While there is no firm definition of CSR, it should be noted that CSR is ultimately based on the recognition that businesses are part of society and that, as such, they have the potential to make a positive contribution to social goals and aspirations. Thus, CSR might be thought of as a concept whereby firms voluntarily integrate social and environmental concerns into their business operations and into their interactions with their stakeholders (Jones, Comfort, & Hillier, 2006). The World Bank defined CSR as:

a term describing a company's obligations to be accountable to all of its stakeholders in all its operations and activities. Socially responsible companies consider the full scope of their impact on communities and the environment when making decisions, balancing the needs of stakeholders with their need to make a profit" (as cited in Nicolau, 2008, p. 991).

Rendtorff (2009) argued that corporate social performance is closely linked to CSR and that ethical responsibility constitutes a normative restraint on the firm. Such responsibility, along with a values-driven management based on ethical principles, is an important aspect of corporate social responsiveness and the foundation of corporate social performance.

Five key drivers influencing the increasing business focus on CSR have been suggested. These drivers are: (1) direct stakeholder pressures; (2) greater stakeholder awareness of corporate ethical, social, and environmental behavior; (3) investor pressure; (4) peer pressure; and (5) an increased sense of social responsibility. These drivers reflect fundamental changes in today's overall business environment, which include (1) globalization; (2) responsibilities firms feel as they increasingly source products and services in developing countries; (3) issues of image

and reputation; and (4) the need to recruit and retain highly skilled personnel (Jones et al., 2006). The ideas of corporate citizenship, sustainability, responsibility, fairness, and concerns for community are practical guidelines for corporate social responsibility.

Based on a comprehensive review of the literature regarding CSR, Lantos (2002) suggested that there are three types of CSR: ethical, altruistic, and strategic. He perceived ethical CSR as that which is morally mandatory, i.e., responsibility that goes beyond a firm's fulfilling its economic and legal obligations. Ethical CSR leads to responsibilities to avoid harm or social injuries even if the firm might not appear to benefit from such action. Hence, from the perspective of ethical CSR, a firm is morally responsible to any individuals or groups upon whom a particular course of action might inflict actual or potential injury. From this perspective, it would seem that foodservice firms would have a moral responsibility to forgo offering consumers products that would contribute to weight gain, potentially causing them to become obese. This responsibility not to cause harm (not to cause obesity) would supercede the firm's responsibility to create profit if the two responsibilities were not compatible.

Altruistic CSR would reflect the firm's philanthropic responsibilities and involve contributing to the good of various societal stakeholders even if such contributions sacrificed part of the firm's profitability. It assumes that there is an implicit social contract between a business firm and society whereby the firm, entrusted with economic and human resources from the surrounding society, agrees to be a good steward of these resources for society. Because altruistic CSR diverts business resources away from the good of the firm and reduces the economic viability of the firm, Lantos argued that altruistic CSR is unethical for a business and thus an inappropriate practice for a business firm (2002). Lantos is not alone in his argument against altruistic CSR, as Friedmann (1982), cited in Jones et al. (2006, p. 331) stated:

There is one and only one social responsibility of business--to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say engages in open and free competition without deception or fraud.

Altruistic CSR seems to imply that the foodservice industry should be using industry resources aggressively to alleviate obesity, a significant social issue, in any way possible. From this perspective, such efforts should be undertaken without regard to a firm's need to meet at

least minimum profit objectives. If the firm is to stay in business, such a perspective regarding the firm's CSR is not operationally practical over the long term. Indeed, the concept of CSR can be considered highly ambiguous as business firms are influenced by two sets of interests: (1) their fiduciary responsibility to their shareholders, who would prioritize growth and efficient allocation of resources; and (2) their responsibility to their remaining stakeholders, a responsibility often defined by a legal framework that the firms did not create (Rodríguez & Cruz, 2007; Reich, 1998).

In contrast to ethical and altruistic CSR, strategic CSR incorporates caring corporate community- service activities that accomplish strategic business goals. With strategic CSR, firms contribute to their constituencies not only because it is a kind and generous thing to do, but also because they believe it to be in their best financial interests to do so, thereby fulfilling their fiduciary responsibilities to their owners. Since concepts such as loyalty and trust are important components of business activity roles and relationships, an "ethics of care" perspective should help business firms understand the priorities of their various social duties. While this perspective seems to underscore the importance of firms entering into caring relationships with their various constituencies (i.e., employees, customers, supply-chain partners, etc.), there is a belief that the ethics of care should also encompass the larger system of relationships that make up communities. From this perspective, businesses are considered to be vital components of "an interconnected world community and ecosystem" (Trevino & Nelson, 1999, cited in Lantos, 2002, p. 217). Indeed, Lantos suggested that socially responsible practices are justifiable when such practices can be demonstrated to yield benefits to the firm commensurate with their costs, as they are then consistent with the firm's primary role as an economic/business operation. Thus, from the perspective of strategic CSR, a foodservice establishment should take socially responsible actions that will help alleviate obesity. However, such actions should be in accord with the overall objectives of the firm and should reflect the community's perspective on major social concerns that may extend beyond obesity to other issues, such as environmental sustainability.

THE INCORPORATION OF CSR INTO A FIRM'S STRATEGIC MANAGEMENT

Several reported literature reviews have concluded that the market rewards business firms' social activities, and they point out that CSR can be considered an efficient management strategy. However,

effective CSR is usually a long-term strategy and should be considered an investment in the company's future (Falck & Heblich, 2007). Strategic management theory suggests that the key to success lies in creating a competitive advantage which, skillfully managed, will result in value creation. Value is created when consumers are willing to pay a premium for the firm's products and/or services based on its involvement in and position with respect to specific social issues. All of a firm's activities may add value to the extent that they reduce costs, create product differentiation, or move customers to buy from that firm rather than from a competitor. CSR initiatives and activities provide an opportunity to re-configure a firm's competitive landscape. Value creation often reflects a firm's innovation ability, and strategic management theorists have consistently asserted that CSR can lead to opportunities for innovation. However, it is not a given that CSR innovation will produce either a competitive advantage or create value; thus CSR alternatives must be carefully considered relative to the firm's strategic goals (Husted & Allen, 2007).

Rodríguez & Cruz (2007) suggested that CSR should be seen as a business firm's voluntary integration of social and environmental concerns into their business operations and their interactions with their stakeholders. This perspective implies that CSR goes beyond merely complying with established legislation. Rather, it involves investing in human capital, in the environment, and in the firm's relationships with its stakeholders. Consequently, CSR involves a strategic-type approach that affects the decision-making and operations throughout the entire organization, creating long-term value and contributing significantly to the acquisition of long-term competitive advantages. Nicolau (2008) noted that the effect of CSR on a firm's performance is critical, i.e., (1) whether socially oriented activities lead to positive outcomes for the firm or (2) whether there might be fundamental tensions between socially oriented CSR activities and the firm's profit objectives. He went on to indicate that his tourism-industry-based study indicated that a firm acting as a "responsible citizen" is not incompatible with the firm's attaining its profit goals. However, a firm's social reputation, derived from the firm's applying CSR actions, is a long-term relationship; therefore, CSR should be used strategically to aid management in making strategic plans that will simultaneously satisfy stakeholders' social interests, and their interests in the firm's profitability and long-term value. Falck & Heblich (2007) suggested that a firm's decision regarding implementation of a CSR activity should be based on an evaluation of the opportunities and threats involved, and the calculation of a cost-benefit analysis and the expected

net present value of the future cash flow that would likely result from the CSR activity.

Holcomb, Upchurch, and Okumus (2007) supported the importance of firms' engaging in CSR as a part of their organizational strategy, indicating that lodging firms were increasingly incorporating CSR into their strategic operations and utilizing socially responsible activities as a means of enhancing their overall business success. Reflecting increasing world-wide public interest in business ethics and corporate social responsibility, the majority of the ten leading international hotel companies considered in this study reported making some form of charitable donations in the past year and often reported such donations on company Web sites, where the reports would be visible to everyone. These corporations now seem to believe that publicizing their contributions to their communities benefits employee morale, helps promote their reputation and brand image, and even facilitates their recruitment of quality employees. Further, at the time of this study, four of these lodging corporations had some mention of social responsibility in their vision or mission statement or related documents, indicating that CSR had moved into the strategic thinking of these firms. However, the CSR within the lodging industry reported by this study focuses on contributions to local community charities rather than fundamental changes to the product offered by the firm, as may be the case for many foodservice firms engaging in CSR activities. Unfortunately, no similar studies have been reported for the foodservice industry that evaluate the impact of product changes undertaken as CSR-related actions. However, the authors do quote an association known as Business in the Community to define CSR as

"... the management of a company's positive impact on society and the environment through its operations, products or services and through its interaction with key stakeholders such as employees, customers, investors, and suppliers" (Holcomb, Upchurch, & Okumus, 2007, p. 462). This definition implies that it is not just contributions to community charities, but also the management of the firm's positive impact through its products and services, that can lead to positive economic benefits for the firm.

WHY HOSPITALITY FIRMS ARE ENGAGING IN CSR ACTIVITIES

Today, there is a climate of cynicism regarding businesses' and business management's ethics throughout much of the business world (Panda, 2008; Ross, 2004). Such a climate can have a negative impact on

all facets of the hospitality industry, including foodservice establishments, as such firms are often evaluated relative to the service and care provided to their guests. Accordingly, foodservice establishments need to be aware of the impact that their perceived ethical or socially responsible actions, or lack thereof, may have on their reputation with their customer base over the long term (Ross, 2004).

Businesses expect to derive benefits from their CSR activities that will offset the costs of implementing such activities. The five main areas of potential benefits include: (1) improvement of the company image and reputation among consumers; (2) enhanced morale among employees leading to improved employee motivation, retention, and recruitment; (3) cost savings, such as reduction in health insurance costs or absentee rates due to illness; (4) revenue increases from higher sales and market share that could result indirectly from improved brand image or directly through product or market development; and (5) CSR-related risk reduction, which could result from improved relationships with government agencies, the surrounding community, or responsiveness to expectations of customers and social groups (Lee & Park, 2009; Nicolau, 2008; Rodríguez & Cruz, 2007; Weber, 2008).

A firm's reputation and brand are greatly influenced by public perception, and visible CSR activities may positively affect a firm's reputation. Visibility builds customer and stakeholder awareness of a firm's products with CSR value added (Husted & Allen, 2007; Wildes, 2008). Increased presence of a firm's CSR activities in the media and the associated development of a favorable firm image appear to have a positive impact on the ability of the firm to generate value through increased customer loyalty, attraction of new customers, and development of new products and markets (Husted & Allen, 2007). Wildes (2008) reported that a poll of over 25,000 respondents from 23 countries on six continents conducted by Environics International, Ltd., found that two out of three respondents expressed the desire for companies to go beyond making money and contribute to broader societal goals. She suggested that basic management training in CSR not only leads to better working conditions, but also nurtures fresh, new ideas. Foodservice firms could capitalize on visibility by developing new, healthful menu items and/or modifying existing items to be more healthful and then developing and implementing an innovative marketing program for these menu items. Table 2 lists some ways in which CSR initiatives relative to the obesity epidemic and consumers' interest in healthful foods might be incorporated into the workplace.

Table 2
Possible corporate social responsibility (CSR) initiatives relative to the obesity epidemic and the nutritional value of food for hospitality industry firms¹

Embed CSR in the firm's strategic planning and management
Provide specific guidelines and audit firm activities for CSR initiatives
Make CSR part of the weekly business agenda
Create a committee for CSR concerns
Promote employee awareness through training and development
Publish CSR reports in company newsletters, briefings, and annual reports
Measure the effectiveness of the firm's CSR initiatives
Ensure the financial side of the firm develops analyses for CSR initiatives
Allow for flexibility for CSR initiatives and solutions from within the firm
Promote employee awareness of CSR - encourage ideas and suggestions
Adopt a school initiative and teach children what the firm is doing relative to CSR initiatives
Buy local products
Change the menu to reflect seasonality of products
Respect culture; train the local population
Invest in the community
Explore partnering with other organizations (e.g. co-sponsor a community event)
Contact local business organizations, such as the Chamber of Commerce, to learn what events they sponsor and how the firm might contribute
Spread the word; publish your activities/findings; send press releases to local, regional, and national newspapers and other publications as well as to local radio and television stations to let them know about the firm's efforts
Donate foods to food banks and receive a tax deduction
Be proud of the firm's CSR initiatives and challenge other companies to join in the effort

¹Adapted from Wildes, V.J. (2008). How can organizational leaders really lead and serve at the same time. *International Journal of Contemporary Hospitality Management*, 20(1), 72-74.

Any one CSR activity is not likely to result in benefits in all five categories. Thus decisions have to be made regarding alternative CSR actions. Such decisions should be made through an evaluation of the strategic relevance of the business benefits anticipated from each CSR alternative. Assessment of the impact of CSR activities on a firm's market value is also important. Assuming that shareholders behave rationally, the share price of a firm's stock should reflect the present value of future cash flows. Thus the estimated impact of proposed CSR activities on a firm's value is a good approach for evaluating CSR alternatives (Nicolau, 2008; Weber, 2008).

There are a limited number of reports regarding foodservice industry CSR activities in the U.S. However, one report regarding CSR activities by pub operators in the United Kingdom (Jones et al., 2006) indicated that while those pub operators were involved in CSR activities, many of their activities appeared to be driven by business imperatives as opposed to strategic planning. For example, their efforts to reduce energy use and waste generation are presented more as operational cost savings than as CSR activities, or efforts to promote responsible drinking may be based more on avoidance of the high costs of legal liability than on actual concern for customers' welfare (Jones et al., 2006). Peattie (2006) suggested considering CSR as a process of managing and balancing the relationships between a business and its many stakeholders in a professional, proactive, responsible, and sustainable way. He suggested that concerns about social and environmental issues bring opportunities for innovations and new products.

Lodging industry reports on CSR may reflect the foodservice industry's rationale regarding CSR. From a lodging industry perspective, Upchurch (1998) reported that lodging industry management did engage in ethical or socially responsible activities. He found that the primary motivation for such activity was benevolence, a concept defined as the firm's acting in a fair and impartial basis to maximize the good, following impartial distribution rules. In contrast to the previously discussed concept of strategic CSR described by Lantos (2002), under the principle of benevolence, the firm does not make socially responsible decisions on the basis of marketing strategies or other such strategies that place the long-term economic well-being of the firm as the primary criterion. Rather, emphasis is on maximizing the best interest of organizational members within prescribed boundaries (Upchurch, 1998).

It is important to recognize that a firm's acting as a "responsible citizen" is not incompatible with the firm's needing economic profits. It should be remembered that consumers tend to put their trust in responsible firms, and that trust is essential for firms in the hospitality industry. Markets within the hospitality industry, including the foodservice industry, are very information-sensitive. Consumer uncertainty is high due to the inherent characteristics of purchase and consumption, i.e., people purchase and consume food without having an opportunity to "try out" the food before it is purchased or to return food found to be unsatisfactory after it is eaten. Consumers must trust the foodservice firm to provide them with food that is safe and nutritious, and that trust is enhanced when a firm engages in CSR activities for the benefit of the consumers and the community. For foodservice firms, this

trust is essential regardless of the economic status of the consumer. Although consumers with limited economic resources may purchase foods that are low in cost without consideration of their nutritional value, as indicated in Part I of this two-part series (McCool & McCool, 2010), it is almost a certainty that a foodservice firm will quickly be out of business if consumers do not trust the operation to serve them safe food, i.e., food that will not cause foodborne illnesses.

