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# An Empirical Study on Factors influencing Customer Satisfaction in Hotel Industry

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**Abstract:** The rationale of this learning is to come across out the most significant factors that have an effect on the satisfaction level of customers in Various Hotels. In this article we tried to keep self-assured the point of view so as to customer satisfaction is mainly prejudiced by the factor of promotion activities, price, product quality, process activities and Customers' Demographics. Subsequently a survey was conducted to identify customers' satisfaction and evaluate using grey correlation examination method and it was found that promotion activities, process activities and Customers' Demographics in charge of importance, be the three most significant factors in decisive customers' on the whole satisfaction level. Afterwards few suggestions were drawn to the people of hotel industries in order to develop their business.

**Keywords:** Customer Satisfaction in hotel, Grey correlation Examination, significant factors

## I. INTRODUCTION

The present cut-throat big business environment, the capability to identify gainful customers, construct their long-standing loyalty and progressively expand active relationships was the key economical factors to the hotel. In order to congregate this factor, hotel management look upon monitoring customer happiness is the one of the most important goal of a hotel in support of customer satisfaction. Neglecting the customer preferences is the devastating reason why consumers leave the hotel. These factors pouring customer pleasure, on the other hand, are unclear and uncertain. Consequently, management of the hotel necessitate being on familiar terms with the most dominant factors in addition to make valuable decision.



## II. REVIEW OF LITERATURE

- 1) (Das, 2017) has identified many factors which influenced customer loyalty and service and its quality in the hotel industry of Kolkata. He figure out many influential factors for service quality.
- 2) (Jaya, 2008) studied many factors study emphasis on strategic implementation is either “service-led” or “IT-led”. Hotel reservation from check-in to check-out all the process should be automated by the information technology. Strategic success comes through best operational implementation with well established information technology.
- 3) (Kumar, 2017a) studied the structural impact of the GST on the hotel industry so that we can identify the reduction in the cascading effect of the tax regime
- 4) (Sarena, 2016) studied many factors that identify the customer satisfaction in the hotel industry and also they studied the level of impact it is showing while selection of the hotel for check in
- 5) (Kumar, 2017c) specified enormous figures that identify the policies related to the hotel industry in a criterion methodology.
- 6) (Khuong, Le, Ngan, Thi, & Phuong, 2015) examined many factors that influencing the customer loyalty of hotel industry with logical manner
- 7) (Cherdchamadol & Sriboonjit, n.d.) This research was done in Bangkok, here author specified his result by selection of few hotels and analyzed the primary data collected.
- 8) (Abdulraheem et al., 2018) investigated factors that influenced major factors in hotel industry to identify the impact on customer loyalty
- 9) (Ahmad & Sattar, 2018) studied factors that influenced the customer selection criteria in hotel industry in case of Pakistan country
- 10) (Kumar, 2017b) identified many that related financing issues of hotel industries management by using camel model to help the management of the hotel industry in the area of profitable management
- 11) (MIN, 2017) examined the elements that impacting the brand image and overall image of the company in the hotel industry in Malaysia.
- 12) (Thi & Xuan, 2017) analyzed decisive factors which influenced loyalty of customer in the area of hotel industry
- 13) (Mick, 2008) concentrated on tourist hotels industry in order to identify the pattern of selection to loyal tourists to the selected hotels.

## III. OBJECTIVE OF THE STUDY

The idea of the study is to be find out the prime factors pouring customer satisfaction which heighten customer loyalty as well as prevents customer blend, lowers consumers price sensitivity, reduces the costs of unsuccessful marketing and of new consumer formation, reduce operating expenses due to customer figure increase, improve the efficiency of promotion, and enhances business name. Majorly Different researchers unconnected the apparatus of customer satisfaction and hotel management regularly don't know what factors are most dominant. Finally, therefore essential for management to understand the relationship in between customer level of satisfaction on the road to the development of future development of the satisfaction towards hotel industry.

