MEASURING CUSTOMERS EXPECTATIONS TOWARDS ACHIEVING CUSTOMERS SATISFACTION IN LUXURY HOTEL SERVICES

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ABSTRACT: The purpose of this study is to measure the relationship between the factors that drive towards customer satisfaction in the case of luxury hotel in Malaysia. There are four main constructs identified based on previous research and literature review. Those four are website design, customer services responses, product information and convenience. Data collection was done using a questionnaire forms. Survey was done merely using online where an email was sent to target respondents together with brief objectives and a link to connect to the online survey forms. 5,000 links sent out but only 542 responses gathered. The results indicate that all four factors are important and influenced towards customer satisfaction. The results are supporting and conquering the previous studies although not directly related to the hotel industry. It was suggested that service providers to pay more attention to customer expectation’s as the challenges is to meet the customer needs and understanding what they actually wants.


I. INTRODUCTION

Competition in hotel industry is getting complicated where it was no longer within the same categories but cross over between all types that lead to a puzzle of the current trends of consumers. Report on the consumer patterns stated that there is a fluctuate in purchased patterns, trends and preferences of customer especially those that representing the current young generations. Increase in the numbers of hotel itself invites great challenges for each of hotel to survive and sustain over long run. The additional type of accommodations such as homestay, Airbnbs fragmented the markets into various classes and reduce the potential growth of hotel industry.

It has been the current trends that customer today used online platform for most of their transaction’s. Customer start to buy groceries through online and it have becoming a “new norms” of current lifestyle. The same goes to the hotel where customer will just browse through the website and enjoyed their booking experiences prior to the actual visit.

Marketing’s scholars claimed that the only way to satisfied customer is to make sure that the overall customer journey is taken care. Each and every touch point must be customer friendly. Besides, it is important to understand the customer so that hotel or service provider can prepared themselves in meeting the customer expectations, needs, wants and demand. Hotel need to ensure that they provide excellent services from the pre booking until customer check out. Pre booking situations can start from the website experiences, product information search until customer actual experiences at the hotel and finally exit from the cycle. This study will have focused on the overall customer satisfaction based on the website design, response of customer services, product information and convenience.

II. Literature review

2.1 Customer satisfaction

Past researches related to hotel industry claimed that customer satisfaction is very important to the business’s survival and sustainability (Kotler, 2017). Recent research claimed that hotels experienced fierce competitions and at the same time facing tough time to meet customer expectations (Kotler & Stonich, 1991). Customer in 21st
century have been recorded as very much demanded in terms of service quality and overall customer experiences. They demand excellent services with a competitive rate as they have access to all the information (Mohd Farid Shamsudin & Razali, 2015). Customer may just get all the information about the whole list of service providers and able to compare all kinds of information that may suit their needs. Kumar, Scheer and Kotler, (2000) suggested that hotels to understand exactly what the customer wants as there is no much times for service providers to buy time on their marketing strategy (M. Shamsudin et al., 2015). The current slow economy situation across the global raised another alarms that service provider may face greater challenges in various angle such as competition among rivalry, high purchasing power of customer and complicated customers’ behaviour that frequently change their patterns, trends and preferences.

According to Line and Hanks (2019), customer satisfaction derived from the overall customer experiences over their customer journey with the service providers. Customer expectations involved the overall services level that may include the desired services expected by customers and the adequate services provided. On top of that it is also involves the level of customer tolerance that may lead to either customer may willing to accept the services rendered or not (M. F. Shamsudin, Razak, & Salem, 2018). From a different perspective, customer expectations are also related to the belief related to the services delivery. Customer may compare the service delivery based on their past experiences or any references points. It is also related to the expectations of service standards rendered by the service providers. The most challenging is to meet the customer expectations based on their knowledge as customer may have access to read the past customers comment and feedback as well as complete comparison between one service providers to another.