CSR CAN ADD VALUE TO A HOSPITALITY INDUSTRY FIRM

As CSR has become increasingly relevant in today's business environment, and as hospitality industry firms have become actively involved in community and social issues in various ways, the question arises as to whether there is a value, or a return on investment, to the firms as a result of these activities. Overall, in the hospitality industry context, there have been only a limited number of reported studies of the impact of CSR on a firm's financial performance. Several studies have reported that CSR activities appear to have a positive impact on both customer satisfaction and the value of the firm (Jackson & Hua, 2009; Kang, Lee, & Huh, 2009; Lee & Heo, 2009; Lee & Park, 2009; Park & Lee, 2009; Rodríguez & Cruz, 2007). Jackson and Hua (2009) and Lee and Park (2009) found that a positive synergy existed between well-executed CSR initiatives and a hotel firm's performance, with a resulting increase in both the firm's profitability (or short-term performance) and value (long-term performance as reflected by the market perspective of the company). Though these studies focused primarily on hotel firms, Kang et al. (2009) included restaurants in their study and found that like hotels, restaurant firms' CSR activities had a positive impact on the firms' value. However, here too, this impact is primarily realized over the long term and may not result in short-term profitability. They suggest that restaurant establishments should prepare CSR investment plans that consider the long-term effect of CSR activities; thus, recognizing in their planning that the long-term returns compensate for the required implementation investment.

Park and Lee (2009) concur with this perspective while also noting that restaurant firms should give more attention to informing the public about their CSR activities. However, care should be taken that it does not appear to the public that a firm engages in CSR activities simply to boost sales. Firms must recognize that, although initial investment costs will likely exceed short-term return, there is long-term value in investing in CSR. They must also recognize that such investment must be

done as a reflection of their acceptance of their social responsibility, a perspective that must be built into the firm's core concept. CSR values, programs, and policies should be integrated into company strategy so that they can be instilled in stakeholders' minds as a long-term goal rather than a short-term tool (Park & Lee, 2009).

MARKETING PRACTICES WITHIN THE FOODSERVICE INDUSTRY AS STRATEGIC CSR

It is suggested that marketing should take a leadership role in developing a firm's strategic CSR so that philanthropic giving to society and community needs is tied to organizational objectives and strategy. For marketers, as has been discussed previously, visibility of CSR activities is essential for a positive return on investment for these activities and an increase in the long-term value of the firm. Indeed, the greatest benefit of CSR activities lies in the accrued goodwill among a firm's stakeholders (Husted & Allen, 2007; Wildes, 2008). Strategic CSR activity should focus on benefits that can accrue to the firm through the improvement of a firm's image and increased motivation and loyalty, primarily among employees and customers, but also among other key stakeholders throughout the firm's integrated community (Lee & Park, 2009; Nicolau, 2008; Rodríguez & Cruz, 2007; Weber, 2008). While a firm may choose to support some social programs for reasons of good image, public relations, or other strategic interest, such support is a matter of marketing strategy rather than a duty required of the firm (Lantos, 2002).

Marketing strategy is closely linked with ethical issues and CSR, and many concerns about the marketing practices of the foodservice industry have emerged in recent years. Unethical marketing involves the use of practices within marketing to pursue corporate or an individual manager's ends without consideration of what is right and beneficial for both the firm and society. Deceptive advertising is an example of unethical marketing practices of particular concern to the foodservice industry (Panda, 2008).

There is little doubt that advertising and food marketing are areas which have had an important impact on the changes in food consumption patterns that have occurred in the U.S. Studies have shown that both children and adults are influenced by advertisements, especially advertisements viewed on television and other electronic devices. Advertisements have the power to trigger automatic eating behaviors, as well as influence consumer brand preference (Anschutz, Engels, & Van Strien, 2009; Harris, Bargh, & Brownell, 2009; Shaw, 2009).

Of particular concern relative to the obesity crisis is the targeting of advertisements for foods that have limited nutritional value or high sugar or fat content toward children (Kennedy, 2008; Parker-Pope, 2010). This practice is perceived as unethical because of the impact on children's nutritional status and their long-term health and well-being. Kennedy (2008) reported that, in its 2006 policy statement, the American Academy of Pediatrics noted that: (1) children younger than eight years old are cognitively and psychologically defenseless against advertising because they accept the advertising claims at face value; (2) children view 40,000 television advertisements per year, half of which are advertisements about food; (3) of the 20,000 food advertisements, only three percent are for health foods; (4) viewing junk food advertisements in such large volume leads children to overeat and ask for the specific foods presented in the advertisements; and (5) children who are already overweight or obese are more susceptible to the messages they are exposed to through food advertising on television. Food marketers associate their products with fun/happiness appeals targeted at children while rarely employing a healthy product theme or appeal. Fast food commercials have been found to have the highest prevalence of fun/happiness appeals along with the heaviest usage of premium offers and active campaigns to direct children to product-based Web sites (Stitt & Kunkel, 2008). This continued marketing of foods low in nutritional value has potentially serious consequences for the foodservice industry, as policy legislation may be considered to reduce or eliminate marketing practices deemed to be undesirable or harmful to children (Nestle, 2006; International Organization for Standardization, 2009; Seiders & Petty, 2004; Seiders & Petty, 2007). In 2006, the U.S. Institute of Medicine (IOM) suggested that the food/foodservice industry be given two years to pursue voluntary efforts to achieve balance in the nutritional quality of foods marketed to children. However, should voluntary efforts fall short of achieving such a balance, the IOM recommended that the U.S. Congress adopt legislation mandating that balance. The IOM 2006 recommendation also included a provision that the foodservice industry should adopt a policy ensuring that "licensed characters are used only for the promotion of foods and beverages that support healthful diets for children" (Stitt & Kunkel, 2008, p. 583).

Concern for such advertising is growing as the number of venues for nutrient-poor, calorie-dense food advertisements oriented toward children increases through the use of video games, cell phones and other such electronic venues (Harris, Bargh, & Brownell, 2009; Moore & Rideout, 2007; Seiders & Petty, 2007). Policy issues associated with

online food marketing to children include (1) unhealthful nutritional profiles of the promoted products, (2) nonexistence of limits on ad exposures, (3) use of viral marketing tactics, i.e., using social networks to promote brands or providing direct incentives to trigger purchases (special games or merchandise in exchange for proof of product purchases), and (4) market research studies being done with children, i.e., persuading children to watch television advertisements for food products online and using sites to feature entertainment tie-ins and spokes-characters (Moore & Rideout, 2007; Seiders & Petty, 2007). Similarly, advertisements for high-calorie foods, such as many fast foods, have been implicated as unethically targeting minority and low-income populations, contributing to their higher incidence of obesity (Grier, Mensinger, Huang, Kumanyika, & Stettler, 2007; Henderson & Kelly, 2005; Ramirez-Le, et al., 2009). Social marketing has been suggested as an intervention to change the impact of current marketing practices related to food, particularly advertisement directed to minorities and children (Seiders & Petty, 2007).

Because these advertisements have proven to be highly influential regarding food selection and eating habits, advertising offers an important opportunity for the foodservice industry to engage in CSR. Changing food choices in fast food restaurants is an important goal, but the need for change extends throughout all types of restaurants. Simply introducing healthier foods is unlikely to lead to consumers' making healthier food choices. Restaurants must promote the healthier foods as heavily as they do their other menu items. These marketing efforts need to encourage consumers to opt for the healthier menu offerings. Signage and menu descriptors are critically important because what consumers actually "taste" is partially a function of how products are labeled and advertised (Goldberg & Gunasti, 2007).

If the industry were to take the initiative to develop advertisements promoting healthful foods and eating habits that would help reduce and prevent obesity, it seems likely that important inroads could be made into the obesity epidemic, especially among children. The question is: Would the industry be willing to forego short-term profits that might be made and invest in the long-term health and well being of today's consumers, especially children? When considering the content of their advertising and the potential cost-benefit of changing advertising content to focus on healthful food, foodservice firms need to consider that policy legislation is "on the horizon," and they could potentially be faced with restrictive regulations if they do not voluntarily make changes in their advertising and marketing efforts. While some corporations have

made some changes in their advertising and marketing practices toward children, such efforts are limited, and much more change is needed (Kennedy, 2008). Much is known about advertising psychology (Harris, Brownell, & Bargh, 2009), and that knowledge could be applied to new, healthful food advertising for the long-term benefit of all.

CSR ACTIONS REGARDING PORTION SIZE AND NUTRITION LABELING

When the total foodservice industry is considered, the industry has a strong "track record" of involvement in local community activities and in support of the local community's social needs. According to the National Restaurant Association (2005), 90% of restaurants participate in community-based charitable activities. They also help support food banks, homeless shelters, meal programs for the elderly and school nutrition programs. Many restaurants are demonstrating environmental responsibility through sustainable business practices, such as recycling programs and energy- and water-conservation measures. They are also offering sustainable food choices through support of sustainable agricultural practices and sustainable seafood, as well as by offering organic and locally sourced menu items. Some restaurants are taking note of consumer interest in animal rights and are specifying the use of products such as cage-free eggs and meats from humanely raised animals (*Restaurant, Food*, 2009). While such socially responsible actions are certainly desirable and may offer long-range benefits to both the establishments and their stakeholders, most do not directly address the obesity issue. In addition to the previously noted actions regarding advertising practices, foodservice industry CSR actions are needed regarding two industry-related key concerns regarding obesity: portion size and the nutrition labeling of menu items.

Modifying Portion Size

Portion size is an especially critical concern as it is well known that portion sizes have increased markedly over the past thirty years, an increase paralleling the increasing incidence of obesity. This increase in portion size is found in restaurant meals of all kinds, reflecting the foodservice industry's marketing emphasis on "added value" or "getting more for your money." This "portion distortion" is seen in snack foods and soft drinks in vending machines and product packages in the grocery store, as well as in foodservice establishments (U.S. Dept. of Health and Human Services, 2006; Nielsen & Popkin, 2003). The increase in portion sizes is compounded in fast food and convenience establishments by the emphasis placed on "up-sizing," a practice that offers the customer a

larger portion for only a minimal increase in cost. Because there is an established relationship between portion size and what consumers now believe constitutes a portion (Ledikwe, Ello-Martin, & Rolls, 2005), the foodservice industry, along with food processing firms that package products for sale in venues such as vending machines and grocery stores, could take the initiative to reduce portion sizes and educate consumers regarding the value of portion-size reduction (Goldberg & Gunasti, 2007).

While reducing portion sizes may lead to short-term reductions in gross profit for an establishment, modification of portion sizes also offers opportunities for product redevelopment. Some restaurants, including some of the largest fast food firms, are already involved in new product development (Elan, 2009). However, although new products are being developed and offered, generally the establishment's traditional items have not been modified, and portion sizes for these items remain relatively constant. Even traditional items, though, can be modified to be more healthful. When developing or modifying menu items, it is important that restaurants not go to extremes, but rather make slow changes that allow consumers time to accept the modified products. Adding spices, herbs, and new flavors to items can replace flavors lost as recipe changes are made. The widespread availability of a variety of ethnic foods today has introduced many new flavors into foods served by all types of foodservice firms, flavors that are accepted and enjoyed by many consumers.

Finally, promotion of the healthful products is essential. Public concern with obesity is "here to stay." The number of products with a label indicating a health benefit consumed per person daily has increased by 45% since 2000 (Glazer, 2010). Strategic use of CSR suggests that if a firm realizes that a certain social trend is gaining ground, it can act quickly to take advantage of the situation by establishing itself at the forefront of an issue that is becoming a major public concern. The later a firm takes action to join a new trend, the less chance it has of becoming a leader in the field or having much influence on the direction of future regulation (Falck & Heblich, 2007). Thus, it is in a restaurant's interest to be among the industry leaders taking actions to improve the nutritional value of their menu items. A strong marketing program will let consumers know about a restaurant's healthful food menu options while also enhancing the restaurant's reputation as a "responsible citizen" in the community (Glazer, 2010).

A reported project attempted to incorporate changes in restaurant menus as a part of an effort to change the community food environment and support more healthful eating. Although many challenges were encountered, project personnel were able to get some restaurants to offer more healthful foods as a part of their menu offerings. These changes, combined with a strong publicity program to enhance the visibility of the restaurants and their healthful foods initiative, did result in a significant positive effect on the community's elementary school children (Economos et al., 2009). This project suggested that restaurants can successfully take an active role that will help combat the obesity epidemic. Because consumers are interested in social values, such as protecting the environment, and are becoming more aware of the importance of a food's nutritional value, they may ultimately enhance the overall profitability of an establishment through increased customer loyalty and enhanced market share if that restaurant assumes social responsibility and reduces the portion sizes offered.

The Need for Consistent Nutrition Labeling

It has been suggested that one way to encourage consumers to make better food choices, eat better nutritionally, and potentially reduce their risk for obesity, would be to provide nutrition information about menu items for consumers. Most consumers are unaware of the nutritional value of foods available to them in foodservice establishments. Generally, the caloric level and the amounts of fat and sodium in foods are higher than the consumer thinks; so, consumers may believe they are eating healthy foods when, in reality, the foods are likely to be contributing to their potential weight gain (Burton, Creyer, Kees, & Huggins, 2006).

While there have been efforts to require restaurants to provide nutrition information for some time, such efforts have only recently gained strong support. Nutrition labeling would be consistent with the perspective that individuals are personally responsible for what they eat. If nutrition labeling provided consumers with information about their possible food choices, then, from this perspective, consumers could take responsibility for their food intake and choose more healthful foods (Kwan, 2009). While a study by Harnack et al. (2008) reported no significant differences in the energy composition of meals ordered or eaten as a result of menu labeling, but they did suggest that consumers may not have the skills to adequately evaluate the nutritional information incorporated into the menu item labels. They suggested that consumer education is needed as a component of any menu labeling efforts. More

recent studies, though, have concluded that restaurant menu labeling may lead to significantly lower caloric content in restaurant meals, including restaurant meals purchased for children (Tandon et al., 2010). A simulation study conducted by the Los Angeles County Department of Public Health (Kuo, Jarosz, Simon, & Fielding, 2009) suggested that even limited changes in consumer behavior as a result of nutrition labeling in restaurants could have a significant impact on decreasing population weight gain. The impact could be enhanced if related strategies such as pricing incentives for healthier menu items or community education to improve nutrition knowledge were also implemented.

More and more cities, counties, and states have been passing laws with diverse provisions, thus creating much confusion for both the foodservice industry and consumers. To resolve this confusion, a nutrition labeling bill, supported by the National Restaurant Association, has been proposed in the U.S. Congress. If this bill is ultimately passed, it would provide consistent national nutrition labeling standards for foodservice establishments with 20 or more locations. Unfortunately, though, under this legislation, only the larger chain operations would be required to provide nutrition labeling for their menu items (Center for Science, 2003; National Restaurant Association, 2010).

Even if laws are passed requiring nutrition labeling, there are obstacles to implementing such labeling. Such obstacles include too many menu variations for nutrient calculations to be accurate, limited space on the menu for labeling, loss of flexibility in changing the menu, and perception of potentially negative effect on revenue (Almanza, Nelson, & Chai, 1997). Clearly, if nutrition labeling is to have a positive effect on consumers' menu choices, such obstacles must be addressed by the industry. Also, the information must be readily available to the foodservice establishment's guests and must be presented in an understandable format. Not only must consumers be able to access and understand the information, but the information must be accurate and consumers must have confidence in the information accuracy. Unfortunately, a recent study found that the stated caloric content of many restaurant foods and frozen meals from supermarkets labeled as "reduced-energy" was not consistently accurate. The actual caloric content was considerably more than the level stated (Urban et al., 2010). If the foodservice industry is going to take the initiative to provide nutrition information about menu items, then to be socially responsible, the firms will need to exercise care in determining items' nutritional value and will need to help educate consumers about the availability and value of the information.

CONCLUSIONS

The foodservice industry has a record of being actively involved in social issues, such as smoking and foodborne illnesses. Thus, it would seem only logical that the foodservice industry would recognize that it has an ethical responsibility regarding the obesity epidemic and would take the initiative in assuming a leading role in the efforts to combat obesity, a far more critical social issue than any other previously faced in the U.S. While there is little evidence specifically addressing the foodservice industry, a growing body of research from other businesses, including other types of hospitality industry businesses, indicates a positive, synergistic relationship between CSR and the firm's long-term value, particularly when the firm incorporates marketing practices that will enhance the firm's visibility within its strategic management. Thus, it seems likely that it would be in the best interests of foodservice firms to give serious consideration to incorporating CSR initiatives and actions as a component of the firms' strategic management.

