

**THE EFFECT OF CUSTOMER SATISFACTION ON COMPANY'S PROFITABILITY
IN THE HOSPITALITY (HOTEL) INDUSTRY
(A CASE STUDY OF CHAMPION HOTEL AT SANTASI)**

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**A DISSERTATION SUBMITTED TO THE DEPARTMENT OF BUSINESS STUDIES,
CHRISTIAN SERVICE UNIVERSITY COLLEGE IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF BACHELOR OF
BUSINESS ADMINISTRATION (MARKETING OPTION)**

JUNE 2012

DECLARATION

We have read the University College's regulations relating to plagiarism and certify that this report is our own work and do not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this report herein submitted.

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ABSTRACT

This paper studies the effect of customer satisfaction on shareholder value. In the first section of the paper the link between the two variables is examined theoretically, it is then tested empirically. A survey as a sampling technique was used to select the sample. Questionnaires and interview was used to get the response of the respondent. The results of this study give insights to the effect of customer satisfaction on shareholder value. The objective is to first, glimpse the effect of customer satisfaction on shareholder value. Secondly, spot out customer loyalty and how good the relationship of customers and staffs at Champion hotel.

Our purpose of retaining customer satisfaction is achieved and objectives are also met. Customer satisfaction → Customer loyalty → Company's profitability.

In conclusion, the data generated in this study were analyzed and the findings were discussed according to the various questions that served as a guide for the collection of data. We realized that customer satisfaction depends on the kind of service the hotel renders. From the responses gathered, it was realized that staff were trustworthy and loyal to their customer in terms of attention, time, and appropriate food of high quality. Management also mounted strategies in place to look upon in order to satisfy customers.

Recommendation was that research findings are of particular importance to managers who are responsible for developing and implementing strategies. These findings will help Champion hotel to understand the effect of customer satisfaction on company's profitability in relationship with marketing strategies.

ACKNOWLEDGMENT

Sincere thanks go to the Almighty God for giving us the strength and knowledge in bringing forth this report.

We further thank our supervisor, Mr. Frederick J. Santuoh, for his guidance and counseling throughout this work.

Again, we thank C.E.O, shareholders, managers and staff of Champion Hotel for their cooperation in helping us to solicit data for our study.

Finally, we thank all the Lecturers in the Business Studies Department for knowledge they have impacted on us. God richly bless them all.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

According to the British laws, a hotel is a place where a “bonafied” traveler can receive food and shelter provided he is in a position for it and is in a fit condition to receive. Hotels have a very long history, but not as we know today, way back in the 6th century BC when the first inn in and around the city of London began to develop. They first catered for travelers and provided them with a mere roof to stay under. This condition of the inns prevailed for a long time, until the industrial revolution in England, which brought about new ideas and progress in the business at inn keeping.

The invention of the steam engine made traveling even more prominent. More people traveling not only for business but also for leisure reasons. This had lead to the development of hotel industry as we know of today. Hotels today not only cater for the basic needs of the guests, like food and shelter, but provides much more. Hotels today are a “Home away from home”.

1.1 Background of the Study

Customer satisfaction is a business philosophy which tends to create value for customers, anticipate and manage their expectations, and demonstrate ability and responsibility to satisfy their needs. Quality of service and customer satisfaction is critical factors for success of any business. As Valdani, a marketing philosopher, points out: “Enterprises exist because they have a customer to serve.” The key to achieve sustainable advantage lies in delivering high quality service that results in satisfied customers (Shemwell et al, 1998). Service quality and

customer satisfaction are key factors in the battle to obtain competitive advantage and customer retention. Customer satisfaction is the outcome of customer's perception of the value received in a transaction or relationship, where value equals perceived service quality, compared to the value expected from transactions or relationships with competing vendors (Blanchard & Galloway, 1994; Heskett et al., 1990; Zeithaml et al., 1990). In order to achieve customer satisfaction, it is important to recognize and to anticipate customers' needs and to be able to satisfy them. Enterprises which are able to rapidly understand and satisfy customers' needs, make greater profits than those which fail to understand and satisfy those needs (Barsky & Nash, 2003). Since the cost of attracting new customers is higher than the cost of retaining the existing ones, in order to be successful managers must concentrate on retaining existing customers, implementing effective policies of customer satisfaction and loyalty. This is especially true in the hotel industry.

Hotels are increasing their investments to improve service quality and the perceived value for guests so as to achieve better customer satisfaction and loyalty, thus resulting in better relationships with each customer (Jones et al., 2007). Relationship quality has a remarkable positive effect on hotel guests' behavior: it creates positive word of mouth (WOM) and increments repeated guest rates (Kim et al., 2001).

Companies as economic agents seek to maximize profit; thus they identify and develop area in their operations where they have competitive advantage. In the service industry, satisfying customers is a key determinant of profitability. "Customer satisfaction and profitability is a cornerstone of service improvement efforts" (Michael Murphy 2001). Customers are sovereign in their choice of goods and services to buy. It is not difficult, therefore to suggest that the better the manufacturer meets the needs and desire of the consumer, the less likely the customer will defect and hence the greater will be company profitability. "A customer satisfaction-profit link is the heart of the service profit chain."(Heskett, et al. 1997)

Service has played a crucial part in marketing. Already organizations discovered that their survival no longer depends on the product they offer only, but also on the additional offerings they make to their customers that differentiate them from their competitors. Service marketing is not a self – enclosed task but is an integral to service organization as a whole, and the object of the activity is people who are reactive and not passive as compared with a product.

If customers are satisfied, they tend to be loyal and if they are loyal they may not only buy more, but may also refer other customers. Frustrated consumers not only have a negative experience and share it with their friends and relatives, but may even go to court to seek redress. Companies will receive negative publicity that will affect their prestige and will require extra effort, time and money to be invested in protecting the reputation of the business, including dealing with court cases and the press. In a tough competitive environment, rival firms can take advantage of the situation.

1.2 Problem Statement

Hotel industry has experienced an influx of new entrants, new competition and a new way of doing business in these recent years. Hotels lose the majority of their customers because the service rendered to them is not satisfying and sufficient, so they tend to switch from one hotel to the other.

The problem is that some of the hotels render insufficient service to customers and due to that they become dissatisfied, all because customers are recently becoming more demanding. Because of this problem, we used Champion hotel as our case study to know the effect of customer satisfaction on company's profitability.

1.3. Objectives of the Study

The main objective of this study is to better understand the effect of customer satisfaction on company's profitability in a service (hotel) industry. The study specifically seeks:

- ❖ To identify the processes use by the champion Hotel in delivering their services.
- ❖ To determine whether customer satisfaction is really important.
- ❖ To examine the extent to which customer satisfaction can be a key to company's profitability.
- ❖ To determine the relevance of customer satisfaction to company's existence.

1.4. Research Questions

We stated the following research questions:

- ❖ What is the processes being used by Champion Hotel in delivering their services?
- ❖ Is customer satisfaction really important?
- ❖ Is customer satisfaction a key to company's profitability?
- ❖ Is customer satisfaction relevant for company's existence?

1.5 Significance of the Study

This study helped us to:

- ❖ Know Customer satisfaction generates satisfied customers who believe they are getting their money's worth and repeat purchase when the need arises for growth of profit.
- ❖ Examine the effect of customer satisfaction on company's profitability in Champion Hotel.