Understanding customer expectations that may lead to customer satisfaction in luxury hotels need additional efforts by the hotels to understand whether the desired services expected is derived from the lower needs or higher needs as explained by Maslow theory of needs (M. F. Shamsudin, Nurana, Aesya, & Nabi, 2018). Lower needs may just include the psychological and security parts while the higher level may need to prepared for the social needs, self-esteem needs as well as self-actualizations. Past research suggested that service providers to prepare themselves a good service at every touch point as customer overall experiences may include from the pre purchase experiences, during the service encounter and post services. Combinations of all the can be translated as the customer journey (M. F. Shamsudin, Shabi, & Salem, 2018). Services that meet customer expectations will lead to customer satisfaction while on the reverse sides will led to customer frustration and disappointments.

Customer satisfaction related to hotels’ website is among the recent important factors have been highlighted by marketer and subject matter experts. Past study suggested that hotel to provide complete customer journey in order to lead towards customer satisfaction (Mohd Farid Shamsudin, Ali, Wahid, & Nadzri, 2019). A good customer awareness will lead to customer to search more information about the hotels and the services offered. It may have derived from the social media advertisements or information shared by past customers related to the hotel services. Obviously, it will later lead to customer to the hotel’s landing pages in the website.

A recent research conducted by Ahmad, Ahmadad Papastathopoulos (2019) stated that customer is more relied on positive customer experiences rather than service provider’s advertisements. It means that past customer experiences worth more than the advertisements that may cost millions of dollars. It was stated that 60% of customer trust the testimonials than the advertisements. Satisfied customer according to M.F. Shamsudin, Ali, Ali and Shabi (2019) will share their experiences to 8 – 10 peoples among their networking’s. It is also now that the tradition changes to the comment and review in the website and blogs. Those comments and review is really important for future customer. Negative comment from dissatisfied customer will destroy the opportunity of getting and attract new customers. Therefore, keeping customer happy must be the priority to the service providers.

It was also highlighted by S. Hassan, Shamsudin and Mustapha (2019) that 70% of customers will make decisions based on their customer experience’s. Customer who plans to do booking for a room in a hotel may evaluate their first experiences doing booking as the key factors to proceed with the purchase decision’s. Hotel for example, must ensure that every touch point is customer friendly so that customer have a positive experiences and psychological towards the overall services provided by the hotel. Shafiq, Mostafiz and Taniguchi (2019) recommended that service provider to provide an easy entry for the customers despite creating long process that may turns customer decision to negative. Hotel must design the process and procedures to be as simple as possible in order to create first positive customer experiences. Hotel must ensure that the overall customer journey is taken care towards providing the most memorable experiences (B. Kadir & Shamsudin, 2019).

Customer journey is about the overall customer experiences from the beginning of the awareness about the service providers (Ahmad et al., 2019). It involves the process of customer search for information and how the information can easily available, convincing and useable to the customers (Line & Hanks, 2019). Customer than will start to compare the services in terms of benefits, features and advantages over a series of services providers’ available in the market (M.F. Shamsudin, Razak, & Salem, 2018). Customer who wish to stay at the hotel may just visit a few
popular travel blogs such as TripAdvisor.Com, tourradar.com or Oyster.com. Customer can also visit and read past customer comments at Treveloka, Agoda, Booking.com and many mores. Potential customer than may start to consider which service providers that match with their needs based on the comparison and evaluation (Hasim, Shamsudin, Ali, & Shabi, 2018). The customer journey will not have ended at the purchase level will go through the process where customer with the amount of expectation’s will experiences themselves the realization on their own. Services that meet customer expectations will lead to satisfaction (Pizam, Shapoval, & Ellis, 2016). Services that below expectations will lead to disappointment. According to (Sallaudin Hassan & Shamsudin, 2019), 90% of customer will not come back to the service provider again in the future.