Critical areas where CSR actions are needed include portion size, nutrition labeling and ethical advertising practices, particularly regarding advertising directed toward children. Initiation of ethical advertising actions can play an important role in public education regarding both portion sizes and the value of nutritional labeling when consumers are making food selections. While socially responsible actions in regard to these three areas may seem to be a reversal of profitable industry actions, actions that have contributed to the obesity issues, it should be recognized that CSR actions should be incorporated into both the strategic planning and long-term investment planning of the foodservice firms. By doing so, the firms will not only help address the obesity crisis now, but will be positively perceived by their stakeholders as ethical firms worthy of commitment and support over the long-term. Such commitment should enable the foodservice industry to avoid legislated policy mandating CSR action, such as the policy legislation passed to mandate changes in regard to smoking. Such commitment should result in long-term profitability and enhanced market value for the firm, as the firm helps to achieve control of the obesity epidemic.

More research is needed regarding the incorporation of CSR activities within the foodservice industry and the potential impact of such activities on the obesity epidemic and the long-term value and profitability of the firm. For example, studies might be done comparing the types of CSR activities engaged in by various facets of the hospitality industry and the extent to which foodservice firms and other types of

hospitality industry firms have incorporated CSR into their strategic management. Studies should also compare the impact of foodservice industry CSR activities that are only contributions to community charities or activities, to the impact of CSR activities that change the actual products offered, to determine the subsequent impact on the firms' market value and profitability. Relative to the obesity epidemic, it is essential that research be done to evaluate the impact of foodservice industry CSR actions--particularly those actions related to product modification, portion-size modifications, and consumer education--on the incidence of obesity within the communities served by the studied foodservice firms. There is much to be done to learn about the foodservice industry's incorporation of CSR activities, how they are incorporated by these firms, and how they are related to the current obesity epidemic. The time to start on such research is now.

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Role Stress, Emotional Exhaustion, and Job Satisfaction in the Hotel Industry: The Moderating Role of Supervisory Support

By Osman M. Karatepe

The purpose of this study is to investigate supervisory support as a moderator of the effects of role conflict and role ambiguity on emotional exhaustion and job satisfaction. This study also examines the moderating role of supervisory support on the relationship between emotional exhaustion and job satisfaction. Data were collected from a sample of frontline hotel employees in Northern Cyprus. The aforementioned relationships were tested based on hierarchical multiple regression analysis. The results demonstrate that supervisory support mitigates the impact of role conflict on emotional exhaustion and further reveal that supervisory support reduces the effect of emotional exhaustion on job satisfaction. There is no empirical support for the rest of the hypothesized relationships. Implications of the empirical results are discussed, and future research directions are offered.

Keywords: Emotional exhaustion, Hotel employees, Job satisfaction, Northern Cyprus, Role stress, Supervisory support

INTRODUCTION

Employees having frequent face-to-face or voice-to-voice interactions with customers play a pivotal role in delivering service and establishing strong relationships with customers. Therefore, it is important to retain a pool of motivated, satisfied, and committed frontline employees for delivery of service quality and effective resolutions of customer complaints (Bowen & Ford, 2004; Karatepe, Yorganci, & Haktanir, 2009). Despite their critical role in frontline service jobs in the hotel industry, such employees often suffer from emotional exhaustion due to role conflict and role ambiguity. Role conflict and role ambiguity are the two main dimensions of role stress frontline employees are faced with (Babakus, Yavas, & Karatepe, 2008; Kim, Murrmann, & Lee, 2009; Ross & Boles, 1994).

Role conflict occurs when an individual receives incompatible job demands from his or her role partners, such as customers, co-workers, and managers, and is incapable of satisfying all the demands simultaneously (Churchill, Ford, & Walker, 1976). Role ambiguity occurs when an individual lacks information about his or her job and experiences a great deal of uncertainty about how to perform job-related tasks (Churchill et al., 1976). Such role stressors lead to emotional exhaustion (Babakus et al., 2008), which is the first stage of the burnout syndrome (Cordes & Dougherty, 1993; Maslach & Jackson, 1981) and refers to the

lack of energy and depletion of emotional resources due to excessive psychological demands (Boles, Dean, Ricks, Short, & Wang, 2000). In addition, frontline employees experiencing elevated levels of role stress and emotional exhaustion are dissatisfied with the job (Karatepe et al., 2009; Kim et al., 2009). One of the job resources that can reduce the abovementioned relationships is *supervisory support* (Bakker & Demerouti, 2007; Hobfoll, 1989, 2001). That is, supervisory support as a moderator can attenuate emotional exhaustion for employees who are confronted with high levels of role stress. Such a job resource can also mitigate the detrimental effects of role stress and emotional exhaustion on job satisfaction.

A recent review on the relationship between occupational stress and social support indicates that empirical evidence concerning the moderating role of supervisory support has been weak and inconsistent (Haly, 2009). As a matter of fact, similar findings have already been reported in past empirical studies (Beehr, Farmer, Glazer, Gudanowski, & Nair, 2003; Viswesvaran, Sanchez, & Fisher, 1999). In addition, the buffering role of job resources in the Job Demands-Resources (JD-R) model has received little empirical attention in the relevant literature (Bakker & Demerouti, 2007). A more recent study reveals that very little is known about the moderating role of supervisory support on the relationship between stressors and strain in the hospitality management literature (Karatepe, 2010).

Against this backdrop, this study examines *supervisory support* as a moderator of the impacts of role conflict and role ambiguity on emotional exhaustion and job satisfaction. The current study also investigates supervisory support as a moderator in the relationship between emotional exhaustion and job satisfaction. The abovementioned relationships are tested using data obtained from frontline hotel employees in Northern Cyprus.

ROLE STRESS, EMOTIONAL EXHAUSTION, AND JOB SATISFACTION

Employees in frontline service jobs of the hotel industry are confronted with role conflict and role ambiguity, which are the two most widely used indicators of job demands. Such employees also often experience elevated levels of emotional exhaustion. Empirical studies in the hospitality management literature delineate the relationships between various job demands and strain. For example, it was shown that the relative frequency of serving demanding guests increased emotional exhaustion among frontline hotel employees in New Zealand

(Ledgerwood, Crotts, & Everett, 1998). Babakus et al. (2008) reported that job demands, which included role conflict and role ambiguity, heightened emotional exhaustion among frontline hotel employees in Turkey. The findings of another study revealed that job stress intensified frontline employees' burnout in both restaurant and hotel/motel settings (Gill, Flaschner, & Shachar, 2006). A recent study found that frontline hotel employees faking emotions (surface acting) experienced more exhaustion and cynicism, and employees trying to invoke the proper feelings (deep acting) were faced with less cynicism and had high levels of professional efficacy (Kim, 2008). In the same study, it was also demonstrated that the display rules to show positive emotions had significant positive effects on professional efficacy. According to the findings of a more recent study, emotional dissonance exerted a significant positive impact on emotional exhaustion among frontline hotel employees in Nigeria (Karatepe & Aleshinloye, 2009).

Empirical studies in the hospitality management literature also reveal that role stress and emotional exhaustion result in negative job outcomes, such as job dissatisfaction. Specifically, in a study of food servers, Ross and Boles (1994) found that role conflict influenced job satisfaction deleteriously, but role ambiguity did not significantly affect job satisfaction. In a recent study of hotel employees in Taiwan, Yang (2010) demonstrated similar results and further reported that burnout alleviated job satisfaction. In another empirical study of frontline hotel employees in Northern Cyprus, customer verbal aggression and emotional dissonance aggravated emotional exhaustion, while emotional exhaustion eroded job satisfaction (Karatepe et al., 2009). On the other hand, Karatepe and Sokmen (2006) found that two dimensions of role stress reduced frontline hotel employees' job satisfaction in Turkey. Kim et al. (2009) also reported similar findings for a sample of hotel employees in the Republic of Korea.

The abovementioned findings have been summarized using several empirical studies in the hospitality management literature. These studies indicated that role stress exacerbates emotional exhaustion and further demonstrate that role stress and emotional exhaustion have detrimental effects on job satisfaction. Supervisory support is one of the job resources that can be used for reducing the aforementioned relationships. Empirical evidence concerning the moderating role of supervisory support in this research stream in the relevant literature is weak and mixed (e.g., Haly, 2009; Viswesvaran et al., 1999). In addition, empirical evidence in this research stream in the hospitality management literature is scarce (Karatepe, 2010).

SUPERVISORY SUPPORT AS A MODERATOR

The Conservation of Resources (COR) theory and the Job Demands-Resources (JD-R) model provide viable guidelines for developing the relationships in this empirical study. Specifically, the COR theory posits that object, personal, condition, and energy resources are the fundamental resources individuals seek to acquire, maintain and preserve (Hobfoll, 1989). Individuals invest their resources to deal with threatening/stressful situations and prevent themselves from negative outcomes such as emotional exhaustion/burnout and job dissatisfaction (Hobfoll, 1989). The JD-R model also contends that in addition to the main effects of job demands and resources, several different job demands may interact with several different job resources based on the specific job characteristics to predict strain and motivation (Bakker & Demerouti, 2007). Relying on the precepts of two well-endorsed frameworks (the COR theory and the JD-R model), it is posited that the availability of job resources can help employees to deal more effectively with stressful situations and prevent them from negative outcomes such as emotional exhaustion/burnout and job dissatisfaction (Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2007). In empirical terms, Karatepe (2010) reported that the interaction of work-family conflict and work social support alleviated exhaustion among frontline hotel employees in Albania.

In addition, the COR theory contends that employees have negative job outcomes as a result of resource loss and emotional exhaustion/burnout (Lee & Ashforth, 1996). Employees with supervisory support can cope with problems emerging from emotional exhaustion, and such a job resource reduces the detrimental impact of emotional exhaustion on job satisfaction. That is, the effect of emotional exhaustion on job satisfaction can be moderated by supervisory support.

Role conflict and role ambiguity are the two job demands/stressors examined in this study. This selection is supported by prior research, which shows that these stressors are unavoidable aspects of frontline service jobs (Babakus et al., 2008; Hartline & Ferrell, 1996; Ross & Boles, 1994). Supervisory support, which is “self-defining and instrumental in protecting existing resources and obtaining new ones” (Seiger & Wiese, 2009, p. 27), is the job resource investigated in the present study. This selection is based on the fact that frontline employees often need support from their supervisors in order to be able to deal with problems associated with role conflict and role ambiguity (Babakus et al.,

2008; Babin & Boles, 1996). Such a job resource would also be important for dealing with aggressive customers, conflict between work and family roles, and heavy workloads. As argued by Bakker and Demerouti (2007), having quality relationships with supervisors may reduce the effects of job demands on strain, and supervisors' appreciation and support may help employees to cope with job demands and facilitate performance.

In short, frontline employees with adequate support arising from their supervisors are faced with low levels of role conflict and role ambiguity and thus have less emotional exhaustion and job dissatisfaction. The presence of such a job resource can also alleviate the detrimental impact of emotional exhaustion on job satisfaction.

Therefore, the following hypotheses are proposed:

- H1. Supervisory support moderates the effects of (a) role conflict and (b) role ambiguity on emotional exhaustion such that the effects are weaker among frontline employees with high levels of supervisory support.
- H2. Supervisory support moderates the effects of (a) role conflict and (b) role ambiguity on job satisfaction such that the effects are weaker among frontline employees with high levels of supervisory support.
- H3. Supervisory support moderates the effect of emotional exhaustion on job satisfaction such that the effect is weaker among frontline employees with high levels of supervisory support.

METHOD

Sample and Procedure

Data were gathered from a judgmental sample of frontline employees in the three-, four-, and five-star hotels in Northern Cyprus, which is a small island destination in the Mediterranean Sea. The Northern Cyprus hotel industry has a number of problems emerging from low occupancy rates, poor service quality, limited qualified staff, pollution, and inadequate infrastructure (Altinay & Bowen, 2006; Karatepe et al., 2009; Kilic & Okumus, 2005). The chronic problems of the global hotel industry, such as low pay, heavy workloads, long work hours, and high turnover are also endemic to Northern Cyprus (Karatepe et al., 2009; Karatepe & Kilic, 2007).

At the time of this study, there were 28 three-, 8 four-, and 6 five-star hotels in Northern Cyprus. Hotel types in the research location included independently/family-owned and -operated hotels and chain hotels. The overwhelming majority of the hotels (83.3%) were independently/family-owned and -operated hotels, while the rest were chain hotels. The research team contacted the managements of the abovementioned hotels to explain the purpose of the study and obtain permission for data collection. In light of the information received from the managements of the hotels, the total number of frontline employees was 943. However, the managements of 3 three-star hotels and 3 four-star hotels chose not to participate in this empirical study. Therefore, a total number of 872 self-administered questionnaires were personally distributed to frontline hotel employees. All respondents were assured of the confidentiality and anonymity of their responses. By the cut-off date for data collection, a total number of 677 questionnaires were retrieved, yielding a response rate of 77.6%.

51% of the respondents were between the ages of 18 and 27, 31% were between 28 and 37, and the rest were older than 37. 57% of the respondents were male. 32% of the respondents had secondary and high school education, and 56% had a university education. The rest had primary school education. 29% of the respondents had tenures of less than 1 year and 48% had tenures of 1-5 years. The rest had tenures above 5 years. 40% of the respondents were married, whereas the rest were single or divorced. 65% of the respondents had no children, 35% had 1-4 children, and the rest had more than 4 children.

Measurement

Existing scales in the relevant literature were used in this study. Role conflict and role ambiguity were measured using items from Rizzo, House, and Lirtzman (1970). Specifically, role conflict was operationalized via eight items and role ambiguity was measured using six items. Sample items for role conflict included "I receive an assignment without adequate resources and materials to execute it" and "I work with two or more groups who operate differently." Sample items for role ambiguity included "I know exactly what is expected of me" and "I know what my responsibilities are."

Eight items from Maslach and Jackson (1981) were used to measure emotional exhaustion. Sample items included "I feel emotionally drained from my work" and "I feel used up at the end of the workday." Job satisfaction was operationalized through eight items from Hartline and Ferrell (1996). The job satisfaction construct assessed eight facets of

job satisfaction, such as overall job, coworkers, supervisor(s), hotel's policies, support given to frontline employees, pay, opportunities for advancement with the hotel, and hotel's customers. Five items from Babin and Boles (1996) were used to measure supervisory support. Sample items for supervisory support included "Supervisors tend to talk down to employees" and "Supervisors usually give full credit to ideas contributed by employees." The items in role conflict, role ambiguity, emotional exhaustion, and supervisory support were rated on five-point scales ranging from 5 (*strongly agree*) to 1 (*strongly disagree*). The items in job satisfaction were rated on a five-point scale ranging from 5 (*extremely satisfied*) to 1 (*extremely dissatisfied*). Higher scores demonstrated higher role conflict, emotional exhaustion, and job satisfaction. After the positively worded items in role ambiguity and the negatively worded items in supervisory support had been reverse scored, higher scores indicated higher role ambiguity and supervisory support. As a control variable, gender was coded as a binary variable (0=male and 1=female).

The questionnaire was originally prepared in English and then translated into Turkish by using the back-translation method (McGorry, 2000). The survey instrument was tested with a pilot sample of 30 frontline employees. No changes were made to the instrument as a result of this pilot test because frontline employees did not have any difficulty understanding the items.

Data Analysis

All measures were subjected to a series of confirmatory factor analyses using LISREL 8.30 in order to address issues of convergent and discriminant validity (Anderson & Gerbing, 1988; Joreskog & Sorbom, 1996). The values of χ^2 / df , GFI (Goodness of fit index), CFI (Comparative fit index), RMSEA (Root mean square error of approximation), and SRMR (Standardized root mean square residual) were used to assess the results of the fit statistics. The χ^2 / df value between 2 and 5 indicates a good fit (Marsh & Hocevar, 1985). Generally, fit indices with values equal to or greater than 0.90 indicate a good fit (Bentler & Bonett, 1980). RMSEA with values smaller than or equal to 0.08 indicates a good fit (Browne & Cudeck, 1993). SRMR with values smaller than 0.10 is indicative of a good fit (Sumer, Sumer, Ciftci, & Demirutku, 2000).