- ❖ Identify and address some possible challenges associated with hotels most especially Champion Hotel.
- ❖ Generate more interest for further work by researchers.

1.6 Scope of the Study

The study focuses on assessing the effect of customer satisfaction on company's profitability in the hotel industry-Champion hotel of Kumasi – Santasi in the Ashanti Region. The research was conducted in three months, thus from February 2012 to April 2012.

1.7 Research Methods

The methods and procedures employed in this research were summarized under both primary and secondary sources of data.

Under the primary data collection we designed a well structured questionnaire for management and existing customers, and interview staff of Champion Hotel -Santasi.

Under the secondary data collection, the company's financial data and newsletters were consulted.

Under the data analysis we employed both qualitative and quantitative techniques. Under the quantitative technique, bar charts, pie charts and graphs were used to analyze how Champion Hotel is meeting its local and foreign customer needs.

And under qualitative technique, individual in-depth interviews are conducted to extract information from the staff to know the real situation on the ground.

The sample size for the research was 125 including management, employees and customers.

1.8 Organization of the Study

The study is organized in five chapters:

Chapter one introduces the general topic and has the background, statement of problem, objectives, scope of study limitations as well as organization of the study.

Chapter two reviews literature. In this part, previous study done by other researchers as well as literature on the topic the effect of customer satisfaction on company's profitability was reviewed.

Chapter three is about the method of study. In this part, the procedures that were applied to collect data, collection technique, and study design were provided.

Chapter four is about Results and Findings: in this part the data is processed and analyze to present the answer to the research questions.

Chapter five is about the Summary of Findings, Recommendation and Conclusion: in this part the conclusion of the study based on the results and findings of the research was presented.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter gives an overview of literature and models that are related to the research problem presented in the previous chapter. This chapter introduces the concept of customer satisfaction, profitability, the effect of customer satisfaction on company's profitability of a hotel industry. It also touches on the extended marketing mix in application with customer satisfaction.

2.1 Customer Satisfaction

There are two principal interpretation of satisfaction within the literature of satisfaction as a process and satisfaction as an outcome (Parker and Mathews, 2001).

Early concept of satisfaction research has typically defined satisfaction as a choice evaluative judgment concerning a specific purchasing decision (Oliver, 1980; Churchill and Suprenant, 1992; Bearden and Teel, 1993; Oliver and DeSarbo, 1998).

The most widely accepted model, in which satisfaction is a function of disconfirmation, which in turn is a function of both expectations and performance (Oliver, 1997).

The disconfirmation paradigm in process theory provides the grounding for the vast majority of satisfaction studies and encompasses four construct \pm expectation, performance, disconfirmation and satisfaction (Caruana et al, 2000). This model suggest that the effects of expectation are primarily through disconfirmation, but they also have an effect through perceived performance, as many studies have found a direct effect of perceived performance on satisfaction (Spreng and page, 2001).

Swan and Combs (1976) were among the first to argue that satisfaction is associated with performance that fulfils expectations, while dissatisfaction occurs when performance falls below expectations.

In addition, Poisz and Von Grumbkow (1988) view satisfaction as a discrepancy between the observed and desired. This is consistent with value – percept disparity theory which was developed in response to the problem that consumers could be satisfied by aspects for which never existed (Yi, 1990).

Customers want a meeting between their values (needs and wants) and the objects of their evaluations (Paker and Mathews, 2001). More recently, renewed attention has been focused on the nature of satisfaction \pm emotion, fulfilment and state (Paker and Mathews, 2001).

Consequently, recent literature adds to this perspective in two ways. First, although traditional models implicitly assume that customer satisfaction is essentially the result of cognitive processes, new conceptual development suggest that affective processes may also contribute substantially to the explanation and prediction of customer satisfaction (Fornell and Wernerfelt, 1987; Westbrook, 1987; Westbrook and Oliver, 1991). Second, satisfaction should be viewed as a judgment based on the cumulative experience made with a certain product or service rather than a transaction – specific phenomena (Wilton and Nicosia, 1986).

There is general agreement that: Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectation (Kotler 2003, p. 36). Based on this review, customer satisfaction is defined as the result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance. If the perceived performance is less than expected, customers will be dissatisfied. Otherwise, if the perceived expectations are met with performance, customers are in an indifferent or neutral stage.

Customer satisfaction is defined as a customer's overall evaluation of the performance of an offering to date. This overall satisfaction has a strong positive effect on customer loyalty intention across a wide range of product and service categories (Gustafsson, 2005).

The satisfaction judgment is related to all the experiences made with a certain business concerning its given products, the sales process, and the after sales service. Whether the customer is satisfied after purchase also depends on the offer's performance in relation to the customer's expectation. Customers get their expectation from past buying experience, friends and associates' advice, and marketers' and competitors' information and promises (Kotler, 2003)

Factors which determine the extent of expectations are: customer needs, total customer value and total customer cost. It is mentioned by researchers who study customer choice that choosing a product or service is only one stage customers go through. A purchase decision is influenced by the buyer's characteristics. These include culture, social, personal and psychological factors.

The typical buying process develops through five stages:

1. Need recognition
2. Information search
3. Information evaluation
4. Purchase decision
5. Post purchase evaluation

Searching for information is a key stage of a customer's decision – making process and may include a search for both internal and external information. As the perceived risk of a purchase decision increases, consumers search for more information in order to cope with uncertainties about the potential positive and negative consequences (Jihye Park, 2005).

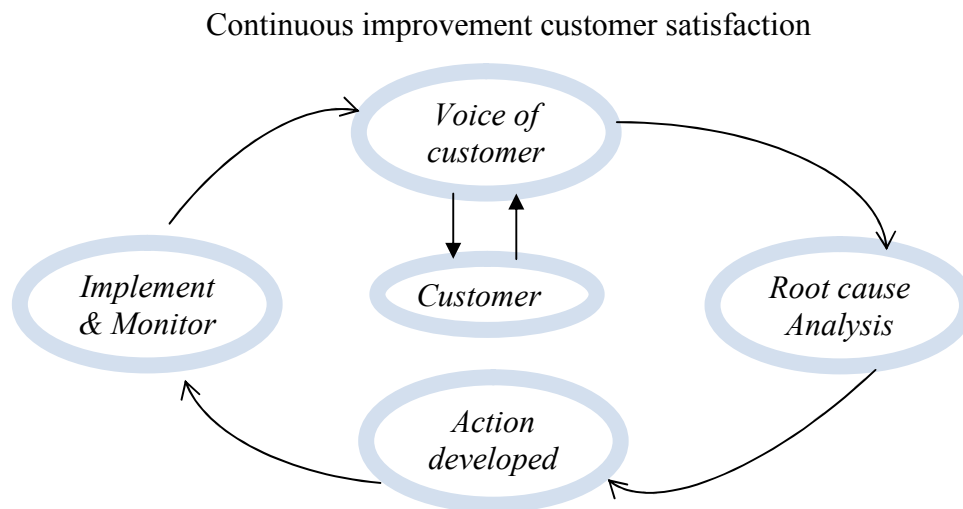
Although buyers may skip or reverse some stages, basically they pass sequentially through all five stages in buying a product. Value reflects what customers do in evaluating, obtaining, using and disposing of the product or service. Value can be defined as principles or standards of an individual as a whole. They reflect an individual judgment as to what is valuable or important in life. Customer delivered value is a result of comparison of total customer value with total customer cost.