It was suggested by Salem, Shawtari, Shamsudin and Hussain (2016) that hotel to focused on a positive customer experiences at every touch point and provide the best services that meet the requirements of potential customers. Among the recommended factors to be focused are the web site design (Baharudin Kadir, Shamsudin, Nurul, & Mohd, 2020), customer services (Shafiq et al., 2019), product information’s (Ahmad et al., 2019) and convenience level (Shafiq et al., 2019). It is important for service providers to ensure all the elements in order to cultivate and prosper towards customer satisfaction.

2.2 Website design

There is study in the past that highlighted the role of website design towards purchase intentions (M. F. M. F. Shamsudin, Esa, & Ali, 2019). Website is important especially at current situation where customer practiced “new normal” in their daily living. People used internet based more frequent rather than traditional method. Website design is actually referring to the overall process of particular webpage or website that promotes the user friendly and useful information (Tan & Wei, 2006). According to McDowell, Wilson and Kile (2016) good website design may attract more customer to browse through and enjoyed the customer experiences over the information and input provided by the service providers. It was reported by Tan and Wei (2006) that a good design will managed to capture visitors’ attention towards the overall products that being offered. Good design will enable the service providers to showcase their products elegantly. Hotel can make used of the web design to showcase their features, benefits and advantage virtually with a good visual to attract customers. Tan and Wei (2006) claimed that a good website design will attract more returned customer as they are enjoyed and happy with the process and arrangements of the page. Friendly website design will lead to customer satisfaction based on previous studies in hospitality industries (McDowell et al., 2016).

It was mentioned by McDowell et al., (2016) that good website design will helps to increase customer trust and satisfaction of the hotel’s brand image. A good website design will have highlighted all type of information’s that can assist customer to make quick decisions. Hotel need to know what type of information’s that customer normally would like to see from the website. Demangeot and Broderick (2016) also highlighted that a good website design increase customer conversion rates. It was highlighted that customer that visit the landing page may eventually become customer due to the nice and interesting website design (Demangeot & Broderick, 2016). Increase in conversion rates is one of the indicator that the website design managed to convince customer and meet their expectations (McDowell et al., 2016).

Recent study related to website design highlighted that the results shows positive influence towards brand attachments (McDowell et al., 2016). It means that a good website design not only lead to the customer purchase intentions but eventually become satisfied and have potentials to be loyal (McDowell et al., 2016). Good website design will attract more visitors based on the word of mouth. Customer who enjoyed and satisfied with their experiences will always share their moments to their social networking’s indirectly, such situation increases positive brand image and attract more new customer for sustainability.

Overall, based on literatures, good website design will lead to high sales of products and high traffic’s. It is common that customer will likes something that is tailored to their needs. Customer only want to know specific things that can expedite them to make decisions. Besides that, it was also highlighted that good website design will play their role to communicate with customer’s on all important matters related to their products and services. Demangeot and Broderick (2016) claimed that good website design may lead to high credibility of branding and customer engagement that lead to satisfactions.

2.3 Response of customer service

Recent research related to response times to customer highlighted that the importance of it towards customer satisfaction and retentions (Li Sa, Choon-Yin, Chai, & Aik Joo, 2019). Good response may bring positives outcomes not only to customer but to the service providers. Another research claimed that a positive response to customer will lead to increase in sales as according to Feng, Wang, Lawton and Luo (2019), satisfied customer will always return for repeat purchase. It was highlighted that poor response will lead to 15% increase in customer churn or switch (M. F. M. F. Shamsudin et al., 2019). Customer who frustrated with poor response will decided to
switch as they cannot tolerate with the bad services. It was also mentioned that poor response will lead to 30% of customer exit from their subscription’s or in the context of hotel is change their preferences to other brand or service provider’s.