The internal consistency reliability was evaluated via the commonly accepted cut-off value of 0.70. Composite scores for each construct were created by averaging all items in that particular construct. The moderating effects were tested via the guidelines suggested by Baron

and Kenny (1986). All predicting variables were centered prior to multiplication. In predicting emotional exhaustion, the control variable was entered in step 1, role conflict in step 2, supervisor support in step 3, and the interactive term (role conflict * supervisory support) in step 4. This procedure was also used for the rest of the moderating relationships.

RESULTS

Measurement Results

Two items from the supervisory support construct were removed due to low standardized loadings based on the initial results of confirmatory factor analysis. The final results of confirmatory factor analysis demonstrated the following results: ($\chi^2_{2963.18} / df_{485} = 6.11$; GFI = 0.79; CFI = 0.77; RMSEA = 0.087; SRMR = 0.078. Although the results for RMSEA and SRMR fell within a range of acceptable values, the rest of the model fit statistics were poor. However, a close scrutiny of the results indicated that the magnitudes of the loadings ranged from 0.38 to 0.87, and all *t*-values were larger than 2.00. In addition, eighteen out of 33 loadings were above 0.60. Consequently, the magnitudes of the loadings and their significant *t*-values provided evidence of convergent validity (Anderson & Gerbing, 1988).

A two-dimensional model for each pair of constructs was first fit, and then items representing each construct were forced into a single-factor solution. The χ^2 difference test produced a significant result for each pair of measures. Thus, imposing a single factor solution on the two sets of items representing different constructs demonstrated a significant deterioration of the model fit. These results provided evidence of discriminant validity (Anderson & Gerbing, 1988).

Common method bias was checked with a confirmatory factor analysis approach to Harman's single-factor test (Kandemir, Yaprak, & Cavusgil, 2006). If common method bias were a serious problem to the analysis and interpretation of the data, a single latent factor would account for more than 50% of the total variance of the measures (McFarlin & Sweeney, 1992). The results for a single-factor model showed the following fit statistics: $\chi^2 = 9320.72$, $df = 495$; GFI = 0.54; CFI = 0.44; RMSEA = 0.162; SRMR = 0.13. The single-factor model accounted for only 21% of the total variance. The chi-square test also demonstrated that the five-factor model was superior to the single-factor model ($\Delta\chi^2 = 6357.54$, $\Delta df = 10$, $p < 0.001$). In short, common method bias was not a significant problem in this study.

Means, standard deviations, and correlations of study variables are demonstrated in Table 1. According to the results in Table 1, gender has significant effects on role conflict and job satisfaction. That is, female employees experience less role conflict, but they are more satisfied with the job. As also indicated in Table 1, all coefficient alphas exceeded the minimum standard of 0.70, excluding supervisory support, whose coefficient was 0.55.

Table 1
Means, standard deviations, correlations of study variables,
and Cronbach's Alpha (n = 677)

Variables	1	2	3	4	5	6
1. Gender	1.000					
2. Role conflict	-.119**	1.000				
3. Role ambiguity	-.041	.108**	1.000			
4. Emotional exhaustion	-.063	.460**	.299**	1.000		
5. Job satisfaction	.079*	-.121**	-.340**	-.339**	1.000	
6. Supervisory support	.052	-.282**	.038	-.290**	.094*	1.000
Mean	.43	3.22	2.05	2.72	3.41	2.70
Standard deviation	.50	.72	.65	.97	.83	.82
Cronbach's alpha	-	.80	.80	.90	.87	.55

Note: Composite scores for each measure were obtained by averaging scores across items representing that measure. The scores range from 1 to 5. Gender was coded as a binary variable (0=male and 1= female).
 * Correlations are significant at the .05 level.
 ** Correlations are significant at the .01 level. Correlations without asterisks are not significant.

Test of Hypotheses

The results of the hypothesized relationships are presented in Tables 2, 3, and 4. As can be seen in Table 2, the interaction of role conflict and supervisory support has a significant negative effect on emotional exhaustion ($\beta = -0.07, p \leq 0.05$). There is an increment in R^2 of the model ($\Delta R^2 = 0.01, p \leq 0.05$). Therefore, hypothesis 1a is supported. However, the results in Table 2 show that the interaction of role ambiguity and supervisory support does not significantly influence emotional exhaustion. Therefore, hypothesis 1b is not supported.

The results regarding supervisory support as a moderator of the effects of role conflict and role ambiguity on job satisfaction are demonstrated in Table 3. The interaction of role conflict and supervisory support is not significantly related to job satisfaction. Therefore, hypothesis 2a is not supported. In addition, the results indicate that the interactive term (role ambiguity * supervisory support) does not have a significant effect on job satisfaction. Therefore, hypothesis 2b is not supported.

The results in Table 4 reveal that the interaction of emotional exhaustion and supervisory support significantly and negatively influences job satisfaction ($\beta = -0.12, p < 0.01$). A significant increment in R^2 of the model is also observed ($\Delta R^2 = 0.01, p < 0.01$). Therefore, hypothesis 3 is supported. The results of the hypothesized relationships do not change with or without gender as a control variable.

DISCUSSION

Several inferences emerge from the results of this study. First, the result regarding the moderating role of supervisory support on the relationship between role conflict and emotional exhaustion suggests that the impact of role conflict on emotional exhaustion is weaker among frontline hotel employees with high levels of supervisory support. Employees with sufficient supervisory support can cope effectively with incompatible demands arising from their managers, coworkers, or customers, and thus experience less emotional exhaustion. Supervisory support appears to protect employees from the stressful situations and strain, such as emotional exhaustion.

Table 2
Hierarchical multiple regression analysis:
supervisory support as a moderator of the effects of
role conflict and role ambiguity on emotional exhaustion

Dependent variables and standardized regression weights											
Emotional exhaustion						Emotional exhaustion					
Independent variables						Independent variables					
Step 1						Step 1					
Step 2						Step 2					
Step 3						Step 3					
Step 4						Step 4					
Independent variables						Independent variables					
Step 1						Step 1					
Step 2						Step 2					
Step 3						Step 3					
Step 4						Step 4					
Independent variables						Independent variables					
Step 1						Step 1					
Step 2						Step 2					
Step 3						Step 3					
Step 4						Step 4					
Independent variables						Independent variables					
Step 1						Step 1					
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Step 4						Step 4					
Independent variables						Independent variables					
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Step 3						Step 3					
Step 4						Step 4					
Independent variables						Independent variables					
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Independent variables						Independent variables					
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Step 4						Step 4					
Independent variables						Independent variables					
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Step 4						Step 4					
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Table 3
Hierarchical multiple regression analysis:
supervisory support as a moderator of the effects of
role conflict and role ambiguity on job satisfaction

Dependent variables and standardized regression weights									
Job satisfaction					Job satisfaction				
Independent variables					Independent variables				
	Step 1	Step 2	Step 3	Step 4		Step 1	Step 2	Step 3	Step 4
(I) Control variable Gender	.08*	.07	.06	.06	(I) Control variable Gender	-.08*	.07	.06	.06
(II) RC		-.11**	-.10*	-.09*	(II) RA		-.34***	-.34***	-.34***
(III) SUPPORT			.06	.06	(III) SUPPORT			.10**	.10**
(IV) RC * SUPPORT				.04	(IV) RA * SUPPORT				-.02
F	4.19*	8.65**	2.54	1.09	F	4.19*	87.26***	8.28**	.39
R ² at each step	.01	.02	.02	.02	R ² at each step	.01	.12	.13	.13
ΔR ²	-	.01	.00	.00	ΔR ²	-	.11	.01	.00

Note: Gender was coded as a binary variable (0= male and 1= female). RC=Role conflict; RA=Role ambiguity; SUPPORT=Supervisory support. The results regarding variance inflation factors did not demonstrate any problems of multicollinearity.

*p<.05. **p<.01. ***p<.001

Note: Gender was coded as a binary variable (0= male and 1 = female). RC=Role conflict, RA=Role ambiguity, SUPPORT=Supervisory support. The results regarding variance inflation factors did not demonstrate any problems of multicollinearity.

Table 4
Hierarchical multiple regression analysis:
supervisory support as a moderator of the effect
of emotional exhaustion on job satisfaction

		Dependent variable and standardized regression weights			
		Job satisfaction			
		Step 1	Step 2	Step 3	Step 4
Independent variables					
(I)	Control variable				
	Gender	.08*	.06	.06	.07
(II)	EEXHAUST		-.34***	-.34***	-.35***
(III)	SUPPORT			-.01	-.04
(IV)	EEXHAUST * SUPPORT				-.12**
F		4.19*	85.48**	.04	10.20**
R ² at each step		.01	.12	.12	.13
ΔR ²		-	.11	.00	.01

Note: Gender was coded as a binary variable (0= male and 1= female). EEXHAUST=Emotional exhaustion; SUPPORT=Supervisory support. The results regarding variance inflation factors did not demonstrate any problems of multicollinearity.
 * $p < .05$, ** $p < .01$, *** $p < .001$

Second, the result concerning supervisory support as a moderator of the impact of emotional exhaustion on job satisfaction suggests that supervisory support reduces the detrimental effect of emotional exhaustion on job satisfaction. The availability of adequate support surfacing from supervisors appears to be a viable source in protecting employees from emotional exhaustion and weakening the impact of emotional exhaustion on job satisfaction. The results reported above are also consistent with the precepts of the JD-R model (Bakker & Demerouti, 2007) and the COR theory (Hobfoll, 1989, 2001).

On the other hand, the results demonstrate that there is no empirical backing for supervisory support as a moderator of the impacts of role conflict and role ambiguity on job satisfaction and the effect of role ambiguity on emotional exhaustion. As a matter of fact, most of the empirical studies in the relevant literature report weak and inconsistent findings in this research stream (e.g., Haly, 2009; Viswesvaran et al., 1999). Using longitudinal designs in future research could be a remedy for a better understanding of such relationships.

Managerial Implications

The results of this study provide a number of useful implications for hotel managers for business practice. First, the result of an imbalance between job demands and job resources is emotional exhaustion/burnout. With this realization, the top managements of the hotels should establish and maintain a work environment where imbalance between job demands and job resources is minimized (Babakus et al., 2008). Specifically, they can devise policies and procedures that do not place frontline employees in unmanageable situations with customers or coworkers. They can also prepare and/or revise job descriptions and provide frontline employees with training programs in problem-solving and communication skills for minimizing problems associated with role conflict (cf. Kusluvan, Kusluvan, Ilhan, & Buyruk, 2010). Such training programs should focus on when frontline employees should ask for immediate support from their supervisors.

Second, management may organize specific workshops to make employees discuss problems emerging from role conflict and emotional exhaustion and provide suggestions for solving them. In these workshops, the importance of supervisory support acting as a protector against role conflict and emotional exhaustion should also be stated. Third, it is important to recruit and select the most suitable candidates in frontline service jobs. Otherwise, when there is no fit between the demands of the job and employees' personality traits (e.g., self-efficacy

and job resourcefulness), it would be difficult for these employees to cope with role conflict and emotional exhaustion under job resource-depleted conditions. Finally, job insecurity is one of the problems in the hotel industry. Research indicates that such a problem leads to emotional exhaustion/burnout (cf. Tennant, 2001). Therefore, provision of greater job security, coupled with attractive promotional and career opportunities, would enable management to acquire and retain employees needed for frontline service jobs.

Limitations and Implications for Future Research

Though this study expands the existing knowledge regarding supervisory support as a moderator in the stress-strain/strain-outcome relationship in the hospitality management literature, several limitations and viable prospects for future research remain. First, the relationships in this study were tested using self-report data. This is susceptible to common method bias. Although common method bias was checked with a confirmatory factor analysis approach to Harman's single-factor test, in future research it would be better to obtain data from multiple sources to minimize problems associated with common method bias. Second, this study used cross-sectional data to evaluate the relationships among the study constructs. However, using such data does not make it possible to determine the directions of the causal relationships. Therefore, conducting longitudinal studies in future research would be beneficial for establishing the directions of the causal relationships. As a closing note, to broaden and generalize the database, researchers need to replicate studies in different hospitality settings of similar tourism destinations.

CONCLUSION

The purpose of the present study was to examine supervisory support as a moderator of the impacts of role conflict and role ambiguity on emotional exhaustion and job satisfaction. This study also aimed to investigate the moderating role of supervisory support on the relationship between emotional exhaustion and job satisfaction. These hypothesized relationships were tested using data from frontline hotel employees in Northern Cyprus.

The results demonstrated that the effect of role conflict on emotional exhaustion was weaker among frontline employees with high levels of supervisory support. The results further revealed that supervisory support reduced the detrimental impact of emotional exhaustion on job satisfaction. Such findings, which are consonant with the JD-R model and the COR theory, are useful additions to the current

knowledge base due to the paucity of empirical research in this research stream in the hospitality management literature (Karatepe, 2010). On the other hand, the results showed that supervisory support did not moderate the effects of role conflict and role ambiguity on job satisfaction and the relationship between role ambiguity and emotional exhaustion. These findings appear to be consistent with prior meta-analytic studies and reviews in the relevant literature (Beehr et al., 2003; Haly, 2009; Viswevaran et al., 1999). Despite such nonsignificant findings, future studies employing longitudinal designs could be helpful for shedding further light on our understanding concerning supervisory support as a moderator in this research stream.

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Effects of Management-Development Practices on Hospitality Management Graduates' Job Satisfaction and Intention to Stay

By Edwin Torres and Howard Adler

Companies have long recognized the importance of training and developing their managers to prepare them for their short- and long-term careers. Formal management-development programs and other less formal means of management development abound in the hospitality industry. Therefore, one may ask whether the entry-level managers for whom these programs are designed perceive them to be effective. The present study explores management-development practices, procedures, and techniques, and their effects on job satisfaction and organizational commitment.

INTRODUCTION

A common human resource management cliché states that “people are your best asset.” Arguably an organization’s success or failure will depend in large part on the quality of its talent pool. Recruiting the best talent is important to an organization’s success, especially when it comes to professional and managerial personnel. However, an organization’s human resources also can be a major liability for employers. From an organizational perspective, how a business manages its talent will account for the success or failure of that business. Hamblin suggested four ways to measure for the effectiveness of training and development efforts: reaction, learning, job behaviors, and organizational outcomes combined with profits (as cited in Adams & Waddle, 2002).

Many hospitality graduates are recruited for and placed in management-development programs (MDP). Such programs, depending on their specific objectives, seek to prepare young managers, assistant managers, and supervisors for a career with the company. Watson (2008, p. 759) defined management development as the “training, education, and learning practices that are intended to assist managers realize their potential, either for personal or organizational benefits.” Management-development activities can take place at any time during a manager’s career and in a variety of industries. The present research emphasizes the early stages of a hospitality manager’s career. The purpose of this research was to evaluate the perceptions of management-development programs from the perspective of entry-level hospitality managers. Analysis of the perceptions of management-development programs will help management gain a better understanding of how such programs could be

designed to maximize the level of satisfaction and effectiveness among participants.

The present research will be significant to both industry and academia from a number of standpoints. First, from an industry perspective, the study will provide an overview of common managerial development practices in the hospitality industry. Second, a deeper understanding of common practices and their perceived effectiveness from the trainee's point of view, could assist organizations in creating management- development programs that are more suitable to the needs and preferences of their trainees. A better understanding of the needs and preferences of the entry-level manager could help companies design more effective training programs. This, in turn, would increase trainees' level of job satisfaction and intent to stay.

From an academic perspective, the research will assist in settling a variety of debates within the training and development literature. First, debate exists in terms of the degree of horizontal integration; that is to say, whether a more strategic (narrower) or a broader approach to training and development is best to use within the hospitality industry. Second, the research will study the relative importance of managerial support and development techniques or methods utilized, and their relationship to the perceived effectiveness and satisfaction of trainees.