Information about the opinion of the customer regarding a product or service is of essential importance, and can be obtained in several ways, such as customer surveys, phone interviews and customer panel discussions. It is also important to measure customer orientation continuously. (Rampaesad, 2001)

What the company thinks is a need of the customer, may not necessarily be what the customer is expecting. Also what the company offers may not necessarily be what the customer really wants.

Mohamed Zairi (2000) developed continuous improvement of customer satisfaction. In the diagram below, there is a cycle which starts with listening to voice of customer and analyzing their comment, developing actions and at the end implementing.

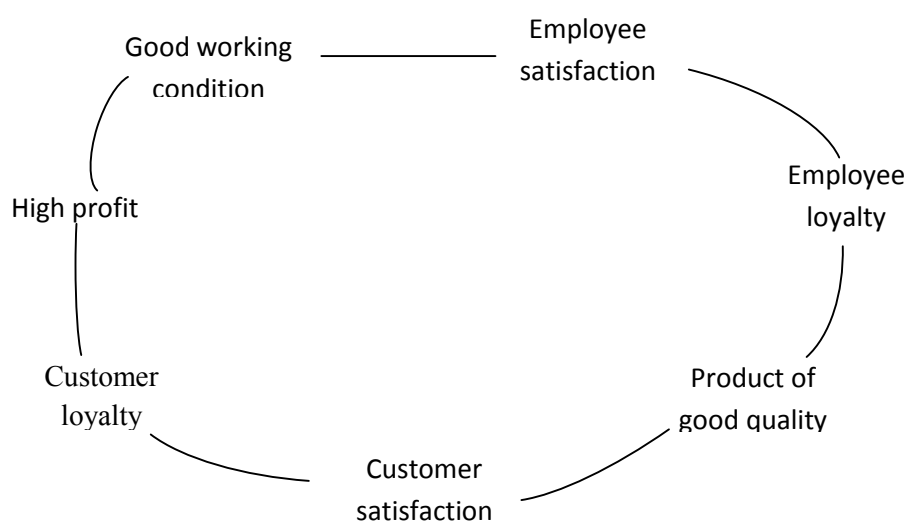
Figure2.1.1: Customer Satisfaction Continues Improvement (Zairi, 2000)



Source: Zairi Mohammed, 2000

To have a thorough satisfaction, companies need to put measures in place that would satisfy its employees. It is believed that satisfied employees would provide quality and attractive service to enhance customer satisfaction.

Figure 2.1.2 Measurement of Customer Satisfaction



Source: Zairi Mohammed, 2000

To improve services, organisations need to make the best use of information they already have on quality of services, and they need to regularly collect and use feedback from customer. To achieve this, it is essential for organisations to develop a clearly articulated research and consultation strategy. This should underpin a programme of service customer feedback that serves organisational objectives and priorities and delivers high quality, useful and timely information that can be acted upon by the organisation. It should engage service customers in the process of developing the framework (Communities Scotland, 2006: 5-6).

Before carrying out the assessment, a preliminary phase tries to analyse the administration in its environment in terms of customers, stakeholders and processes. After the preliminary assessment phase, the administration chooses the appropriate tool(s) for measuring the satisfaction of its customers. The global approach suggests mixing the use of the following tools in order to get different angles of view of satisfaction:

- Examples of quantitative tools: Face-to-face survey; web survey; telephone survey.
- Examples of qualitative tools: Focus group; usability testing; staff consultation; behaviour study; mystery shopping; blog; complaint management.

2.2 Techniques to Measure Customer Satisfaction

Market research techniques to measure customer satisfaction are:

- ❖ customer satisfaction survey methodologies;
- ❖ focus groups to study customer satisfaction
- ❖ standardized packages for monitoring customer satisfaction; and
- ❖ various computer software

There are some problems with typical customer satisfaction measurement techniques such as focus groups, survey methodologies and customer satisfaction software. These include:

- ❖ Analytical – concerned with techniques, formal procedures, systems, and so on;
- ❖ Behavioral – concerned with the attitudes, beliefs, perceptions, motivation, commitment and resulting behavior of the people involved in the process; and
- ❖ Organizational – concerned with the organizational structure, information flows, management style and corporate culture, i.e. the context in which the process is conducted (Ingrid Feelikova A, 2004)

2.3 Why Measure Customer Satisfaction

Customer satisfaction is tied directly to profitability. If your customers are happy, they tend to be loyal and if they are loyal they may not only buy more, but may also refer other customers. Moreover, one bad experience can outweigh a whole lot of good experiences. Because of e-mail and instant messaging, that bad experience can quickly be broadcast to dozens, hundreds, or thousands of other customers, magnifying its impact.

It is critical to give customers the opportunity to provide feedback about their overall satisfaction level and specific likes and dislikes. It is equally important to consistently measure and monitor that input. Without an effective customer satisfaction research program in place, the company will be losing business, missing opportunities, and putting itself at a competitive disadvantage.

2.4 The Relationship between Customer Satisfaction and Profitability.

The linkage between customer satisfaction and profitability is a cornerstone of service improvement efforts. Measurement of customer satisfaction is irrelevant if this linkage does not exist, because if variations in customer satisfaction do not connect with variations in profitability, attempts to manipulate satisfaction will have no impact on profitability. Several methodological issues can obscure the relationship, leading companies to erroneously assume that customer satisfaction measurement is not essential to their growth.

The measurement of customer satisfaction has become more common among organizations providing products and services to consumers and businesses. Customer satisfaction measurement is central to operations because it provides valuable feedback to organizations about where their efforts for improvement are most necessary, as well as indicating the degree to which improvements are likely to have the most significant impact on customer behavior and loyalty. In an effort to improve customer satisfaction, companies have spent millions of dollars evaluating customer satisfaction and making improvements, always assuming that their measures are directing them to address the right issues.

Organizations usually invest in customer satisfaction measurement because they assume that satisfied customers will engage in a number of behaviors beneficial to the company and demonstrate a long-term commitment to their brand. These behaviors include, but are not limited to, continuation of the customer relationship, deepening of the customer relationship through cross-selling, and referrals to new customers. Thus, it has been assumed that customer satisfaction should be consistently and positively associated with a company's profitability.

This assumption of a customer satisfaction-profit link is the heart of the service profit chain (Heskett, Sasser, and Schlesinger, 1997). It discusses the relationships among several

organizational constructs, including employee satisfaction, motivation, and loyalty, customer satisfaction and loyalty, future purchase intentions, and profitability. The model has garnered considerable applied research support since its inception in 1997. The model connects customer satisfaction to several key organizational variables, such as employee satisfaction and tenure, as well as financial performance. Researchers have demonstrated strong support for many of the relationships hypothesized by the model.

The key linkage that must be demonstrated is the linkage connecting customer satisfaction to profitability. Demonstrating this linkage provides the ultimate justification for measuring customer satisfaction. Research has demonstrated that a highly satisfied customer is six times more likely to re-purchase than a customer who is merely satisfied (Jones & Sasser, 1995).

In fact, if the linkage cannot be demonstrated for a company, then the measurement of customer satisfaction is irrelevant. However, there are very few cases where this relationship should not be demonstrated.