Poor response not only effect low customer acquisition but may reduce up to 50% customer under the loyalty level. Further than that, the effect of bad response is the spread of customer’s feeling of disappointment and frustrations that may spoil the hotels’ brand image in the market. Recent survey reported by Li Sa et al., (2019) claimed that 75% of customer satisfaction derived from fast responses times and followed by 55% consistency in their answer’s. It was also highlighted that beside consistency, there are few other factors includes in the responses elements such as staffs’ knowledge and the staff personality itself.

According to Feng et al., (2019) reasonable response times to customer based on channel is 24 hours or less using email, 1 hour or less using social media, 10 minutes using live chat and 3 minutes using phones. The benchmarks have been established by marketers based on the successful business organizations and within the acceptable durations by the customers(M. F. M. F. Shamsudin et al., 2019). Past research indicates that most of customer would like the customer services to recognize them at every touch points. It means that the service provider must have a good customer profiles’ system that can be access by all staff at the important touch point. Besides that, customer is looking forward for value added to their customer experiences and satisfaction at every touch points.

Customer wanted to enjoyed the luxury of being customers from the moment they search the information’s until exit (Li Sa et al., 2019). On top of that, customer also looking for a rich information’s given by the service personnel to the customers. Based on that, it can be considered that meeting the customer expectations is not easy as it may involve a lot of understanding and knowledge sharing towards the betterment.

Based on numerous researches, it was highlighted that service providers need to follow the current trends of customers in providing the services (Feng et al., 2019). Beside that it was suggested that service prodders need to be quick in response. A good listening skills would add the advantage to the service providers where staff on duty supposed to applied more empathy and adaptive style in satisfying customers. It is also recommended that staff to make effort to reduce the gap of their relationships. A close relationship between customer and service providers will helps to moderate the satisfaction level and loyalty.

2.4 Product information

It was highlighted by past researcher that basic in marketing is all about the product awareness (Naeem, 2019). Communication about the products is important as it will convert the awareness into interest followed by desire and finally action. Product information especially related to hotels is important to be declared and make known for customer to choose and decide(Line & Hanks, 2019). There are many things that can be the reason of why customer choose the hotel. It can be divided into internal and external factors. As for internal, customer need to know as many as possible the products or services offered such as the swimming pool, poolside bar, numbers of café available, any SPA services, type of conferences rooms, room services, business centre, concierge service, laundry services, airport transfer, car rental and the types of rooms based on size and rates(Shafiq et al., 2019).

Ahmad et al., (2019) suggested that hotel to provide more information’s related to their exterior appearance as part of their effort to attract customers. It is also important to portray their internal appearance that many provide a clear picture about the situation of the hotels for customer to evaluate and compared. Naeem, (2019) also suggested that information such as furniture’s used and rooms offerings such as soup, towel, sheets a shampoo to be position nicely for customer information’s. Besides that, hotel also need to advertise their food and beverages specialty that can influence customer intentions.

Products information is not only limited to the features of the hotels but also the staff or personnel. Hotel need to promote that their staffs’ skill and level of knowledge. Some elements of credential such as experiences, friendliness and attitude to be highlighted as part of the marketing selling points(Wu & Liang, 2009). Customer at the same time would like to know the process for reservations and so on with regards to the customer matters. Hotel need to explain in details how the process can be made simple and convenience to the customer(Naeem, 2019). Result from a research related to hotel services indicates that customer would like to have more details and customer experiences in mobile check-in. They wanted to immediately go straight to the rooms without being hold at the reception counters (Ahmad et al., 2019). It was also mentioned that customer prefer to have digital key rather than a physical key or card readers. Such information on technology can be worth to post and advertise as hotels’ unique selling point.

Customer is also looking for a mobile information that they can communicate and engaged with the hotel almost real times. Hotel need to provide more information’s so that customer expectations can be meet for satisfaction (Naeem, 2019). Besides that, information related to the external environments such as locations, nearest airport
and any other interesting places such as transportation hub, tourist attractions, shopping malls and details about the city will be useful for the customer in designing their activities during their stay.