Training and development needs to fulfill its organizational purpose. One of the most important purposes is to help new managers develop a set of skills ranging from technical to interpersonal. New managers need to be given the tools to be effective in their positions. They need to become familiar with the company's organizational structure, operating procedures, quality-assurance standards, human resources, and financial practices. Attaining a certain level of learning and developing certain skills and habits through management development could arguably have a significant impact on a trainee's job satisfaction. Furthermore, the way that managers are developed could potentially have an important impact on feelings of satisfaction or dissatisfaction towards the firm, ultimately helping the trainee decide whether to make a long term commitment to the company or not.

Despite the industry's eagerness to engage recent graduates in management development programs, there is very little empirical research to support how most companies evaluate the effectiveness of such programs. The impact of such programs on job satisfaction and, ultimately, retention and career progression warrants further study. The following research questions are proposed:

1. Are management trainees more likely to be satisfied by a development program that uses a variety of different methods or techniques for learning?
2. What impact do training and development have on managerial job satisfaction?
3. Does managerial support play a role in the level of satisfaction with management development?
4. Do trainees perceive the exposure to different functional areas to be important?

LITERATURE REVIEW

Different organizations use various forms or methods of development to prepare their young managers for careers within the hospitality industry. Programs may stress different skill sets or highlight an organizational philosophy of training and development. Shaw and Patterson (1995) studied the skills that managers considered important to their own development. Accordingly, managers ranked service quality, motivation and training, and communication skills the most important. Advertising and personal selling were ranked the lowest (Shaw & Patterson, 1995). Additionally, managers within the lodging subset of the hospitality industry considered planning and budgeting important for their own development strategic (Shaw & Patterson, 1995). Watson (2008) identified people skills, cultural sensitivity, and flexibility, as well as leadership, corporate skills, and strategic skills as important among managers.

Management development practices can vary within the industry (Watson, 2008). Some companies prefer new managers to train mostly within the area they desire to specialize in. Yet other organizations will be well-rounded in their approach, thus encouraging new managers to obtain as much exposure to every functional area of the business. Organizations also can vary in their techniques or methods for engaging new managers.

Some firms rely heavily on a module-based approach, whereby managers are given a book of materials they must cover on a self-phased basis. Other organizations encourage their managers to spend specified periods of time in different departments and learn by doing (or *on-the-job training* or *action training*, as it is referred to in training and development literature). Various organizations also will stress the importance of more personal methods, such as mentoring. Additionally organizations are turning to electronic training and virtual universities to provide more consistent and economical delivery of content (Adams & Waddle, 2002).

Watad and Ospina (1999) studied the impact of horizontal and vertical integration in the development and implementation of a management-development program. Horizontal integration refers to the level of involvement of people at the same or similar hierarchal level in different departments, functional areas or divisions of the organization. The use of horizontal integration in a management development program encourages a more strategic perspective in the organization (Watad & Ospina, 1999). It also allows for more effective problem resolution. Finally, horizontal integration allows for better communication and an internal-customer view of other organizational departments (Watad & Ospina, 1999).

On the other hand, vertical integration, according to Watad and Ospina (1999), refers to the level of involvement of superiors and subordinates within the same department, functional area, or division within the organization. Vertical integration refers to the involvement of other people at different hierarchal levels within the organization. The use of vertical integration promotes a better development culture, a more objective performance appraisal process, and a quicker implementation of training knowledge and initiatives (Watad & Ospina, 1999).

Some researchers advocate a more customer-driven (in this case, trainee-driven) approach to training and development (Prestoungrange, 2002). A pre-made curriculum could be viewed as an imposition (Prestoungrange). The pattern and exchange of ideas was also studied by Prestoungrange. From this perspective, any development program must encourage a more casual exchange of ideas, reminiscent of normal social interaction, rather than formalized learning. Prestoungrange also argued that, for most practitioners, learning occurs in an active and pragmatic way, as opposed to a more traditional, reflective approach. Thus, the importance of saliency in creating a development program is critical. Hospitality organizations might have differing needs regarding the skill set expected from their managers (Watson, et al. 2008). For example, a casual restaurant might have different requirements than a five-star hotel.

Even in the field of hospitality education, there is considerable debate as to whether hospitality firms should stress operational abilities versus a more reflective approach, reminiscent of traditional management schooling (Alexander, 2007; Connolly & McGing, 2006; Raybould & Wilkins, 2005). Watson (2008) studied the factors that account for career progression in the hospitality industry, including training and education,

networking, mentoring, individual commitment to career advancement, willingness to be mobile, and interpersonal relations.

MANAGEMENT DEVELOPMENT AND SATISFACTION

Watson (2008) examined the barriers to career progression in the hospitality industry. Low pay, low skills, and lack of career opportunities can have an impact in the retention of managers (Martin et al. as cited in Watson, 2008). Doherty (2004) concluded that the culture of long hours negatively affects female manager's progression from entry level- and middle-management into senior management positions.

Pavesic and Brymer (1992) studied the topic of job satisfaction among recent graduates of 11 hospitality management programs. According to their study, one-fifth of all hospitality graduates leave the industry after the first year, and one-third leave the industry after the third year of work. In analyzing the reasons for young managers' turnover, the researchers found no relationship between the amount of previous work experience and the turnover rate. However, the study found that most managers leave a company for the following reasons: a better hospitality job, higher pay, management problems, and work hours and work-life balance concerns. Job dissatisfaction was especially pronounced among graduates of top hospitality programs (Pavesic & Brymer, 1992).

Sturman (2001), in his study of comparative compensation between the hospitality industry and similar occupations, utilized the graduates of Cornell's hospitality management program as a case study. That study demonstrated that college graduates who accepted positions within hospitality operations were likely to have a lower grade point average (GPA) and to earn a smaller base salary than those who accepted positions as either hospitality specialists (outside of operations, i.e., specialists, consultants) and those who accepted comparable positions outside of the hospitality industry (Sturman, 2001).

Management turnover can have negative consequences for organizations. A firm typically invests a considerable amount of money in recruiting and training new employees, especially new managers. Because of lost productivity, increased costs are incurred during the initial weeks or months of employment, as well. Andrews, Van Rooy, Steilberg, and Cerrone (2006) and Costen, Johansson, and Poisson (2009) revealed that employee turnover is positively associated with management turnover. Therefore, from a financial point of view it is important that organizations retain their managers. Costen, Johansson, and Poisson (2009) also argued that much attention is focused on developing entry-

level and mid-level managers for senior management positions, while little training is focused on developing hourly staff for managerial positions. An employee's perception of how a company invests in his/her development arguably can increase his/her level of commitment (Costen, Johanson, & Poisson, 2009).

Addams and Waddle (2002) criticized the amount of money spent on management development with no accountability for results. Therefore, organizations must assess the effectiveness of their programs. Buckley and Caple (as cited in Adams & Waddle, 2002, p. 15) defined evaluation as "the process of attempting to assess the total value of training: that is the cost benefits and general outcomes, which benefit the organization as well as the value of the improved performance of those who have undertaken the training" Hamblin (as cited in Adams & Waddle, 2002) provided four types of measure for the effectiveness of training and development efforts: reaction, learning, job behaviors, organizational outcomes, and ultimate level (profits).

Ideally a development program should evaluate all of these criteria. However, from a practical standpoint, tracking specific job behaviors and financial outcomes attributable to the development can become difficult. Reaction and learning are the simplest to measure. Further study of the outcomes of management development is needed to assess the effectiveness of such practices and possibly establish benchmark best practices.

RESEARCH METHODOLOGY

Sampling

After a thorough review of the literature, the researchers chose a survey that was conducted among recent graduates of Purdue University's Hospitality and Tourism Management program. For the purposes of the study, a recent graduate is someone who graduated a minimum of three months and a maximum of five years from the time this study was conducted. The benchmark of five years as the upper threshold of the sample was set for several reasons. First, employees who have spent more than five years in the industry are likely to have worked at several additional positions beyond their original entry-level position. Second, employees who spent less than five years in the industry are likely to have better recollections of their management training and development. Third, the task of obtaining accurate contact information is more likely for employees who have spent five years or less in the industry, as there is the potential that respondents have moved several times.

The addresses of respondents were obtained from a database of graduates of the Department of Hospitality and Tourism Management. A pilot test of the survey was conducted with five subjects. To obtain the necessary number of responses, the survey was mailed via the United States Postal Service to 685 Purdue University Hospitality Management Alumni who had graduated within the last five years. A postage- paid envelope was provided to return the survey from each alumnus. The list represented all of the alumni who had graduated from Purdue with either a bachelor's or a master's degree in Hospitality and Tourism Management. Since Purdue University is a major research university and has one of the top Hospitality and Tourism Management programs in the field, many of the graduates were expected to start their careers in entry-level managerial positions. This provided a useful sample of managers who had experienced a management-development program.

Survey

The survey instrument (Appendix 1) was designed for easy use among respondents. All the questions were on a similar scale and were grouped together to facilitate quick completion of the survey and reduce the number of respondents who might not finish the survey due to time constraints. Survey questions were grouped together in related topic areas. The first section of the survey contained a series of demographic questions (1-3). Questions 4-10 addressed the topic of management support for training and development activities. Responses for such questions were on a Likert scale ranging from "Never" (1) to "Always" (4). Questions 11-15 addressed the concept of job satisfaction. Questions 17-22 addressed the concept of well-rounded management, as defined by the amount of different development methods or techniques to which trainees were exposed. These questions were also listed on a Likert scale that ranged from "Never" (1) to "Always" (4). Questions numbered 16, 23, 24, and 27 addressed the degree of horizontal integration or exposure to multiple functional areas within the business. Questions 25 and 26 addressed the respondent's intent to stay with the company. An additional question, number 28, was intended to test the same concept but had different response alternatives.

Hypotheses

H1: The entry level manager's perception of support from middle and upper managers will be positively associated with job satisfaction.

H2: A well-rounded approach to management development (as defined by the amount of technique a trainee is exposed to) will be positively associated with job satisfaction and intent to stay.

H3: The amount of horizontal orientation (as defined by exposure to multiple functional areas) will be positively associated with trainee satisfaction.

RESULTS

The survey was sent to a total of 685 Purdue University Hospitality and Tourism Management alumni. A total of 116 responses were received, resulting in a 17% response rate. Eighty-six of the total respondents (73%) had managerial experience within their first year of graduation. The 86 respondents met the criteria for the study and, therefore, were utilized to determine results. SPSS 16.0 was used to generate statistical output.

A well-rounded approach to management development had been defined by the number of different techniques or methods utilized during training. Horizontal integration had been defined by the number of functional areas the trainee was exposed to. These two areas, along with managerial support, were correlated with trainee satisfaction. For purposes of the questionnaire, trainee satisfaction was defined by various measures, such as the work itself and the work environment.

The ANOVA for the multiple regression indicated an F-Value of 222 and a P-Value of .00. Therefore, the overall model was significant at the $\alpha = .10$ level. When each variable was tested individually for significance using a t-test, results demonstrated that only two out of the three independent variables were significant. Management support ($T=4.32$, $P\text{-value} = .00$) and a well-rounded approach to training ($T=2.14$ and $P\text{-value} = .036$) were significant at the $\alpha = .10$ level. The variable of "horizontal integration" was not found to be significant ($t=.088$, $p\text{-value} = .381$). The researchers found sufficient data to support and accept H1, meaning that an entry-level manager's perception of support from middle and upper managers is positively associated with job satisfaction. Hypothesis 2 was also supported in that a well- rounded approach to management development is positively associated with job satisfaction and intent to stay. The final hypothesis, H3, was not supported because there is no positive association between the amount of horizontal orientation and trainee satisfaction.

The three independent variables also were tested against another response variable, intention to stay. The ANOVA test for multiple

regression found the model to be significant ($F = 19.53$, $P\text{-value} = .00$). The multiple regression model confirmed that two variables were significant. These variables were management support ($T = 1.97$, $P = .05$) and well-rounded management development ($T = 3.78$, $P\text{-value} = .00$). The variable of “horizontal integration” was not found to be significant ($T = 1.44$, $P\text{-value} = .15$). The two response variables also were tested and found to be significant ($F = 36.38$, $P\text{-value} = .00$).

Cronbach’s Alpha was used to test for reliability of several measures. The scale designed for trainee satisfaction was determined to be reliable ($\text{Alpha} = .87$). The scale designed to measure management support also was found to be reliable ($\text{Alpha} = .718$). Finally, the scale designed to test for horizontal integration was determined to be reliable ($\text{Alpha} = .80$).

DISCUSSION

Management development is not only an expected practice; it is a necessity for any organization that seeks to have a competent and committed group of managers. The skill set required by these new managers can be diverse but must take into account the reactions, perceptions, and needs of the new managers. Management development is not only a means to create managers who are more technically proficient in the execution of their jobs, but also to ensure leadership continuity within hospitality organizations.

When structured in the right way, management development can also lead to increased satisfaction among new managers and improve their intention to stay within the organization. This could result in reduced turnover. An important finding of the researchers was the concept that management support had a pivotal role in achieving both the goals of satisfaction and increased intention to stay. Companies should put emphasis on designing effective management development programs that ensure that throughout the process, trainees are given sufficient time, attention, and support by their supervisors.

A well-rounded approach to management development was found to be a significant way to improve trainee satisfaction. Trainees who are engaged in a variety of methods and techniques will more likely be satisfied with their development and their jobs and have greater intent to stay with the company for a long-term career. Organizations should ensure that their development program does not rely too heavily on one technique (such as online training), but embrace a variety of ways to train their new managers.

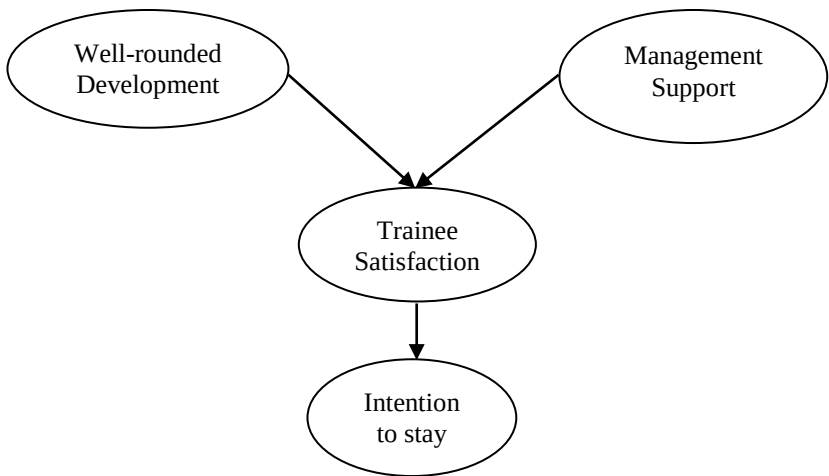
Upon examining the results of the study, the researchers found enough data to support both H1 and H2. However, hypothesis H3 was rejected. The variable horizontal integration was not found to be significant to explain satisfaction. Therefore, both the amount of support received by trainees on behalf of their managers and the variety of techniques used for management-development training are significantly more important than the number of functional areas to which trainees are exposed. While cross-training is often considered a valuable component of management development, more research needs to be done on whether trainees consider this technique valuable and whether it leads to increased satisfaction and intent to stay. Such training may help the company achieve its development, training, and business objectives, but trainee satisfaction needs more examination because the results of this study show that cross-training is not found to be an effective approach in and of itself.

From a theoretical point of view, the present research serves to affirm the importance of management support in achieving satisfaction among entry-level managers. It also highlights the importance of using various learning techniques or development methods to achieve satisfaction. A variety of methods could be more effective for a number of reasons. First, each manager is likely to learn best in a particular way, and adding various measures helps appeal to various learners. Second, a greater variety of techniques could reflect a greater organizational effort to develop managers. Whether horizontal orientation helps a business achieve its training objectives could be a subject of further research. However, the present study affirmed that such cross-training does not lead to higher trainee satisfaction. Management development should help an organization attain its objectives. However, too often an organization will focus on short-term objectives, such as the acquisition of technical skills. Lodging organizations spend a significant amount of time and effort in preparing new managers as they enter their organization. This is, of course, in addition to the initial recruitment costs the organization faces. Given the investment of time, effort, and money, organizations should make a concerted effort to retain their newly acquired and more recently developed talent. The design of their management development can play a pivotal role in helping the organization attain managerial job satisfaction and increase the likelihood that newer managers will stay with the organization. It is hoped that this research provides guidance in creating management-development programs that will improve satisfaction and assist managers in planning long-term careers.