In most other cases, profitability should be strongly related to customer satisfaction. However, the statistical relationship between profitability and satisfaction will be obscured if research methodologies are not carefully constructed and implemented. Some standard guidelines should be followed when designing studies, while in other cases the unique situation of the organization must be considered when planning to empirically demonstrate a linkage between profitability and customer satisfaction. After discussing some of the situations where a linkage between satisfaction and profitability is not expected, methodological issues will be addressed.

2.5 Exceptions to the Satisfaction - Profitability link

Most commonly, the effect of customer satisfaction will not exist if a majority of customers do not have a choice of which company will provide a product or service. These customers are what Heskett, et al (1997) defined as hostages. Hostages are customers who are not satisfied, but still express an intention to purchase from the company. The clearest examples of a company whose customers are likely to be hostages are utility companies in communities where the customer has no choice of providers. The effect of customer satisfaction on profitability would not be expected if there is a little impact on a customers' choice of service providers.

This effect would also not be expected to exist in situations where the cost of switching providers is low and there are many companies providing the product or service. Heskett, et al (1997) refers to customers in these markets as mercenaries, as price can be a strong determinant in the product/service choice process. Commodity markets are the clearest examples of this type of market, where customers have ready alternative choices and their selection is likely to be driven by price.

2.6 The Importance of Customer Satisfaction

The most obvious reason why companies have to worry about customer satisfaction is that they need customers to be ready to repurchase their services in future. A positive evaluation of products that have been purchased helps to retain customers. People who evaluate a product or service negatively are unlikely to use them and pay for them again. It is usually cheaper to retain existing clients than to attract new ones. Therefore, companies focus on ensuring that their customers have a satisfactory experience of using their products.

Frustrated consumers not only have a negative experience and share it with their friends and relatives, but may even go to court to seek redress. Companies will receive negative publicity that will affect their prestige and will require extra effort, time and money to be invested in protecting the reputation of the business, including dealing with court cases and the press. In a tough competitive environment, rival firms can take advantage of the situation.

2.7 Service Quality

Service quality is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Gronroos, 1984; Parasuraman et al., 1985, 1988). A number of experts define service quality differently: Parasuraman et al. (1985) define it as the differences between customers' expectation of services and their perceived service. If the expectation is greater than the service performance, perceived quality is less than satisfactory and hence, customer dissatisfaction occurs. Lewis and Mitchell (1990), Dotchin and Oakland (1994), and Asubonteng et al. (1996) define service quality as the extent to which a service meets customers' need and expectation.

2.8 Dimensions and Determinant of Service Quality

Gronroos (1984), Lehtinen and Lehtinen (1982) and Czepiel et al. (1985) have considered the service quality of the service encounter as two different dimensions, one being technical or output quality and the other functional or process quality. These dimensions were assessed according to attitudes and behaviour, appearance and personality, service mindedness, accessibility and approachability of customer contact personnel.

Czepiel et al. (1985) not only pinpointed the process and outcome quality dimensions but also identified three different dimensions of the service encounter, distinguishing between

customer perceptions, provider characteristics and production realities. They suggested that these covered common crucial characteristics in service delivery and that the determinants of satisfaction were therefore similar in each case. The customer perceptions included purpose, motivation, result, salience, cost reversibility, and risk. The production realities related more to elements such as technology, location, content, complexity and duration.

2.9 The SERVQUAL Approach

The SERVQUAL approach has been applied in service and retailing organizations (Parasuraman et al., 1988; Parasuraman et al., 1991). Service quality is a function of pre-purchase customers, expectation, perceived process quality, and perceived output quality. Parasuraman et al. (1988) define service quality as the gap between customers' expectation of service and their perception of the service experience. Based on Parasuraman et al. (1988) conceptualization of service quality, the original SERVQUAL instrument included 22 items. The data on the 22 attributes were grouped into five dimensions: tangibles, reliability, responsiveness, assurance, and empathy.

Table 2.9.1: Five Broad Dimensions of Service Quality

DIMENSION	DEFINITION
Tangibles	Appearance of physical facilities, equipment, personnel and written materials
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service
Assurance	Employees' knowledge and courtesy and their ability to inspire trust and confidence
Empathy	Caring, easy access, good /communication, customer understanding and individualized attention given to customers

Source: Adapted from Zeithaml et al. (1990)

Numerous studies have attempted to apply the SERVQUAL; this is because it has a generic service application and is a practical approach to the area. This instrument has been made to measure service quality in a variety of services such as hospitals (Babakus & Glynn 1992), hotels (Saleh & Rylan 1991), travel and tourism (Fick & Ritchie 1991), a telephone company, two insurance companies and two banks (Parasuraman et al. 1991). In this study, the researchers will use SERVQUAL approach as an instrument to explore the relationship between customer satisfaction and company's profitability and existence.

2.10 SERVQUAL Dimensions

Previously, Parasuraman et al. (1985) identify ten determinants for measuring service quality which are tangibility, reliability, responsiveness, communication, access, competence, courtesy, credibility, security, and understanding/knowledge of customers. Later these ten dimensions were further purified and developed into five dimensions i.e. tangibility, reliability, responsiveness, assurance and empathy to measure service quality, SERVQUAL (Parasuraman et al., 1988). These five dimensions identified as follows:

2.10.1 Tangibility

The physical evidence of front office staffs includes the personality, appearance, tools, and equipment used to provide the service. However, the researchers, in this study, are focusing on how well-dressed the front office staffs are and how well the environment is designed and decorated.

2.10.2 Reliability

The reliability involves performing the promised service dependably and accurately. It includes doing it right the first time, which is one of the most important service components for customers. Reliability also extends to provide services when promised and maintain error-free records. The following examples present the reliability factor: The staff performs tasks that have been promised to guests and resolve problems encountered by guests. Another example: The customers are sensitive to issue such as the telephone being picked up within five rings and their reservations being correct.

2.10.3 Responsiveness

The front office staff is willing to help customers and provide prompt service to customers such as quick service, professionalism in handling and recovering from mistakes. Consequently, service providers, ability to provide services in a timely manner are a critical component of service quality for many guests. Examples of responsiveness are as follows:

Example 1: The staff is asking for customers' name, address and telephone number during the telephone booking.

Example 2: The customers are offered alternative accommodation at a sister hotel and how efficiently that is arranged and reservation cards being ready to sign upon arrival.

2.10.4 Assurance

Assurance refers to the knowledge and courtesy of employees and their ability to convey trust and confidence including competence, courtesy, credibility and security.

- ❖ Competence means possession of the required skills and knowledge to perform the services. It involves knowledge and skill of the contact personnel, knowledge and skill of operational support personnel, research capability of the organization.

- ❖ Courtesy involves politeness, respect, consideration, and friendliness of contact personnel.
- ❖ Credibility involves trust worthiness, believability, honesty; it involves having the customer's best interest at heart. Contributing to credibility is company reputation, personal characteristics of the contact personnel.
- ❖ Security refers to the freedom from danger, risk or doubt. It involves physical safety, financial security and confidentiality. Below are some examples:

Example 1: The guests expect to feel safe during their stay at hotel from the staff.

Example 2: The staff can handle effectively complaints and problems from the guests.

2.10.5 Empathy

Empathy refers to the provision of caring and individualized attention to customers including access, communication and understanding the customers.