Hotel need to always update their latest activities and events at their website and social media to show let the customer to know of the current ongoing activities at the hotel. Such updates may indicate positive branding that may influence customer to pay for a visit (Line & Hanks, 2019).

2.5 Convenience

Convenience in terms of hotel services and customer experiences through online booking can be captured through the time saving approach offered to customers (M. F. M. F. Shamsudin et al., 2019). Customer today, starts to demand for mobile check in instead of counter registration’s. Today customer is getting more complicated as they observed other service’s provided by the same industry at the other side of the world(Razak & Shamsudin, 2019). A good services provided by the hotel includes a flexible check in and out as per customer schedule and requirements. Such thing will provide customer with a lot of relief despite a standard check in and out time. It would also have requested that hotel to provide transportation services from the airport transfer until city visit for the convenience of customer(Hamzah, Othman, & Hassan, 2016). Hotel must shout that kind of services in order to attract more customer that needs that kind of complimentary service’s instead of just accommodation.

Hotel may also opt for a self-services and personalization services to customer. Customer can have requested the services or products that they require and customize their purchase based on what they need only. Such thing provides convenience to customer in a better way. According to Hamzah et al., (2016) online booking that allowed customer to change and edit based on their preferences can satisfied customer with the personalization and customization options. Customer at the same time must always follow up customer prior their visit to the hotels. According to B. Kadir and Shamsudin (2019) customer experiences begin right before the customer reach the hotel. Customer experiences counted before the visit, during the stay and finally after they exit. Hotel should have focused in providing convenience services to customer by changing their process and policies. Some of the policies according to Hamzah et al., (2016) have been outdated and no longer relevant

III. Methodology

This is a quantitative research where a cross sectional data collection will be used. Data will be collected using a set of questionnaire in order to measure the relationship between the constructs. Target respondents for this survey is those who have experienced staying in hotels with online booking. The questionnaire was distributed online based on the databases retrieved from authorised marketing agents. All together there are 21 items used in the survey using 7 Likert scale in which 7 is strongly agree and 1 is strongly disagree. 5,000 potential respondents were approached through an email invitation together with the link. The contents of the email briefed about the objectives of the research and background of the researcher. Out of 5,000 invitations only 567 responded to the links and upon checking the missing values left a total of 542 retained for the data analysis. Data analyses performed using structural equation model.

IV. Findings

Table 1 is the summary of respondents’ profiles. There are in total 542 respondents in which 71% are male. It was a bit difficult to convince female respondents to participate in the exercises as female will not response to unknown email sender. As a result, only 29% are female. It was also recorded that majority of respondents are between the age of 36 and above and most of them earned more than RM8,000 monthly. It was also shows that 67% are married and most of them have at least have been using internet for more than 6 years.

Table 1: Demographic profiles of respondents

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>71%</td>
</tr>
<tr>
<td>Female</td>
<td>29%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>18 – 25 years old</td>
<td>12%</td>
</tr>
<tr>
<td>26 – 35 years old</td>
<td>25%</td>
</tr>
</tbody>
</table>
36 – 45 years old 36%
Over 45 years old 27%

Education level
Secondary schools and below 5%
Diploma 7%
Degree level 72%
Postgraduate and above 16%

Monthly income
Below RM2,000 3%
RM2,001 – RM5,000 12%
RM5,001 – RM8,000 21%
RM8,000 and above 64%

Marital status
Single 25%
Married 67%
Divorce 8%

Internet experiences
Less than 3 years 2%
4 to 6 years 42%
More than 6 years 56%

Table 2 is presenting the overall reliability of the constructs and factors loading. Some items need to be deleted because of below the acceptance level. Those items are WEB 3, WEB 5, CS 3 and PI 4. In total items for web design (4), customer service responses (4), product information (5), convenience (4) and customer satisfaction (4). Total items are 21. The results of CR are between the range 0.81 – 0.92 while AVE is between the range 0.82 – 0.91. MSV ranges from 0.55-0.76 and ASV is between 0.52-0.65.