CONCEPTUALIZATION

Having reviewed the relevant literature and obtained results from the survey instrument, the researchers propose Figure I as a conceptualization of management-development input and likely outcomes. Figure I shows how a variety of training techniques and methods, such as mentoring, conferences, on-the job training, classroom training, online training, teambuilding, and support from both the immediate supervisor and senior management are likely to result in trainee satisfaction. Trainee satisfaction results from the management-development process and, thus, leads to improved retention.

Figure I
Conceptualization of Management
Development Practices and Outcomes



KEY FINDINGS AND MANAGERIAL IMPLICATIONS

Based on the results, the following research questions were addressed:

Are management trainees more likely to be satisfied by a development program that uses a variety of methods or techniques for learning?

Entry-level managers are more likely to be satisfied with a company that utilizes a variety of different methods or techniques for learning. A possible explanation is that a company that utilizes a greater variety of techniques is likely involved and

interested in the training and development of new managers. This also ensures that the program is adapted to the various learning styles.

1. Do training and development have an impact on managerial job satisfaction?
Training and development have a positive impact on job satisfaction when designed properly. Moreover, a company that provides management support during training and development, and that employs a variety of techniques is more likely to achieve greater satisfaction among managers.
2. Does managerial support play a role in the level of satisfaction with management development?
Managerial support is of primary importance in a training and development process. People who stated they had received managerial support were more likely to be satisfied and had a greater intent to stay than those who were not.
3. Is the exposure to different functional areas perceived to be important by the trainees?
Exposure to different areas, though perceived important by some trainees, does not have a direct correlation to managerial job satisfaction.

From a hospitality industry standpoint, human resource professionals and operations professionals can use the results of the study to design programs that will further engage their recent graduate managers. By utilizing a variety of techniques and making sure that trainees receive enough support, managers will attain greater satisfaction among trainees as well as increase the intent to stay. Utilizing a variety of techniques can be more complex to implement than just one. Also, obtaining every manager's support in training activities can be a difficult goal to accomplish. However, utilizing a variety of techniques and having manager support throughout the process are the elements most likely to produce the desired results: a more satisfied, better trained, more experienced, and more loyal management group.

The industry could benefit by designing development programs that meet the recommendations of this study. Furthermore, by obtaining senior management support at the operations level, organizations will ensure a smoother process for new managers as well as increased satisfaction. With increased satisfaction and increased intent to stay come a series of benefits for hotel organizations. If an organization retains its

managers, it can gain a competitive advantage in the marketplace. Furthermore, the cost associated with the recruitment, training and development of new managers will be minimized and the benefits from an experienced managerial workforce will accrue.

LIMITATIONS AND FUTURE RESEARCH

One key limitation of the present research is reliance on Purdue graduates as respondents. Future research could use alumni from various universities as respondents. The study also used graduates within the last five years of their graduation. A study of participants who graduated more than 10 years ago and have more industry experience could yield different insights and additional valuable information. Future research could also look at the various segments of the hospitality industry to determine whether there are any differences in attitudes towards management development and job satisfaction based on these factors.

Appendix 1: Survey

Survey Instructions: The following survey will take approximately 15 minutes to complete. Please fill out the questions below. For all the questions, please recall your first managerial or supervisory role in a hospitality organization.

1. After graduation from the Purdue HTM program, did you start working at one of the following levels within the hospitality industry: Assistant Manager, Manager, Supervisor, Management Trainee, Leader-in-Training?	A) Yes B) No
2. What is your age?	A)21-25 B)26-29 C)30-35 D)36-40 E) 41 or more
3. What is your gender?	A) Male B) Female

For the following questions, please indicate how often each one has taken place on a scale from 1-5, with 1 being “never” and 5 being “Frequently.”

Question	
4. My manager takes time to train me	Never Infrequently Frequently Always
5. My manager is a mentor to me	Never Infrequently Frequently Always
6. My manager spends at least 30 minutes a day on training and development efforts	Never Infrequently Frequently Always
7. My manager cares about my career progression	Never Infrequently Frequently Always
8. My manager delegates my training & development to other employees (or other managers or supervisors)	Never Infrequently Frequently Always
9. My manager has an “open door” policy	Never Infrequently Frequently Always
10. I have the opportunity to interact with and learn from other senior managers within the organization	Never Infrequently Frequently Always
11. I would recommend my company for others to work in	Never Infrequently Frequently Always

12. My work is interesting	Never Always	Infrequently	Frequently
13. My work is challenging	Never Always	Infrequently	Frequently
14. I feel empowered at work	Never Always	Infrequently	Frequently
15. My work offers a positive work environment	Never Always	Infrequently	Frequently
16. I have or am expecting to receive training in one functional area of the business (e.g., front desk or housekeeping or restaurants or banquets or event management or other business function)	Never Always	Infrequently	Frequently
17. My company uses classroom training as one technique for my training and development	Never Always	Infrequently	Frequently
18. My company uses online classes or sessions as part of my training and development	Never Always	Infrequently	Frequently
19. My company uses online classes or sessions as part of my training and development	Never Always	Infrequently	Frequently
20. My company uses mentoring as part of my training and development	Never Always	Infrequently	Frequently
21. My company uses conferences or corporate retreats (2 or more days) as part of my training and development	Never Always	Infrequently	Frequently
22. My company uses teambuilding as part of my training and development	Never Always	Infrequently	Frequently

Question	Strongly Agree = SA Agree = A Disagree = D Strongly Disagree = SD
23. I have or am expecting to receive training in two functional areas of the business (e.g., front desk and housekeeping, or banquets and human resources, or any combination of two functional areas)	SA A D SD
24. I have or am expecting to receive training in three or more functional areas of the	SA A D SD

business (e.g., event management, finance and restaurants, or any combination of three or more functional areas)	
25. At the present time, I foresee myself continuing my employment with my current company for at least one year	SA A D SD
26. At the present time, I foresee myself continuing my employment with my current company for at least three years	SA A D SD

For the following questions, please provide an answer to the best of your recollection and mark how important it was to you.

27. During the first year of my employment with my company I spent (or am expected to spend)_____ number of days in other functional areas	A) 1-10 B) 11-20 C) 21-30 D) 31 or more	Not Important = 1 Somewhat important =2 Very Important =3
28. Other than your immediate supervisor, how many other managers are involved in your training and development	A) 0 (only supervisor) B) 1 C) 2 D) 3 E) 4 F) 5 or more	Not Important = 1 Somewhat important =2 Very Important =3

Thanks for your participation
Please mail in the pre-stamped envelope

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Importance-Performance Analysis of Guest Entertainment Technology Amenities in the Lodging Industry

By Anil Bilgihan, Cihan Cobanoglu and Brian L. Miller

An assessment of how hotel guests view in-room entertainment-technology amenities was conducted to compare the importance of these technologies to how they performed. In-room entertainment technology continues to evolve in the hotel industry. However, given the multitude of entertainment products available in the marketplace today, hoteliers have little understanding of guests' expectations and of which in-room entertainment-technology amenities will drive guest satisfaction and increase loyalty to the hotel brand. Given that technology is integral to a hotel stay, this study seeks to evaluate the importance and performance of in-room entertainment-technology amenities. Findings indicate that free-to-guest television (FTG TV) and high-speed Internet access were the two most important in-room entertainment-technology amenities when it comes to the selection of a hotel for both leisure and business travelers. The Importance/Satisfaction Matrix presented in the current study showed that many of the in-room entertainment-technology amenities are currently a low priority for guests.

Keywords: importance-performance analysis, hotel, in-room entertainment technologies

INTRODUCTION

Travelers have many choices among hotels. In this highly competitive environment for travelers, lodging managers should understand their guests' needs in order to keep current customers and attract new customers (Ananth, DeMicco, Howey, & Moreo, 1992; Howell, Moreo, & DeMicco, 1993; Sammons, Moreo, Benson, & DeMicco, 1999). Many lodging companies use technology as a value-added service to their guests. When deploying technology as a value-added service, hotels can create differentiation, enhance guest satisfaction, and build lasting loyalty among customers (Cobanoglu, Ryan, & Beck, 1999). Contemporary travelers demand technology applications and amenities before, during, and after their stay in hotels (Collins & Cobanoglu, 2008).

Olsen, Connolly, and Allegro (2000) suggested that information technology is the single greatest force driving change in the hospitality industry and will continue to alter the way the industry conducts business in the future, regardless of property size, segment, or geographic location. In this regard, it has become important to continue to identify the amenities, services, and technology applications that guests demand from hotels. Such investigations enable managers to offer a meaningful set of guestroom technology applications to guests. Technology evolution has been significant, and these developments are coming at ever increasing speeds. Thus there is a plethora of multimedia entertainment products for

home, work, and on the go. Since customers have options when choosing hotel, they may be increasingly expecting a wider variety of choices for entertainment in their hotel rooms. However, most hotels are indecisive about offering the latest technology to their customers (Deeb & Murray, 2002). These improvements in multimedia entertainment over the last few years has resulted in an increased acceptance by consumers and now may heighten the importance of in-room entertainment offerings in hotels as today's luxury amenities become tomorrow's expectation (Boukis, 2007). Moreover, in-room entertainment services are a potential revenue-producing opportunity for hotels that allows for customized guest experiences.

In-room entertainment technology amenities include personalized welcoming messages on HD televisions, video on demand, high-speed wireless Internet, interactive TV systems, video games, in-room fitness, and many more. Hoteliers are beginning to invest in in-room entertainment-technology amenities in an effort to gain market share (Beldona & Cobanoglu, 2007). Given that technology is integral to a hotel stay, this study seeks to evaluate the importance and performance of in-room entertainment-technology amenities.

RESEARCH OF THE USE OF TECHNOLOGY IN HOTELS

Recent industry initiatives have placed home-based technologies in hotel rooms in an effort to keep pace with the technologies used by consumers at home (Beldona & Cobanoglu, 2007). According to Brewer, Kim, Schrier, and Farrish (2008), hoteliers increase revenues and enhance the guest experience with technology applications. However, the lodging industry is often criticized for being slow to implement up-to-date technology, an accusation that seems to apply to guest rooms more than to overall operations (Price, n.d.). To address this issue, an industry forum of technology experts came together to start the "In-Room Technology Workgroup," whose aim is to develop ideas for the guest room of the future (Hotel Technology Next Generation, 2010).

The academic literature has generally come to the conclusion that the lodging industry would rather implement technologies that improve employee productivity and enhance revenue rather than focus on technologies that improve the guests' in-room experience (Siguaw,ENZ, & Namasivayam, 2000). This perception is supported by a study of South Korean hotel managers that found the managers believed that guest technologies have only a marginal impact on hotel performance (Ham, Kim, & Jeong, 2005). Furthermore, an earlier study reported that hotel

managers believed that guests do not use guest-operated devices effectively (Van Hoof, Verbeeten, & Combrink, 1996). Conversely, more recently, Singh and Kasavana (2005) concluded that guests expect to find technologies in their hotel rooms that mirror those that they use in their daily lives.

The general findings reported in the academic literature suggest that the hotel industry is slow to adopt guestroom technologies (Van Hoof et al., 1995; Deeb & Murray, 2002; Beldona & Cobanoglu, 2007), because hotel operators and managers perceive that expenditures on in-room entertainment-technology amenities do not yield a positive return on the investment. The challenge for the lodging industry is determining when a potential new technology is sufficiently accepted by consumers in their daily experience and thus should be implemented in hotel guest rooms. According to Beldona and Cobanoglu (2007), the technology-adoption life cycle functions as an important framework in determining the feasibility of the implementation of a technology decision. Additionally, novelty theory serves as a guideline for consumers' evaluation for monitoring the performance of existing technologies.

Technology Adoption Life Cycle

The technology-adoption life cycle is used for classifying the market and its reaction to a high-tech product. Consumers are likely to separate themselves along an axis of increasing sensitivity to risk. Consumers fall into one of five basic classifications: innovators, early adopters, early majority, late majority, or laggards (Rogers, 1995). Every consumer adoption class has a different set of needs and reactions to innovations. As a result, each group has different expectations. Moore (1991) compared the general population's transition from introduction to acceptance of a technology, to crossing the chasm. Often there is a significant gap between the consumers in the early market and consumers in the early majority, so technology products frequently fall into the chasm that is marked by a decrease in sales and a loss of market share. Thus many new technology products are likely to fail (Meadea & Rabelo, 2004).

The technology-adoption life cycle is often used for analyzing the extent that technology becomes integral to a product's definition, e.g., the in-room television in the lodging industry. In the 1960s, hotels used to charge guests for the inclusion of a television in their rooms. Additionally, properties marketed the presence of televisions in their guest rooms as a competitive advantage. Over time, the television became a standard, expected amenity for guestrooms. Similarly, Internet access in

guestrooms is often an extra charge to guests who use this service. Again, over time, it is expected that the additional charges for access to in-room Internet will disappear throughout all hotel segments (Beldona & Cobanoglu, 2007).

Technology life cycle is a framework that elucidates the evolution of technology. It outlines a variety of stages in the progression that a technology might experience in the market. There are four stages in the cycle: introduction, growth, maturity, and decline. This framework may be applied to a specific technology or a version or generation of a technology. Relevant to hoteliers is not the stage of the technology life cycle so much as the stage of who is adopting that technology, as characterized by the closely related technology adoption life cycle. Similarly, Parasuraman, and Colby (2001) characterized five segments in the adoption process: explorers, pioneers, skeptics, paranoids, and laggards. In their taxonomy the attributes and attitudes of each segment differ based on a combination of optimism, innovativeness, discomfort, and insecurity toward the technology (Beldona & Cobanoglu, 2007). Over time, all of the segments typically develop to become a viable customer group. However, the process does not necessarily occur in a distinct order, even though the categorization provides guidelines for customer segmentation. Although an important characteristic of the technology-adoption life cycle is that innovators (explorers) followed by early adopters (or pioneers) need to adopt the technology before it can move to the next stage of distribution in a more extensive market. Early adopter segments have higher standards in technology evaluation. Early adopters are technological-performance oriented, whereas later adopters mainly seek solutions and convenience (Norman 1998; Parasuraman & Colby 2001).

The core product of the lodging industry is the accommodation, which is the hotel's key benefit or solution when addressing specific consumer needs (Kotler, Bowen, & Makens, 2003). The actual product is composed of the features and attributes, combined as the brand, which is designed to deliver the core product benefit. Crossing the chasm of implementing technology in guest rooms involves identifying the correct moment when the adopted technology becomes a part of the lodging product. On the early side of the chasm, the augmented product is composed of services and benefits that are beyond the core and actual product. They are not automatically expected but may be appreciated by some guest segments. For instance, high-speed Internet (HSIA) has been a part of the augmented lodging product for some time. However, lately, HSIA has become a mainstream technology so hotel operators should

consider whether the offering of Internet access has in fact crossed the chasm in their industry and should therefore become part of their actual product.

Given this situation, the way hotels package in-room entertainment technology amenities and how they charge for it, will change as these technologies become widely accepted into guests' daily activities. This prediction, supported by the American Hotel and Lodging Association's *2008 Lodging Survey* findings, is that the number of hotels charging for in-room Internet service is steadily decreasing. In the 2008 report, 16% of respondents stated that they charged for in-room Internet service, which is a down from 19% in 2006 and 22% in 2004 (AH&LA, 2008). Similarly, on a micro level, the Sheraton Delfina in Santa Monica, CA, reportedly charged \$15 per hour for an iPod service when it was introduced to their guests but now is providing the iPod service free to guests during the entire stay (Mollman, 2007).