A. Access involves approach, ability and ease of contact. It means the service is easily accessible by telephone, waiting time to receive service is not extensive, hours of operation are convenient and location of service facility is convenient.

B. Communication means keeping customers informed in language they can understand. It means listening to customers, adjusting its language for different consumers and speaking simply and plainly with a novice. It also involves explaining the service itself, explaining how much the service will cost, and assuring the customer that a problem will be handled.

C. Understanding the customers means making the effort to understand the customer's need. It includes learning the customer's specific requirements, providing individualized attention, recognizing the regular custom. For example:

Example 1: The staff acknowledges the presence of customers at the reception and with a verbal greeting.

Example 2: The staff is keeping eye contact, using customers' names and asking customers to return their key upon departure.

It is clear from the above results that customers like to be given enough individualized attention and treated with care. It thus allows the customers to easily approach and spell out their needs regarding the service being provided.

In conclusion, SERVQUAL instrument is an invaluable tool for organizations to better understand what customer's value and how well their current organizations are meeting the needs and expectations of customers. SERVQUAL provides a benchmark based on customers' opinions of an excellent company and the important ranking of key attributes, and on a comparison to what your employees perceive to be customers' needs. The SERVQUAL instrument can also be applied to the front office staff of a hotel who is the key person in the hotel to best satisfy customer, which will reflect in a repeat purchase from the customer and then translate into profitability and company existence.

2.11 The Extended Marketing Mix

The extended marketing mix comprises of People, Process and Physical Evidence.

2.11.1 People

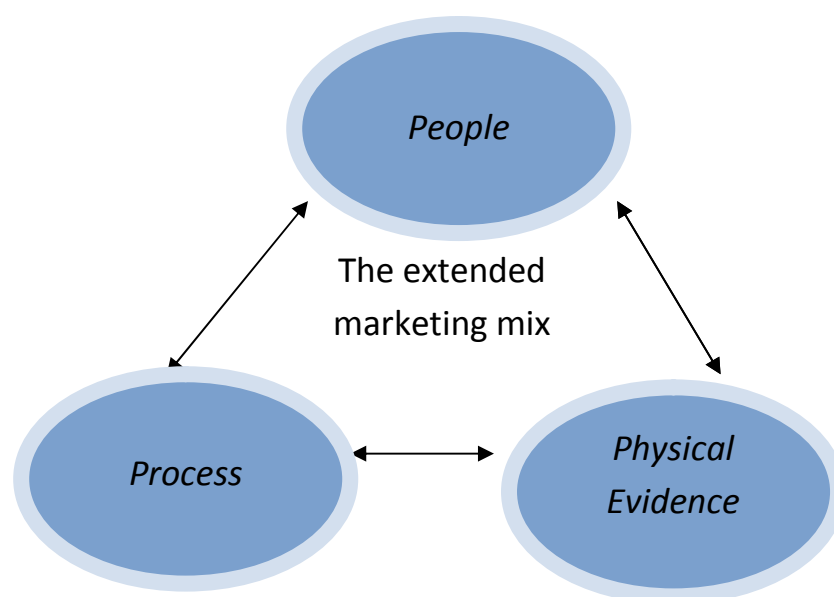
An essential ingredient to any service provision is the use of appropriate staff and people. Recruiting the right staff and training them appropriately in the delivery of their service is essential if the organization wants to obtain a form of competitive advantage. Consumers make judgments and deliver perceptions of the service based on the employees they interact with. Staff should have the appropriate interpersonal skills, attitude, and service knowledge to provide the service that consumers are paying for.

2.11.2 Process

This refers to the systems used to assist the organization in delivering the service. Imagine you walk into Champion Hotel and you order for a meal and you get it delivered within 2 minutes. What was the process that allowed you to obtain an efficient service delivery? Banks that send out Credit Cards automatically when their customers' old ones have expired again require an efficient process to identify expiry dates and renewal. An efficient service that replaces old credit cards will foster consumer loyalty and confidence in the company.

2.11.3 Physical Evidence

This is concerned with where the service is being delivered. Physical Evidence is the element of the service mix which allows the consumer again to make judgments on the organization. If you walk into a restaurant your expectations are of a clean, friendly environment. On an aircraft if you travel first class you expect enough room to be able to lie down! Physical evidence is an essential ingredient of the service mix; consumers will make perceptions based on their sight of the service provision which will have an impact on the organizations perceptual plan of the service



Source www.learnmarketing.net

CHAPTER 3

METHODOLOGY

3.0. Introduction

This chapter seeks to look at the research design, target population, sampling size and method, the type and sources of data, methods of data collection, data analysis and limitations.

3.1 The Research Design

This study is a causal research that attends to accumulate information regarding the effect of customer satisfaction on profitability in champion hotel. We designed a survey for respondent; customers, management and staff. A questionnaire was designed to generate response managers and customers, whereas an interview was conducted to obtain information from staff.

3.2 Target Population

A target population is the entire population of interest in a particular catalog. This helped the researchers to generalize to fit the intact population since the research was conducted on the sample based on the target group. The population of the study is one hundred and fifty (150) customers, which is the average weekly patronage of the hotel per month. We got this from the total number of customers who visit the hotel in a month and it ranges between 600 to 625 customers.

3.3 Sample Size and Method

The sample criterion for this study was base on customers, workers and management members of Champion hotel. Quotas and purposive sampling techniques were employed in

the sampling process. The population was divided into strata in order to have a sample that represents the target population.

The strata involve in the study was managers, staff and customers. A sample size of one hundred twenty-five (125) respondents was considered in this research. The breakdown of the sample was; 100 customers, 5 management, 20 staff. This is chosen based on the availability and time constraints.

3.4 Type and Sources of Data

We combined qualitative and quantitative approach, data that were gathered, customer complains, training programmes, and communication channels and managers perception. We used primary and secondary data.

3.4.1 Primary Data

Data were collected via:

- ❖ Structured questionnaire for management and existing customers.
- ❖ Structured interview for staff.

3.4.2 Secondary Data

- ❖ Company's annual financial statement and newsletters was consulted.

3.5 Method of Data Collection

Letters were sent to hotel management to grant us the permission to administer questionnaire on their premises.

Survey was to gather relevant data for the study.

The finding from the study was tabulated based on collected data. This helped us to present data in an organized and summarized from.

3.6 Data Analysis

Data collected was edited, coded and analyze. The study employed the use of tables, pie charts, and bar charts to interpret and help to analyze data. A relevant question was treated and use as a tool in solving research problems. This analysis helped Champion hotel to build strong relationship with their customers and also maximize profit.

3.7 Limitations

The main challenge was measuring the exact impact of customer satisfaction and the profitability of the company on behalf of the hotel. It was quite difficult obtaining reliable data because of time constraints, the researchers are students and the time for the project is shortened for a required and expected data. Also, there is insufficient fund for the study, in the means of transportation and printing of script.

Every effort was put in place for an accurate data for presentation.

