

# **FACTORS AFFECTING CUSTOMER SATISFACTION AND SERVICE QUALITY IN THE BOUTIQUE HOTEL INDUSTRY OF KOLKATA, WEST BENGAL**

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## **ABSTRACT**

*The study is to examine customers' perception of service quality and overall satisfaction in the boutique hotel industry of Kolkata, West Bengal. The perceived service quality of hotel attributes is to be examined and the factor structure of service quality perception is to be determined. Some valuable insights on how customers rate the service quality of a particular hotel may be provided by the result of quantitative assessment of perceived service quality. The significant quality attributes can be improved and service quality along with business performance can be enhanced with the help of these findings. Such findings shall serve as a valuable model for hotel managers. Our objective is to determine the factors related to hospitality, which lead to customer satisfaction. In the study, 5 boutique hotels were identified in Kolkata, West Bengal and surveys were undertaken on the different corporate customers who visited these hotels. This study found out that customer satisfaction mainly depends on 2 broad dimensions, one is "REASONABLE & QUALITY FOOD" and other is "GENERAL REQUIREMENTS & HOSPITALITY OF THE HOTEL". It has emerged from the study that the customers are preferring hotels especially with reasonable & quality food and then gives importance to the hospitality of the boutique hotels.*

**Key words:** Customer satisfaction, Service quality, Hospitality.

**Cite this Article:** Devlina Das, Udit Chawla and Prof. Santanu Ray, Factors Affecting Customer Satisfaction and Service Quality in the Boutique Hotel Industry of Kolkata, West Bengal. *International Journal of Management*, 8 (6), 2017, pp. 130–135.

<http://www.iaeme.com/IJM/issues.asp?JType=IJM&VType=8&IType=6>

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## 1. INTRODUCTION

Hotel industry is all forms business relating to the provision of accommodation in lodging food, drinks and various types of other services that are interconnected and are intended for the public service. The primary purpose of hotels is to provide customers with food, shelter, refreshment and similar services, facilities and goods offering on a commercial basis things that are unavailable to people. Hotel as an institute and hotels as an industry exercise a crucial role and impact on the economic growth of the country.

Farzad Sattari(1999) such strongly believe that food is one of the principal factors affecting the hotel industry and subsequently the hotel industry. To survive in the first place, every customer as an organism is in need of eating and drinking. Food impresses other aspects such as travel agencies' culinary program, the final price of hotels, culture assimilation and many other components as Lacy and Douglass(2003) mentioned Every customer is a voyeuring gourmand. The promotion of food variety and food quality as well as the restaurants of an area enhance the attractiveness of that location. Food contribute significantly on customer satisfaction and loyalty. Superior and desirable food quality, variety of food products and reasonable price of the meals offered positively affect customer satisfaction with the hotel and/or destination area. Hospitality is important in a business, especially in a hotel industry. It directly affects a customers' satisfaction and so will affect a business. The hospitality industry is responsible for operation and staffing. The facilities should be excellent in order to retain customers. Satisfied customers look for a memorable experience and dynamic service where it counts. Satisfied and happy customers are loyal customers. Kukoyi Ibraheem Adesina and Iwuagwu Chinonsa (1997) say that the goal of hotel industry is to maintain a high level of customer satisfaction by providing their clients with value added transaction through positive customer interaction.

Hotels monitor their employees and staff to make sure that they consistently abide by and apply the rules of excellent customer service. They are taught and expected to listen, to be patient, tolerant and above all helpful and efficient. The staffs' communication skill courteousness and efficiency, the willingness to assist guest at a times, addressable of customers complaints, customers getting value for money spent and the overall customer service delivery are some important aspects of hospitality in a hotel industry.

## 2. REVIEW OF LITERATURE

Customer satisfaction is a major aspect of how products and services supplied by a hotel meet or surpass customer expectation. Rust and Oliver (1994) described customer satisfaction as a cognitive and effective reaction to a service incident. Satisfaction or dissatisfaction results from experiencing a service quality encounter and comparing that encounter with what was expected. Bitner and Hubbert(1994) proposed definition of service quality as " a consumers' overall impression of the relative inferiority/superiority of the hotel and its facilities and services. Hospitality is identified as the art of giving genuine care and kindness to a guest or customer. Hospitality involves friendly treatment of guest and constitutes a very important sector in the hotel industry. Hospitality industry covers travel, accommodation, food services, conferences, leisure and recreation facilities. Hospitality is also called Hotel Management. It includes human resource management, business management, quality management, financial management, material management.

Panton (1999) comments that food and beverages play a very important role in the hotel industry. The availability of multi-cuisines, tasty food in reasonable price attracts customer to

a hotel and as such the food and beverage dimensions is an indicator of overall customer satisfaction.

Customer are satisfied if food and beverage factor meets their expectations. Bitner, Booms and Tetrault(2004) described accommodation service quality as the responsiveness of the service personnel towards requests and complaints. As also, giving feedback and solutions in a appropriate manner contributes to customer satisfaction. Rimmington and Yuksel (1998) consider cleanliness of accommodation and the availability of resources supplied to customer significant factors contributing to quality experience among the corporate customer. Kozak and Rimmington(2000) said that destination appearance and attractions, facilities and services offered, the hospitality, food and beverage dimensions impact the level of overall customer satisfaction, leading to customers' revisit intentions and recommending the hotel destination to friends, family and acquaintances. V.S. Santosh(2001) proposed that customer satisfaction is of utmost importance and it should be taken care with all kinds of hospitality. The importance of hospitality industry as an instrument for economic development and employment generation has been well documented the world over.