Novelty and Technology

The extensive technological innovation literature describes the novelty of technology on the basis of degree of familiarity with a given technology (Tatikonda & Rosenthal, 2000). Novelty theory suggests that some hotel guests will look for technology out of curiosity (Hirschman, 1980). Predictably, the novelty effect is reduced with frequent use. At the same time, as the novelty vanishes, the user is expected to become more capable in using the technology. As the proficiency in using technology increases, a tougher standard of evaluation of the relatively old technology is employed, especially when compared along with the evaluation of newer technologies (Beldona & Cobanoglu, 2007). In the current study, the novelty effect was considered when conducting the analysis of the importance and performance of in-room entertainment technologies.

In-Room Entertainment Technologies

The hospitality industry has witnessed remarkable technological changes from the late 1980's to today. In-room entertainment-technology amenities offer the "home away from home" comfort in guestrooms. Historically, hotel guests would experience new technologies in hotels before they were available in the mainstream of society (Beldona & Cobanoglu, 2007). Due to the rapid advances in technological innovation and the shortening of time for these innovations to come to the mass market, hotels are now challenged to supply an experience as good as or better than guests have available in their homes.

The colossal development of multimedia entertainment products over the last few years reflects the acceptance and importance of in-room entertainment offerings in hotels. The diversity of amenities may consist of personalized welcoming message on the HD television, video on demand, high speed Wi-Fi, interactive TV systems, video games, in-room fitness, and so forth. In-room entertainment systems provide guests access to a variety of forms of entertainment and information when they want it and on the device of their choosing.

Methodology

Research Instrument

A self-administered questionnaire was created from information obtained from a review of the literature. The questionnaire was piloted to travelers to test its efficacy and clarity. Revisions to the questionnaire were made based on the recommendations of the respondents.

The final instrument had two sections. In the first section, participants were asked to rate the importance of and satisfaction with in-room entertainment-technology amenities. These in-room entertainment-technology amenities were adopted from the works of Beldona & Cobanoglu (2007); Cobanoglu (2001); and Cobanoglu, Corbaci, Moreo, and Yuksel, (2003). To measure the importance of the in-room entertainment-technology amenities, the following five-point Likert-type scale response format was used (5 = Very important, 1 = Not important at all). To measure satisfaction with in-room entertainment technology amenities, the following five-point Likert-type scale response format was used (5 = Very satisfied, 1 = Not satisfied at all). The decision to use a five-point scale was to reduce respondent frustration and improve the accuracy of the responses (Shifflet, 1992). The second section of the survey consisted of demographic questions regarding gender, marital status, age, educational background, and job title. This study employed an online-survey methodology. The target population consisted of U.S. travelers. The sample used in this study consisted of 2,500 U.S. citizens who had email addresses drawn randomly from a national database company. Data were coded and analyzed using The Statistical Packages for Social Sciences 17 (SPSS, 2009).

Data Analysis

Exploratory factor analysis with VARIMAX rotation was employed on the data from the perceived importance of the 14 in-room entertainment-technology amenities of the survey respondents. The primary objectives of using a factor analysis were: (1) to create correlated

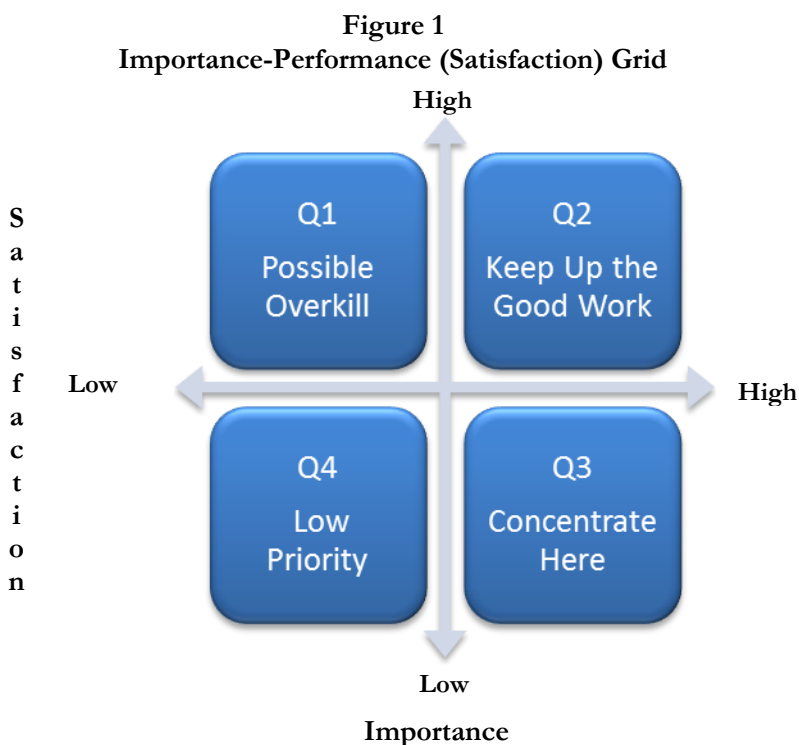
variable composites from the original 14 in-room entertainment-technology amenities so as to identify a smaller set of dimensions or factors that explained most of the variances among the attributes; and, (2) to apply the derived factors in the subsequent importance performance analysis (IPA). The determination of including a variable (attribute) in a factor was based on the factor loadings, eigenvalues, and the percentage of variance explained (Hair, Anderson, & Black, 1995). First, the factor loadings represent the correlation between an original variable and its respective factor, and only factor loadings equal to or greater than 0.50 were included as a factor. Second, only factors with eigenvalues equal to or greater than 1 were considered significant. The reasoning for this was that an individual factor should account for at least the variance of a simple variable. Finally, the result of the factor analysis should explain at least 60% of the total variance. To assess the reliability of the measures, Cronbach's Alphas were calculated to test the stability of variables retained in each factor, and only those variables having coefficients greater than or equal to 0.50 were considered acceptable and a good indication of construct reliability (Nunnally, 1967).

The main analysis of the current study involved the importance performance analysis (IPA). This tool allowed us to create a two-by-two matrix of the relative positioning of the in-room entertainment technology amenities, based on high or low importance and high or low performance (satisfaction). Importance-performance analysis yields important insights into which aspects of the marketing mix a firm should devote more attention to, and it identifies areas that may be consuming too many resources (Martilla & James, 1977).

There are plenty of examples of researchers who have employed importance performance analysis (IPA) in tourism research literature (Zhang & Chow, 2004; Deng, 2007; Tonge & Moore, 2007; Chang & Yang, 2008; Frauman & Banks, 2010) to pinpoint the difference between customer satisfaction and perceived importance. Hansen and Bush (1999) indicated that IPA is a simple and effective technique that can help researchers in identifying improvement priorities for customer attributes and direct quality-based marketing strategies. Practitioners implement IPA to analyze two dimensions of customer attributes: performance level (satisfaction) and importance to customers.

Central to the analysis, the importance-performance matrix is divided into four quadrants, distinguishing between low and high importance and between low and high performance (satisfaction) (Figure 1). The location of the cross-hairs that divide the matrix into quadrants is

critical to the interpretation of the results. As Martilla and James (1977) suggested, the means for importance and satisfaction of attributes of the derived factors were used as cross-hairs. Quadrant I displays amenities that are of low importance but respondents were highly satisfied. Quadrant II includes those amenities that are important to travelers and on which they responded that they were highly satisfied. Quadrant III indicates the area in which amenities are important to travelers but on which they responded that their satisfaction was low. Finally, Quadrant IV includes amenities that are low in both importance and satisfaction. A paired t-test was conducted to test the differences between the importance and performance of in-room entertainment.



Initially, 1,812 respondents accessed the online survey; however, the first question of the survey asked whether respondents had stayed in a hotel in the past 12 months. If the respondent selected “No” as a response, the survey was terminated. There were 749 surveys for which the respondents had not stayed in a hotel in the past 12 months. Additionally, 655 surveys were initiated but not completed. In the end,

data analysis was conducted from 408 completed surveys for a response rate of 16.3%.

RESULTS AND DISCUSSION

The survey was completed by 124 male respondents (30.4%) and 395 female respondents (66.4%). The majority of the male respondents were married with children (40.0%), while 21.3% of females were single. Almost 30% of the respondents were between 35 and 44 years old and more than 20% of respondents were between 45 and 54 years old. There were few respondents younger than 25 (10.7%) or older than 65 (2.2%).

In terms of educational background of respondents, 134 (32.7%) respondents had obtained at least a bachelor's degree, while 125 (30.6%) respondents indicated that they had some college preparation. Only 3 (0.7%) of the respondents had earned a doctorate degree. The most frequently cited occupations reported were management, professional, and related occupations. The majority of respondents in the current study (69.4%) travelled mostly for leisure purposes, while 30.6% of the respondents travelled mostly for business.

Respondents were asked to state the degree to which they adopted new technologies. About 23% of respondents reported that they were early adopters of technology compared to 6.2% reporting they were laggards. In the current study 71% of respondents were in the middle, between early adopters and laggards.

Hotel Selection Factors Derived from Factor Analysis

The perceived importance of the 14 in-room entertainment-technology amenities were analyzed using principal component analysis with orthogonal VARIMAX rotation, to identify the underlying dimensions, or hotel selection factors. The exploratory factor analysis was conducted in order to gain a better understanding of the underlying structure of the data (Pitt & Jeantrout, 1994). It also served to simplify the subsequent IPA procedures. The results of the factor analysis, which suggested a three-factor solution, included 14 in-room entertainment technology amenities and explained 61.41% of the variance in the data with eigenvalues greater than 1.0 and factor loadings greater than 0.50. The factor analysis in this study proved to have acceptable validity with the following five observations. First, Nunnally (1978) recommended at least 10 cases for each variable to be factor analyzed. In this study, all of the variables had more than 10 cases. Second, the result of the one-tailed significance test of the correlation matrix showed that more than 50% of correlation coefficients were greater than 0.30 in absolute value, indicating

that the inter-correlations among the 14 attributes were strong (Noursis, 1994). Third, the overall significance of the correlation matrix was 0.000 with a Bartlett Test of Sphericity value of 2839.616, suggesting that the data matrix had sufficient correlation to the factor analysis. It appeared unlikely that the population correlation matrix was an identity and the use of factor analysis was considered appropriate. Fourth, the Kaiser-Meyer-Olkin (KMO) overall measure of sampling adequacy was 0.898, which was meritorious (Kaiser, 1974). Since the KMO value was above 0.80, the variables were interrelated and they shared common factors. Lastly, the communalities ranged from 0.49 to 0.89 with an average value above 0.61, suggesting that the variance of the original values was explained mostly by the common factors. The results of the factor analysis produced a clean factor structure with relatively higher loadings on the appropriate factors. Most variables loaded heavily on one factor, and this reflected that there was minimal overlap among factors and that all factors were independently structured. The higher loadings signaled the correlations of the variables with the factors on which they were loaded. Reliability analysis (Cronbach's Alpha) was conducted to test the reliability and internal consistency of each factor. The results showed that the Cronbach's Alpha coefficients of the three factors ranged from 0.89 to 0.92, well above the minimum value of 0.50 that is considered acceptable as an indication of reliability for basic research (Nunnally, 1967). Table 1 shows the results of the factor analysis in terms of the factor name, the retained items, the factor loadings, the eigenvalues, the variance explained by the factor solution, the communalities, and the Cronbach's Alphas. The three in-room entertainment-technology amenity factors were named: Business Entertainment Amenities (F1); Pure Entertainment Amenities (F2); and TV Amenities (F3).

Table 1
**Results of factor analysis for in-room
entertainment technology amenities**

	Dimensions		
	<i>Business Entertainment Amenities</i>	<i>Pure Entertainment Amenities</i>	<i>TV Amenities</i>
High speed internet access	.77		
Universal battery charger	.71		
Guest-device connectivity	.68		
In-room desktop computer	.65		
In-room fitness	.56		
Game Console #1		.88	
Game Console #2		.87	
Game Console #3		.87	
Promotional Video		.64	
Internet on TV		.63	
Music		.56	
Free to guest TV			.88
High Definition TV			.81
<i>Eigenvalue</i>	5.98	1.56	1.40
<i>Variance Explained</i>	42.77	11.18	7.44
<i>Cumulative Variance Explained</i>	42.77	53.96	61.41
<i>Cronbach's Alpha</i>	.92	.89	.91

N=408; The Kaiser-Meyer-Olkin (KMO) statistic = 0.898; Bartlett's Test of Sphericity = $\chi^2=2839.616$, *df*=91, Sig= .000.

Importance of In-Room Entertainment-Technology Amenities to the Selection of a Hotel

Survey participants were asked to rate the importance of in-room entertainment-technology amenities in the selection of a hotel. Table 2 presents the means and standard deviations for the attributes as reported by respondents as the level of importance for leisure travelers.

Table 2
**In-room entertainment technology amenity's importance-
satisfaction for the selection of a hotel**

	Importance				Satisfaction			
	Leisure		Business		Leisure		Business	
Guestroom Amenities	M ¹	SD ¹	M ²	SD ²	M ³	SD ³	M ⁴	SD ⁴
Business Entertainment Amenities (F1)	2.94	1.17	3.30	0.973	3.54	1.26	3.40	1.19
HSIA (High Speed Internet Access)	3.88	1.518	4.4	1.055	3.82	1.343	3.72	1.266
Universal Battery Charger	2.76	1.622	2.98	1.581	3.68	2.53	4.771	1.212
Guest Device Connectivity	3.25	1.623	3.77	1.487	3.62	1.343	3.58	1.268
In Room Desktop Computer	2.6	1.558	2.86	1.593	3.46	1.319	3.42	1.297
In Room Fitness	2.25	1.45	2.49	1.474	3.25	2.73	4.608	1.284
Pure Entertainment Amenities (F2)	1.96	0.985	2.05	.0997	3.20	1.28	3.15	1.27
Game Console #3	1.66	1.141	1.76	1.18	3.16	3.09	4.539	1.391
Game Console #1	1.79	1.228	1.91	1.301	3.22	2.93	4.593	1.425
Game Console #2	1.73	1.245	1.74	1.144	3.21	3.09	4.568	1.365
Promotional Video	1.61	1.041	1.84	1.247	3.01	1.541	2.96	1.512
Internet on TV	2.22	1.457	2.22	1.495	3.24	1.566	3.09	1.551
Music	2.76	1.485	2.89	1.546	3.56	1.366	3.49	1.356
TV Amenities (F3)	3.27	1.09	3.36	1.03	3.99	1.03	3.85	1.16
Free-To-Guest (FTG) TV	4.1	1.339	4.14	1.272	4.23	0.986	3.97	1.196
High Def TV	2.45	1.424	2.58	1.514	3.38	2.81	4.579	1.341

Notes: M1 Mean for Leisure Travelers (1=Not important at all, 5=Very Important)

N=408

M2 Mean for Business Travelers (1=Not important at all, 5=Very Important)

SD1 Standard Deviation for Leisure Travelers, SD2 Standard Deviation for Business Travelers

M3 Mean for Leisure Travelers (1=Not satisfied at all, 5=Very Satisfied)

M4 Mean for Business Travelers (1=Not satisfied at all, 5=Very Satisfied)

SD3 Standard Deviation for Leisure Travelers, SD4 Standard Deviation for Business Travelers

High-speed Internet access in the guestroom, and guest device connectivity were perceived as more important by business travelers than by leisure travelers. Generally speaking, free-to-guest television (FTG TV) and high-speed Internet access are the two most important in-room entertainment technology amenities when it comes to selecting a hotel for both leisure and business travelers. Moreover, respondents reported that promotional video was the least important in-room entertainment technology amenity in the guestroom by both traveler groups. Overall, based on the current results, in-room entertainment technology amenities were rated similarly by both leisure and business travelers.

An independent t-test was conducted on the means of importance of in-room entertainment- technology amenity factors between business and leisure travelers. The importance of business entertainment amenities (F1) was found to be significantly different across business (3.30) and leisure travelers (2.94). This makes sense given the importance of business-related amenities, such as high-speed Internet access, guest device connectivity, and universal battery charger. The importance scores of other amenities were not found to be significantly different between business and leisure travelers.