3.8 Profile of the Case Study

Champion Hotel was established four years ago, basically to provide a place for travelers to sleep, but modernity is looking for more, and Champion has had to rise to the occasion of becoming not simply home away from home, but conference facilities, swimming pool, bar, and restaurant for its customers. The modern plush Champion Hotel is a two star hotel located in Kumasi (Ashanti region) precisely Anyinam-Santasi on the highway road to Obuasi. The location of Champion Hotel is one of its greatest assets. It is equipped when it comes to excellent accommodation and variety of dishes both continental and local; it is a true embodiment of the famed Ghanaian hospitality. The hotel management is conscious about the dignity, privacy and security of customers, as well as ensures that clients receive reliable and efficient service. The Hotel provides shuttle services for guests and has 24 rooms with a unique ambience to cater for all tastes. Each room has been personalized in the choice of colour, tapestry, furniture, bathroom decor and accessories, and the bedrooms offer the most modern facilities, air-conditioning, direct-dial telephone, coloured television with satellite dish, plus a well-stocked mini bar and Access to Wireless Internet Hotspot. The executive board room is fully equipped with modern audio-visual equipment and offers the ideal place for board meetings and seminars.

Mission: To provide excellent accommodation and facilities for optimum customer satisfaction through well trained and diligent staff.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter brings to fore, the summary of findings from the research conducted and also the conclusions drawn from the analysis and recommendations made in regard to future research.

5.1. Summary of Findings

In this sub-heading efforts are made to sum up the discussions of the data collected in the previous chapter. It is revealed that customer satisfaction is the key to company's profitability. This is certainly the case at the Champion hotel. To remain competitive, the hotel needs to analyze customers' satisfaction, expectation and perception towards the service quality.

The questionnaires aimed to determine the effect of customer satisfaction on company's and profitability. It was clear in the findings that when customers are satisfied they make repeat purchase, become loyal, create positive word-of-mouth, refer others, and will later transfer to profitability. The customer satisfaction will be complete when the service quality and front line staff are well trained to practice customer care.

Based on the results of this research which is in accordance with past research, customer satisfaction is high when customers perceive the service quality to be good. Good service quality in this context is determined by the swiftness of correcting problems, reliability of information provided, Responsiveness, Assurance and Empathy of the hotel staff and dining privacy. Therefore, customer satisfaction is influenced by these factors. From this research, it is clear that customer satisfaction increases when their needs are met and can rely on the

quality service. It is important for hotel staff to have personal characters of polite, friendly and helpful in order for customers to feel satisfied.

5.2 Conclusion

In conclusion, the primary objective of the research was to identify the effect of customer satisfaction on company's profitability. Based on the research findings above, it was clear that when customers are satisfied, it reflects in the company profitability. The service being rendered is a major factor which can have influence on the customers. Responsiveness may be demonstrated through speed of being entertained, willingness to respond, accuracy and dependability. It was also clear that when companies get profit, they are able to get more funds to run their business.

Furthermore, it is important for customers to feel that businesses are being responsible for their needs. As when a problem is corrected immediately without the customer having to report the problem numerous times, the customer feels satisfied as in their perception, the hotel staffs are responding quickly to their complaints. Attendant attentiveness influence customer satisfaction, but customers who feel neglected or treated rudely does not want to experience it again.

These explanations suggest reasons for service quality to be positively correlated with customer satisfaction. Therefore, when perception of service quality is high, customer satisfaction is high and vice versa.

The objectives of this research were achieved since we were able to know the effect of customer satisfaction on company's profitability and also got to know that when companies get profit, they are able to aquire enough funds to run their businesses.

Upon conducting this research, new findings were discovered. However, the main objectives of this research were achieved. The research managed to determine quality, attributes of food, service and ambience with customer satisfaction. From the analysis conducted to test relationships, all three attributes had a significant relationship with customer satisfaction.

Finally, to conclude it all, future research is still needed to justify and strengthen the outcomes of this research. There may have been research similar to this topic but the situations in all the researches may be different, including this research.

5.3 Recommendations

Research findings are of particular importance to managers who are responsible for developing and implementing strategies. These findings will help Champion hotel to understand the effect of customer satisfaction on company's profitability in relationship with marketing strategies. In view of this, it is recommended that

- ❖ Time taken for a meal to be served should be reduced. Based on the research work, it was revealed that the servers take quite a longer time before a meal is served. This delay customer's time. The company should take steps to rectify it.
- ❖ Management should continue to train staff regularly. Service is Heterogeneous (or variability): services involve people and different kinds of people. There is a strong possibility that the same enquiry would be answered slightly differently by different people (or even by the same person at different times). It is important to minimize the differences in performance (through training, standard-setting and quality assurance).

- ❖ Customer complains should be handled immediately the problem occurs. The willingness to respond when a problem arises increases customer satisfaction because this may show efficiency.
- ❖ Customer satisfaction should be improved at the hotel. The company should have a well structured database system for customer who visits the place. They need to implement Customer Relationship Management system. This will help them to make good decision about customer.
- ❖ Finally, future research is still needed to justify and strengthen the outcomes of this research. There may have been research similar to this topic but the situations in all the researches may be different, including this research. A slight change in the research context could bring about changes in findings. Therefore, future researchers are welcomed to conduct a similar research as this in the same context, and whoever research on this topic should use not less than two case studies.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter deals with the presentation, analysis and discussion derived from the questionnaire which was administered to obtain the views of management and customers as well as interviews conducted to take the views of staff. One hundred and five (105) questionnaires were sent out; one hundred (100) for customers and five (5) for management.

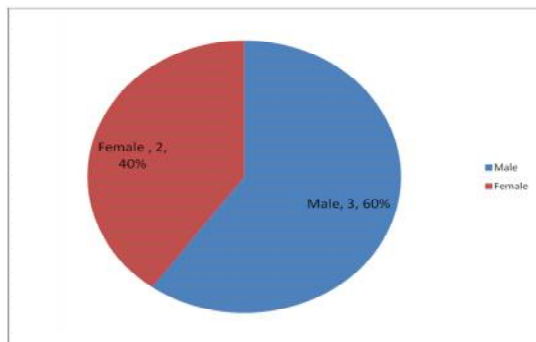
4.1 Survey Response

The survey has been conducted based on the structured questionnaire and interview. The purpose of the survey was to develop the effect of customer satisfaction on company's profitability.

Out of hundred (100) questionnaires to customers, eighty-nine (89) were answered representing 89%, five (5) questionnaires given to management representing 100%, and out of twenty (20), fifteen (15) staffs were interviewed.

4.2 Summary of Response from Management

The management of Champion hotel was lenient to us by answering the five (5) questionnaires that was given to them. Out of the five people that were interviewed, three (3) were male and two (2) female representing 60% and 40% respectively.

Figure 4.1 Gender**Table 4.1 Gender**

MEASURE	ITEMS	FREQUENCY	PERCENT
Gender	Male	3	60
	Female	2	40
Total		5	100

Source field survey 2012

The questionnaires that were received from management showed four (4) people acknowledging the fact that records of customers are kept very frequently and one (1) person said it was frequently kept. Four (4) people said they do measure customer satisfaction very frequently while one (1) said the measurement was frequent.

Three (3) people said the staffs are motivated very frequently and two (2) said the motivation was frequent. Four (4) people also said the staffs are trained very frequently and one (1) person said the training was frequent.

Lastly, four (4) people said customer satisfaction is very important and have a very good effect on company's profitability while one (1) person said customer satisfaction is important and have a good effect on company's profitability.

In all 80% of the management stood between very frequent and very good while 20% of the management was between frequent and good.