<table>
<thead>
<tr>
<th>Items</th>
<th>Factor loading</th>
<th>t-value</th>
<th>MSV</th>
<th>ASV</th>
<th>AVE</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WEB 1</td>
<td>0.91</td>
<td>22.41</td>
<td>0.76</td>
<td>0.56</td>
<td>0.91</td>
<td>0.90</td>
</tr>
<tr>
<td>WEB 2</td>
<td>0.95</td>
<td>23.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WEB 3</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WEB 4</td>
<td>0.81</td>
<td>18.21</td>
<td></td>
<td></td>
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</tbody>
</table>
Table 3 confirmed the discriminant validity. These results also demonstrated that all measures were reliable (Bagozzi and Yi, 1988). Means, standard deviations and correlations of latent variables are presented in Table 2. The results in Table 3 indicate that all correlations are significant.

Table 3: Means, standard deviations and correlations of study constructs

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>Website design</th>
<th>Customer services</th>
<th>Product information</th>
<th>Convenience</th>
<th>Customer satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website design</td>
<td>4.25</td>
<td>0.70</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer services</td>
<td>4.00</td>
<td>0.81</td>
<td>0.87</td>
<td></td>
<td></td>
<td></td>
<td>(0.96)</td>
</tr>
</tbody>
</table>
Table 4: Path estimates of structural models

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Standardized path coefficients</th>
<th>t-values</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Website design → Customer satisfaction</td>
<td>0.32</td>
<td>5.69</td>
<td>Supported</td>
</tr>
<tr>
<td>H2 Customer services → Customer satisfaction</td>
<td>0.29</td>
<td>4.75</td>
<td>Supported</td>
</tr>
<tr>
<td>H3 Product information → Customer satisfaction</td>
<td>0.14</td>
<td>2.07</td>
<td>Supported</td>
</tr>
<tr>
<td>H4 Convenience satisfaction → Customer satisfaction</td>
<td>0.24</td>
<td>2.36</td>
<td>Supported</td>
</tr>
</tbody>
</table>

This study indicates that the hypotheses testing revealed a positive result where all constructs are significantly influence towards customer satisfaction tested using structural equation model. It was found that the fit indices values and path coefficients are acceptable as per the table 4 below. Website design influences customer satisfaction positively (\( \beta = 0.32 \ p < 0.001 \)), supporting H1. Customer service responses influences customer satisfaction positively (\( \beta = 0.29 \ p < 0.001 \)), thereby supporting H2. At the same time, product information was found to have a positive influence over customer satisfaction (\( \beta = 0.14 \ p < 0.001 \)), therefor H3 is accepted. H4 indicates that convenience influence customer satisfaction (\( \beta = 0.24 \ p < 0.001 \)).

V. Discussions and conclusion

The results indicate that all factors namely website design, customer services responses, product information and convenience were positively influence customer satisfaction. The trends of customers especially those at the middle age currently is getting complicated and sophisticated. Service provider need to understand what they need and their level of expectations. The results although is supporting some previous research such related to website (Khan & Rahman, 2016), Customer services (Mohd Farid Shamsudin & Razali, 2015), Product information (B. Kadir & Shamsudin, 2019) and convenience (S. Hassan et al., 2019), but it shows a changing in pattern of the current customer behaviour and purchase intentions.

Service provider somehow need to accept that too many industry players have created a surplus numbers of supply ion the market. Such things lead to the heavy competition with the objectives to attract customers and to survive in the market. Current slow economy since last year and expected global recession in coming months may become threat to the market players.

It is suggested that hotel and service providers to become more objective’s in their current operations in preparing themselves to retain customers and keep them loyal instead of spending for unnecessary marketing cost for unknown results. The used of digital marketing using social media is effective especially in creating the brand awareness and product information’s.

VI. REFERENCES