### 3. OBJECTIVE OF THE STUDY

To identify the factors determining customer satisfaction in the boutique hotels of Kolkata, West Bengal.

### 4. METHODOLOGY

In the present study, five boutique hotels were selected on the basis of popularity in the state of West Bengal. 100 samples were collected from the sites. Data collection was executed at the hotels and informal discussions were made with the corporate customers. The hotels were Casa Fortuna, The Senator, Astor, Barsana, and Niharika.

Initially, around 12 quality parameter were identified for measuring the quality of accommodation. A small focused group interview was performed with 4 experts and finally 9 items were chosen for describing the hotels.( Appendix). Five point Likert scale was introduced for the measurement of each item. Data after proper cleaning and validation was used for a number of multivariate analysis to attain the objective of the study.

#### Analysis

The approximate Chi-Square statistic(Fig 1a.) is 1399.71 with 99 degrees of freedom, which is significant at 0.05 level. The value of KMO statistic is 0.850 is also large and greater than 0.5. From (Fig 1b.) we can see that Factor 1(**Reasonable & Quality Food**) accounts for a variance of 5.121, which is 56.898% of the total variance and likewise Factor 2(**General Requirements & Hospitality Of The Hotel**) accounts for a variance of 1.417 , which is 15.743 of the total variance and thus the first two factors combined account for 72.641 %. In the rotated factor matrix(Fig 1c.), Factor 1 has high coefficients for variables tasty food, price and food variety. Therefore, this factor may be labeled as "**Reasonable & Quality Food**". Factor 2 has high coefficients for facility of hotel, cleanliness of hotel, appearance of hotel, friendly hotel, reception service, reception efficiency. Therefore, this factor may be labeled as "**General Requirements & Hospitality Of The Hotel**". The R-Square value(Fig2a.) is 0.572 which indicates 57.2% of the total variation in the dependent variable, Satisfaction(OSAT), can be explained by the independent variables, "Reasonable & Quality Food" and "General Requirements & Hospitality Of The Hotel". From the Anova Table (Fig 2b.)we can see that the Regression Model predicts the dependent variable significantly well and it is statistically significant as p value is less than 0.05. The Coefficient Table(Fig 2c.) helps to predict

satisfaction from these two factors and from the table these factors are statistically significant to the Regression Model. Therefore we can say that Satisfaction depends mainly on these two factors and can be shown by the equation given below:-

$$\text{OSAT} = 4.143 + 0.652 * \text{REASONABLE \& QUALITY FOOD} + 0.383 * \text{GENERAL REQUIREMENTS \& HOSPITALITY OF THE HOTEL}$$

## 5. CONCLUSIONS

Studies have proved that customer satisfaction may have huge impact on business results. Customer satisfaction results in greater customer loyalty, thereby influencing revisit and positive word-of-mouth. Satisfied customers are more likely to come back to their visited hotels, often bringing new customers along. Understanding the customer satisfaction process is very beneficial and significant for the improvement, development and expansion of hotel industry. Proper management and planning is needed to maximize benefits and profits from the hotel industry. Dealing with people is what hospitality business is all about. This model will help in determining the important attributes related to the boutique hospitality which builds customer satisfaction. All the stakeholders have to make sure that the significant attributes tasty food, reasonable price and food variety should be taken care properly as these play a very significant role towards customer satisfaction, thereby customer loyalty.

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**APPENDIX**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.850
Bartlett's Test of Sphericity	Approx. Chi-Square	1399.71
	df	99
	Sig.	0.000

**Figure 1a**

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.121	56.898	56.898	5.121	56.898	56.898	3.383	37.587	37.587
2	1.417	15.743	72.641	1.417	15.743	72.641	3.155	35.055	72.641
3	.879	9.766	82.407						
4	.626	6.954	89.361						
5	.453	5.035	94.396						
6	.215	2.389	96.785						
7	.128	1.425	98.210						
8	.097	1.076	99.286						
9	.064	.714	100.000						

Extraction Method: Principal Component Analysis.

**Figure 1 b**

<b>Rotated Component Matrix<sup>a</sup></b>		
	Component	
	1	2
facilityhotel	.270	.924
cleanlinesshotel	.218	.907
appearancehotel	.216	.912
friendlyhotel	.478	.691
recpservice	.619	.088
tastyfood	.890	.283
price	.889	.275
foodvariety	.883	.262
recpefficiency	.392	.575

**Figure 1 c.**

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Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.756 <sup>a</sup>	.572	.571	.414
b. Predictors: (Constant), REASONABLE & QUALITY FOOD, GENERAL REQUIREMENTS & HOSPITALITY OF THE HOTEL				

Figure 2 a

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	113.855	2	56.928	332.479	.000 <sup>b</sup>
	Residual	85.097	97	.171		
	Total	198.952	99			
a. Dependent Variable: OSAT						
b. Predictors: (Constant), REASONABLE & QUALITY FOOD, GENERAL REQUIREMENTS & HOSPITALITY OF THE HOTEL						

Figure 2 b

Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	4.143	.019		239.716	.000
	REASONABLE & QUALITY FOOD	.412	.019	.652	22.231	.000
	GENERAL REQUIREMENTS & HOSPITALITY OF THE HOTEL	.242	.019	.383	13.068	.000

a. Dependent Variable: OSAT

Figure 2 c