Table 4.2 Management responses

Questions	Very good/very frequent	Good/frequent	Somehow	Not at all	Total
How frequent do you keep records of customers?	4	1	0	0	5
How well do you measure customer satisfaction?	4	1	0	0	5
How frequent do you motivate staff?	3	2	0	0	5
How frequent do you train staff?	4	1	0	0	5
How important is customer satisfaction to you?	4	1	0	0	5
Does customer satisfaction have effect on your company's profitability?	4	1	0	0	5
Total	24	6	0	0	30
Percent	80	20	0	0	100

Source field survey 2012

Information obtained on the data collection shows that the management of Champion hotel takes records of customer satisfaction as they have a customer complaint handling point where dissatisfied customer can report to in terms of any difficulties. The management of the hotel also rewards staff who serves customers better and punishes staff with poor attitudes towards customers.

The management of champion hotel confirmed that they periodically meet with their staff and refresh them on the need to treat customers with much care. The data collected also shows

that what really compelled the management to take customer satisfaction very serious was the fear that if customers are not served well, they may leave and will not come back to again or may derive a negative word of mouth and latter switch to other competitor.

Lastly, the management said that most of their customers do repeat purchase as they even know some by faces and rate the repeat purchase between 60-70 percent. The information gathered from the data confirmed that customer satisfaction shows a direct effect on the hotel's services as well as their profitability.

According to responses given by management, it was realized that customer satisfaction is a major priority to the company. This is because, without it, the company may lose a lot of its customers to other competitors, lose profit and may be not able to exist.

4.3 The Extent of Customer Satisfaction On Company's Profitability

Customer satisfaction does have a positive effect on an organization's profitability. Satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, positive word of mouth, and referrals. Satisfied customers are most likely to share their experiences with other people.

In the case of Champion Hotel for example, the company have increase their profit margin due to customer satisfaction. This has increased their clientele base and has transformed into their revenue.

Table 4.3 Profitability Analysis of Champion Hotel

CHAMPION HOTEL- KUMASI PROFITABILITY ANALYSIS PERIOD OF THREE YEARS (PEAK PERIOD) - 2009 TO 2011						
PARTICULARS / YEARS	Dec-09		Dec-10		Dec-11	
	GHC	GHC	GHC	GHC	GHC	GHC
Direct Income						
Sales – Lodging	24,449.09		28,102.41		35,128.01	
Sales – Restaurant	50,071.00		90,990.00		134,987.00	
Sales – Bar	33,600.69		40,281.26		50,601.57	
Direct Income Total		108,120.78		159,373.67		220,716.58
INDIRECT INCOME						
Conference	9200.00		12256.00		15869.00	
Floor Charges	400.00		800.00		1500.00	
Laundry Income	672.00		1344.00		1680.00	
Swimming Pool	5760.00		8400.00		12000.00	
Indirect Income Total		16,032.00		22,800.00		31,049.00
Expenses (Direct and Indirect)		(52,819.13)		(60,711.65)		(75,889.56)
Net Total Profit		71,333.65		121,462.02		175,876.02

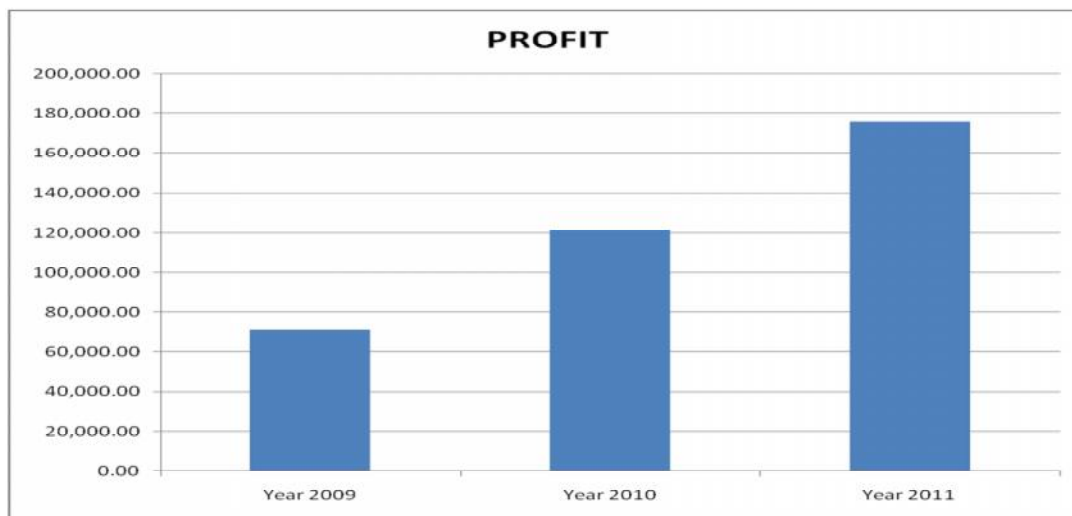
Source: Champion Hotel

4.4 Profitability Analysis of Champion hotel

The profitability analysis derived from Champion hotel shows a continuous increase in profit from 2009 to 2011 and the management believes they couldn't have achieved that without proper customer satisfaction techniques.

The profitability of the company has come about as a result of good customer care which has led to customer making repeat purchase and referring services to other people they know.

Figure 4.2: Bar Chart showing the profitability Analysis of Champion Hotel



Source: Champion Hotel

4.5 Summary of response from staff

Fifteen (15) staffs were interviewed; among them were 8 male and 7 female representing 53% and 47% respectively. The interview was in a face-to-face format and the researchers had listed some of the questions that were answered by staffs.

Figure 4.3 Gender

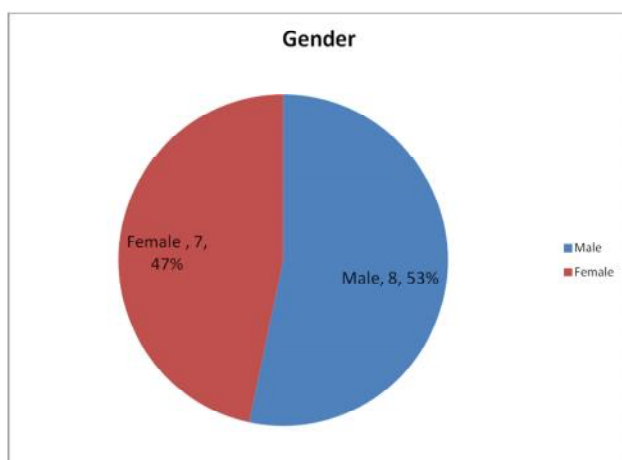


Table 4.4 Gender

MEASURE	ITEMS	FREQUENCY	PERCENT
Gender	Male	8	53
	Female	7	47
Total		15	100

Source: Field survey 2012

Table 4.5 Staff response

Questions	Very good/very frequent	Good/frequent	Somehow	Not at all	Total
How is the working environment?	8	5	2	0	15
How do you understand your work schedule?	10	5	0	0	15
Are customers a bother sometimes?	0	0	3	12	15
Motivation	8	5	2	0	15
Training on customer service.	4	11	0	0	15

Source: Field survey 2012

From the table above, eight (8) of the respondents affirm to the fact that their working environment is very good. This can also be attributed to good organizational culture that has always been practiced by management.