Satisfaction with In-Room Entertainment Technology Amenities

Survey participants were asked to rate their satisfaction level with in-room entertainment-technology amenities at the last hotel they had stayed in over the preceding 12 months. Additionally, for this question respondents had a “not available” option for the satisfaction if they did not have experience with the technology in the last hotel where they had stayed. Responses that were selected as “not available” were eliminated from the current data analysis. An independent t-test statistic was calculated to determine whether there were significant differences in satisfaction with in-room entertainment-technology amenities as reported by leisure and business travelers. The results are presented also in Table 2. There were no statistical differences between the satisfaction scores of in-room technology amenity factors between business and leisure travelers. The reason for this finding may be that technology is becoming part of travelers’ lives, as these technologies are easily available and are in daily use in our society. Thus, leisure and business travelers have similar experiences with technology regardless of their travel purpose.

Importance-Performance Gap Analysis

Survey participants were asked to rate the importance of and satisfaction with guestroom technology amenities when staying at a hotel.

A paired t test was used to test the significant mean difference (gap) between respondents' perceptions of importance of and satisfaction with (Table 3) in-room entertainment- technology amenity factors.

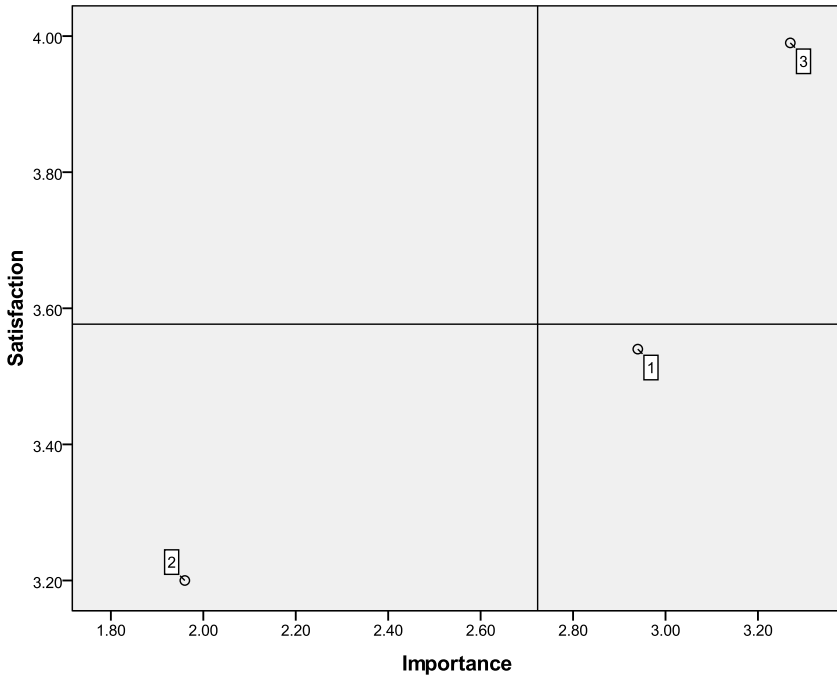
Table 3
Importance-performance gap analysis (N=408)

	Importance		Satisfaction				
	M ¹	SD ¹	M ²	SD ²	Dif. ³	t ⁴	Sig. ⁵
Guestroom Amenities							
Business Entertainment Amenities (F1)	3.20	1.02	3.49	1.24	-0.28	-3.480	0.001*
HSIA (High Speed Internet Access)	4.41	1.041	3.79	1.316			
Universal Battery Charger	3.62	1.361	3.19	1.559			
Guest Device Connectivity	3.98	1.267	3.61	1.317			
In Room Desktop Computer	3.4	1.411	2.99	1.528			
In Room Fitness	3.1	1.39	3.32	1.395			
Pure Entertainment Amenities (F2)	2.42	0.99	3.18	1.27	-0.76	-7.181	0.000*
Game Console #3	2.4	1.377	3.11	1.412			
Game Console #1	2.6	1.415	3.17	1.411			
Game Console #2	2.48	1.454	3.07	1.439			
Promotional Video	2.29	1.277	3.26	1.356			
Internet on TV	3.09	1.455	3.26	1.347			
Music	3.41	1.29	3.45	1.31			
TV Amenities (F3)	3.42	0.95	3.94	1.07	-0.51	-7.600	0.000*
Free-To-Guest (FTG) TV	4.34	1.047	4.15	1.063			
High Def TV	3.18	1.3828	3.54	1.15			

Significance *= $\alpha \leq 0.001$

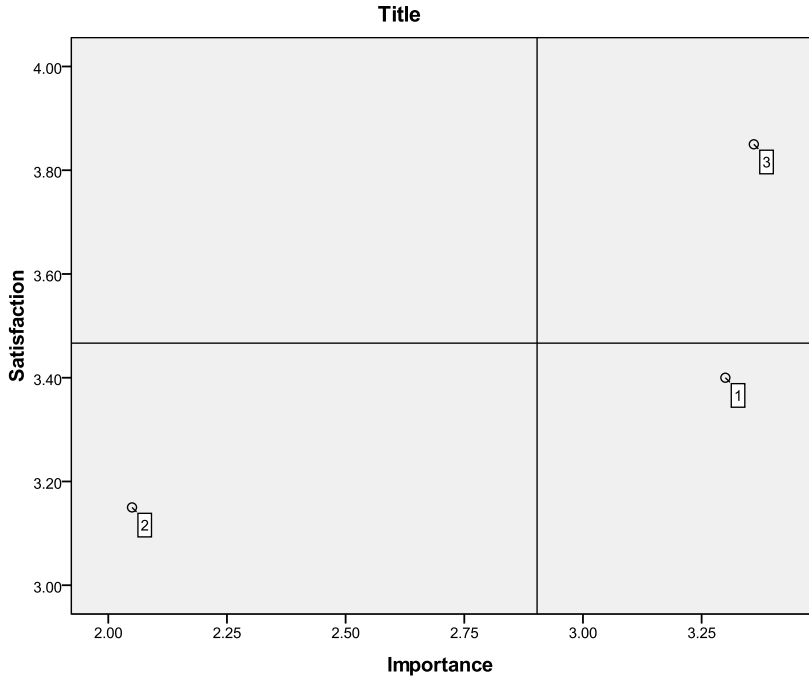
The t-statistics presented in Table 3 show that the means from the respondents' importance and satisfaction was significant for each of the factors. In each of the factors, the satisfaction score was significantly higher than the importance score for both types of travelers. To understand the importance and satisfaction of each factor better, an importance-performance matrix was created (See Figures 3 and 4).

Figure 3
Importance-Performance Analysis
Grid for Leisure Travelers



- | | |
|---|---------------------------|
| 1 Business Entertainment Amenities (F1) | 2 Pure Entertainment (F2) |
| 3 TV Amenities (F3) | |

Figure 4
Importance-Performance Analysis
Grid for Business Travelers



- | | |
|---|---------------------------|
| 1 Business Entertainment Amenities (F1) | 2 Pure Entertainment (F2) |
| 3 TV Amenities (F3) | |

Importance-Performance Matrix

In the importance-performance matrix, respondents' rankings of the in-room entertainment- technology amenity factors for both importance and satisfaction are plotted on a grid with four quadrants. Each of the quadrants represents how important the in-room entertainment technology amenity was relative to the perceived satisfaction by business and leisure travelers. With this matrix, it is possible to identify where there are gaps (i.e., the amenity is high in importance but low in satisfaction). The following presents the results of this analysis. In the first quadrant, (Possible Overkill), there were no factors present.

Keep Up the Good Work Quadrant

Quadrant II (keep up the good work) has in-room entertainment technology amenities that were important to travelers and were high in satisfaction. The TV amenities factor fell into this quadrant for both business and leisure travelers. However, the TV amenities factor was ranked significantly more important by leisure travelers, who were significantly more satisfied than business travelers. Resources should continue to be directed to ensuring that the quality of TV systems in hotels is high. Currently many hotels are in the process of switching old TV systems to HDTV systems. Several hotel chains required all hotels under their brand to switch to HDTV by a certain deadline (Stoller, 2010). This trend appears to be in line with this finding. The technology life cycle is often used for analyzing the extent to which technology has become integral to the product's definition. This finding attests to the fact that HDTV is being adopted beyond the innovators (explorers) and early adopters (pioneers), thereby progressing it in the technology life cycle. However, hoteliers need to be careful to offer high definition TV channels along with the implementation of HDTVs. Not doing so may limit the satisfaction among hotel guests (Stoller, 2010).

Quadrant III: Concentrate Here

Quadrant III (concentrate here) includes in-room entertainment-technology amenities that were rated important to travelers but whose satisfaction was rated as low (as compared to the means of each group). In the current study, Quadrant III captured only the business-entertainment amenities factor for both business and leisure travelers. It seems that amenities that are found in this quadrant need to be given special attention; they were important yet yielded lower satisfactory ratings by the respondents. This factor included variables such as high-speed Internet access, universal battery charger, and guest-device connectivity. Gap analysis showed that this factor is significantly more important to business travelers than leisure travelers (See Table 2). This finding has two implications: a) even though there is a significant difference score between business and leisure travelers, these amenities are still important to both travelers; b) hoteliers should do a better job in offering better business entertainment amenities in guest rooms. According to Cobanoglu (2010, p. 1), "guests want reliable HSIA connectivity in guest rooms regardless of whether they pay or not, and offering complimentary HSIA does not give hoteliers a pass to do a poor job." Poor Internet service may impact overall satisfaction of the hotel guests, causing them not to return to the hotel and brand.

Quadrant IV: Low Priority

Quadrant IV (low priority) includes in-room entertainment technology amenities that are both low in importance and satisfaction, thus of low priority for hoteliers. In the current research, Pure entertainment factor was placed in this quadrant for both business and leisure travelers. The amenities found in this factor were Promotional video, Game Console #1, Game Console #3, Game Console #2, Internet on TV and Music. However, just because a factor appeared in the “Low Priority” quadrant, may not mean that hoteliers should ignore them. This finding may be because: a) these amenities may be in the first stage of their technology life cycle and therefore may move into a mainstream stage later; or b) the value of these are not known or expected by current hotel guests. The novelty theory suggests that some hotel guests will look at technology out of curiosity (Hirschman, 1980). The amenities in this factor may be ones that hotel guests will seek out of curiosity. Even though these entertainment technology amenities may not be mainstream currently, they may be offered to the curious guests on a “on-demand” basis.

CONCLUSIONS AND RECOMMENDATIONS

The study makes three significant contributions to the tourism literature. First, the study fills an important gap in the literature by providing researchers, hoteliers, and hotel manager with a comparison of the perceived satisfaction and importance of technology amenities in the guestroom. The use of Importance-Performance Analysis (IPA) has significant potential in helping industry decision-makers see how business and leisure travelers value in-room entertainment technologies in the guestroom. Secondly, this study also fills an important gap in the literature because it focuses specifically on in-room entertainment-technology amenities, whereas other research has focused primarily on hotel-operational technologies. Managers and operators would do well to review the importance and satisfaction means and their implications presented in this study. Special focus on in-room entertainment technology amenities would serve well for short- and mid-term strategies. Additionally, marketing managers might develop marketing strategies that promote the amenities that were identified in the “Low Priority” quadrant of the IPA grid.

Currently, hotels, especially the luxury market, are competing to provide the latest technologies for their customers (Collins & Cobanoglu, 2008). However, our findings show that many of these investments do not seem to be appreciated by a significant proportion of guests. The

Importance/Satisfaction Matrix presented in the current study showed that many of the in-room entertainment technology amenities are currently a low priority for guests. This study identified the in-room entertainment-technology amenities that hotels should keep offering along with those that are currently salient for leisure and business travelers.

Thirdly, this study identified that there were no differences between leisure and business travelers in the importance of in-room entertainment amenities. Earlier studies (Cobanoglu, 2001) showed that there was a distinction between business and leisure travelers. One may speculate that this is due to the fact that technology is having a greater influence and adoption by a wider swath of the population and is no longer limited to business applications. Similarly, there were no significant differences in satisfaction scores between leisure and business travelers. Additionally, as guests increase their use of technology, the importance of in-room entertainment amenities should continue to increase. Today, HSIA has become a standard amenity in hotels. Thus the level of importance and satisfaction were very high.

This study also contributes to the knowledge base that is relevant to hotel operators in four significant ways. First, the current study found that a majority of respondents carry their laptop while traveling. Audio players such as MP3s were the second most popular gadget carried while traveling. Thus, hotels also should focus on guest device connectivity tools that allow guests to connect their laptops to TVs or listen to music with speakers in the guestroom. Moreover, the current study found that a predominance of respondents reported spending more than 3 hours in their hotel room, not including time spent sleeping. Roughly half of the respondents spent 3-5 hours in the guestroom. There appears to be a big opportunity for hoteliers to connect with customers through in-room entertainment technology amenities. With guests spending more time in guest rooms, hotels have the potential to generate revenue by providing in-room entertainment options that guests value but are not widely available in the consumer market. For example, only 10% of respondents take their portable gaming devices while traveling. Therefore, hoteliers may consider installing TV systems equipped with games or providing gaming consoles for the guests.

Second, in this current study the level of importance of only two of the in-room entertainment technologies was found to be significantly different between leisure and business travelers. These were HSIA in the guestroom and guest-device connectivity, both of which were perceived

to be more important by business travelers. Business travelers demand Internet connection all the time; moreover, they want to connect their own devices to the guestroom television. Television and HSIA are the two most important guestroom technology attributes influencing hotel selection. And according to AH&LA, almost all of the hotels are providing HSIA. Our study showed that respondents have high satisfaction with HSIA, so hotels should keep up the good work. Moreover, respondents perceived promotional TV as the least important technology amenity in the guestroom. Consequently, new opening hotels should consider this fact prior to offering that amenity.

Third, our survey results identified the amenities that were of low importance but for which respondents reported high satisfaction. These results indicate the amenities that are not very important to respondents. Video on Demand and High Def TV were the two amenities that respondents agreed were not very important when they select a hotel; however, they were highly satisfied with them. However, to be compatible with the government's switch to all HD signals in 2009, the number of hotels that offer HDTV sets in guestrooms increased considerably, from 10% to 36% in 2006 (AH&LA, 2008).

Finally, the current findings identified amenities that were both low in importance and satisfaction, and thus low in priority. These included promotional video, gaming consoles, Internet on TV and In Room Fitness amenities. There were also amenities important to travelers that provided low satisfaction. These included Music, Universal Battery Charger, and In-Room Desktop PC. These amenities likely need special attention as they were relatively more important and less satisfactory for the respondents. Hotels should focus additional effort to this area. Furthermore, the survey pointed out amenities that are important to travelers and on which their satisfaction is relatively high. Free-To-Guest (FTG) TV, Guest-Device Connectivity and HSIA(High-Speed Internet Access) were the only guestroom technology attributes that had relatively high importance and high satisfaction; consequently, hotels should keep up the good work.

Based on the findings of this study, two recommendations are offered for consideration to hoteliers and hotel managers. First, hotels should consider installing guest-device connectivity tools so that guests can connect their laptops to TVs or listen to music with speaker in the guestroom. Secondly, there is an opportunity for hoteliers to magnet the customers with guestroom amenities since guests tend to spend vast amount of time in the guestroom. Managers and operators would also do

well to analyze the four quadrants of Importance-Performance Analysis grid. Amenities in each quadrant may be an indication of the need for deploying different strategies depending upon the hotel's customer habits and market position.

Future Research

Since the technology items change significantly over time, this study should be replicated at least every 2 years. Additionally, future studies should look at the location of the hotel and the importance of in-room entertainment-technology amenities to their guests. Future research also should be conducted to replicate the current study in international markets, such as Canada, Europe, or Asia, to gain a better understanding of differences in in-room entertainment expectations that may exist between U.S. and international travelers. Future research should investigate actual usage patterns of in-room entertainment-technology amenities of travelers along with a focus on cost-profit analysis of in-room entertainment-technology amenities implemented in hotels. Finally, research should address the ease of in-room technology amenities. Each of these streams of research could provide useful information that aids hotels in making investment decisions for in-room entertainment amenities.

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