## IV. RESEARCH METHODOLOGY

- 1) *Grey Correlation Examination*: Grey correlation investigation is prime method of Grey system theory to analyze the amount of correlation. These methods have a benefit of study small indefinite sample which be capable of analyze the indecisive relationship involving evaluating object as well as influencing elements. By Applying this grey correlation analysis technique this research tries to locate the main factors which make hotel consumers satisfaction. Detailed steps of the examination are as follows.

### A. Steps

- 1) Choose that comparative sequence (for the purpose of evaluating objects) and standard sequence (for the purpose of evaluating indicators). Presume the number of evaluating objects as well as evaluating indicators are respectively m along with n. So that the comparative sequence ( $X_i$ ) as well as standard sequence ( $X_0$ ) were as follows.

$$X_i = \{X_i(k), k = 1, 2, \dots, n\} \quad (i = 1, 2, \dots, m);$$

$$X_0 = \{X_0(k), k = 1, 2, \dots, n\}$$

- 2) Calculation of grey correlation ( $\square$ )

### (Grey relational analysis)

Normalize the each response considered using

$$x_i(k) = \frac{\max y_i(k) - y_i(k)}{\max y_i(k) - \min y_i(k)}$$

Calculate the grey relational coefficient  $\xi_i(k)$  for each

response using 
$$\xi_i(k) = \frac{\Delta_{\min} + \psi \Delta_{\max}}{\Delta_{0i}(k) + \psi \Delta_{\max}}$$

Use the formula  $\gamma_i = \frac{1}{n} \sum_{k=1}^n \xi_i(k)$ , to generate overall grey relational grade  $\gamma_i$ .

3) As per the grey related degree, let's find out what aspect be first and foremost effective as well as what is secondary as well.

#### B. Sample Size

The entire population of Andhra Pradesh becomes the study population to which the results are generalized. This research consisted of total three hundred & forty (340) customers in top hotels in Andhra Pradesh, which is most popular and growing state in India. The survey questionnaire utilized consisted of opinion expressed close ended questions concerning the satisfaction levels and details collection questions concerning the score for each factor and on other fifteen point scale is used (1= Negative satisfaction, 8 = neither negative nor positive (neutral), 15= complete positive satisfaction). The other section contains about demographic variables such as age, marital status, gender, and education. Finally, three hundred (300) actual questionnaires were analyzed by the study.

### V. DATA ANALYSIS AND INTERPRETATION

The following table represents the scores based on the opinions derived by the customers with the aid of questionnaire itself.

Table 1

Hotel	Hotel Promotion	Hotel Service Quality	Hotel Pricing Strategy	Hotel Product Quality	Hotel Location
A	10	12	12	8	10
B	8	9	10	9	5
C	4	6	4	8	6
D	12	6	10	11	12
E	10	10	8	6	8
F	10	11	10	7	9
G	9	8	9	10	8
H	6	7	7	8	8

From the above table that the hotel A get 12-point on 'Hotel Service Quality' which is its highest score and the hotel B got her highest score 10-point on 'Hotel Pricing Strategy'.

We can get the standard sequence  $X_0$  which is shown in Table 2.



Table 2 Standard sequence( $X_0$ ) and Comparative sequence

	1	2	3	4	5	6	7	8
$X_0$	12	10	8	12	10	11	10	8
Hotel Promotion ( $X_1$ )	10	8	4	12	10	10	9	6
Hotel Service Quality ( $X_2$ )	12	9	6	6	10	11	8	7
Hotel Pricing Strategy ( $X_3$ )	12	10	4	10	8	10	9	7
Hotel Product Quality ( $X_4$ )	8	9	8	11	6	7	10	8
Hotel Location( $X_5$ )	10	5	6	12	8	9	8	8

Table 3

	1	2	3	4	5	6	7	8
$\square_1 =  x_0(k) - x_1(k) $	2	2	4	0	0	1	1	2
$\square_2 =  x_0(k) - x_2(k) $	0	1	2	6	0	0	2	1
$\square_3 =  x_0(k) - x_3(k) $	0	0	4	2	2	1	1	1
$\square_4 =  x_0(k) - x_4(k) $	4	1	0	1	4	4	0	0
$\square_5 =  x_0(k) - x_5(k) $	2	5	2	0	2	2	2	0

Table 4 Grey Related Coefficient

	1	2	3	4	5	6	7	8
$\square_1(k)$	0.6	0.6	0.43	1	1	0.75	0.75	0.6
$\square_2(k)$	1	0.75	0.6	0.33	1	1	0.6	0.75
$\square_3(k)$	1	1	0.43	0.6	0.6	0.75	0.75	0.75
$\square_4(k)$	0.43	0.75	1	0.75	0.43	0.43	1	1
$\square_5(k)$	0.6	0.375	0.6	1	0.6	0.6	0.6	1

Using the terms, the grey associated degrees which indicate the relationship connecting customer satisfaction and influencing factors is calculated.

$$\text{Overall grey coefficient } r_1 = (\square_1(1) \square_1(2) \square_1(3) \square_1(4) \square_1(5) \square_1(6) \square_1(7) \square_1(8)) = 0.716$$

$$r_2 = 0.754, r_3 = 0.735, r_4 = 0.724, r_5 = 0.672$$

The effect shows  $r_2 > r_3 > r_4 > r_1 > r_5$ . This pattern indicates that the hotel customers in Andhra Pradesh pay added attentions to the hotel service quality and customer satisfaction levels are strongly affected by this factor. On the other hand, pricing strategy and product quality are the secondary factors. The hotel branding of the hotel be the fourth feature consumers' care about. Furthermore the hotel location of the hotel has comparatively little impact on consumer satisfaction.

## VI. CONCLUSION

This study has identified totally five major hotel factors, which are deemed important to customers. The five hotel factors are: 'Hotel promotion', 'Hotel Service Quality', 'Hotel pricing strategy', 'Hotel Product Quality', 'Hotel Location'. From these major factors, 'Hotel service Quality' and 'Hotel Pricing Strategy' are measured to be the apex two factors that determined by the customers' for their overall satisfaction in area of Andhra Pradesh.

The 'Hotel service quality' have been recognized as the most powerful factor, it appear that hotel consumers these days are not just look for necessary services as well as conveniences provide by a hotel ,but also are expecting a far above the ground level of

standard to individual service. The Hotel management have to ensure the excellence of hotel services by continuously reviewing their customers' requirements, as well as by strengthening customer service training programs for their employees.

Inner advertising is too crucial to the excellence of public house services. It is, treat workers as Inner consumers would improve the employees' happiness, which is primary to the condition of good service to the hotel customers. Other hotel factors such as 'Hotel promotion', 'Hotel Service Quality', 'Hotel pricing strategy', 'Hotel Product Quality', 'Hotel Location' should not be ignored. even though this study find that these hotel factors are found to be less significant in influence travellers' on the whole satisfaction levels, hotel management should uphold the standards of these services as well as facilities to meet the basic needs of the customers. Hotel management should be aware that even though the factors were not the prime factors leading to customer satisfaction as well as repeat benefaction, the nonappearance or breakdown of these factors to meet customers' desires might be the outcome in their dissatisfaction.

Our conclusion is considered helpful to the hotel industry because they provide a apparent suggestion on how to get better their service provisions in the Andhra Pradesh hotel industry. just the once the hotel attribute in relative to customers' desires are obviously recognized as well as understand, hotel managers are additionally likely to be able to expect as well as provide for their customers' desires as well as needs, rather than just react to their displeasure.

On the other hand, this learning has few limitations. There are some other factors influence consumer satisfaction, apart from recommended in this study, such as security, value as well as general amenities. In order to avoid these limitations, future studies could examine some of the following factors. In addition, in order to identify more methodically the factors influencing customer satisfaction, hotel industry must be compete with other popular growing industries.

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