In relation to the work schedule, ten (10) of the respondents really understand their work schedule as stipulated in the table above. The staff proper understanding of their work schedule has aided them in affirming their good working environment as earlier stated.

Twelve (12) of the staff do not agree that customers are a bother to them. More of the staffs support this notion making it evident that customers are truly not a bother to the employees.

When it comes to motivation eight (8) of the respondents are of the view that, motivation is very good and five (5) also believe that, motivation is good. This makes those in support of motivation as been carried out in the organization as successful.

From the table above, more of the employees have received training on customer service. Eleven (11) of such staff think the training has been good and the other four (4) believe the training has been very good. This clearly brings to fore why there is easy understanding of work schedule and having a good working environment.

Lastly, the staffs said that most of their customers do repeat purchase as they even know some by faces and rate the repeat purchase between 60-70 percent.

4.6 Summary of Response from Customers

Among the eighty-nine customers, fifty-five (55) of them were male and thirty-four (34) were female representing 62% and 38% respectively.

4.4 Gender Response Diagram for customers

Figure 4.4 Gender

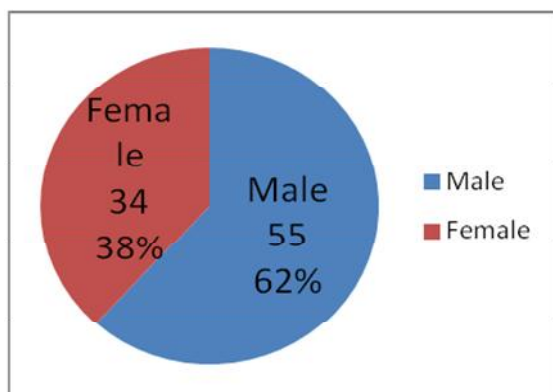


Table 4.6 Gender

MEASURE	ITEMS	FREQUENCY	PERCENT
Gender	Male	55	62
	Female	34	38
Total		89	100

Source: Field Survey 2012

The questionnaires we retrieved showed that; 29 customers were between the ages of 25-35 years, 26 customers were between the ages of 36-45 years, 22 were between the ages of 46-55 years, 10 were below age 25, and 2 were also above age 55. They represent the percentage of 33%, 29%, 25%, 11%, and 2% respectively.

Among these people 69 were Ghanaians, 14 were from our various African countries, and 6 were from Europe and America representing 77%, 16%, and 7% respectively.

To add more 58 of the customers were workers, 12 customers were self employed, 10 were students and 9 were Government officials representing 65%, 14%, 11%, and 10% respectively.

Lastly, it was revealed that 10 of the customers were in the hotel to transact business around Kumasi, 25 customers were there for seminar, 5 customers were on vacation, 2 were on their honeymoon, and 47 customers were there to enjoy facilities like the bar, restaurant, and pool.

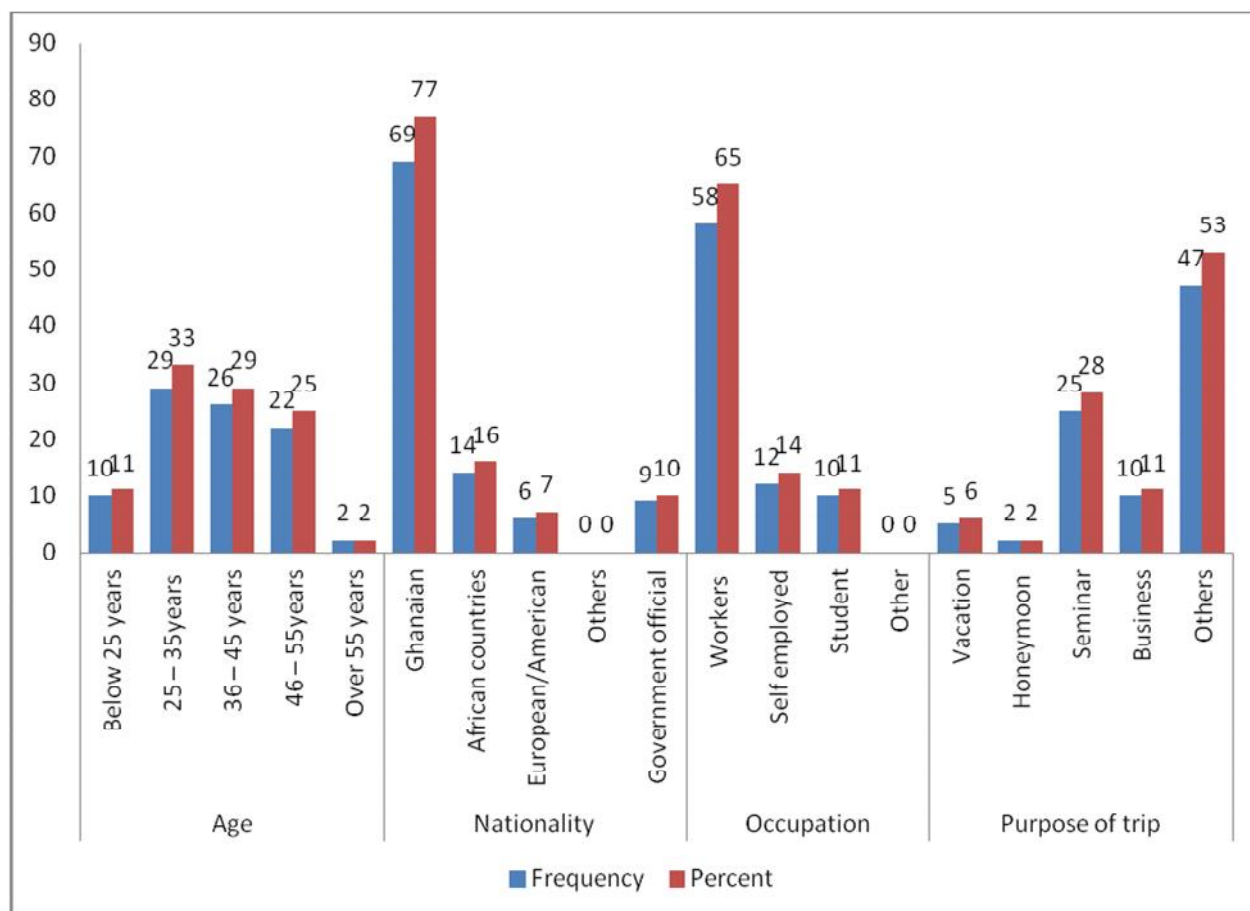
The table below illustrates our findings on the customer;

Table 4.7 demographic features

Source: Field Survey 2012

MEASURE	ITEMS	FREQUENCY	PERCENT
Age	Below 25 years	10	11
	25 – 35years	29	33
	36 – 45 years	26	29
	46 – 55years	22	25
	Over 55 years	2	2
	Total	89	100
Nationality	Ghanaian	69	77
	African countries	14	16
	European/American	6	7
	Others	0	0
	Total	89	100
Occupation	Government official	9	10
	Workers	58	65
	Self employed	12	14
	Student	10	11
	Other	0	0
	Total	89	100
Purpose of trip	Vacation	5	6
	Honeymoon	2	2
	Seminar	25	28
	Business	10	11
	Others	47	53
	Total	89	100

Figure 4.5 demographic features



Source: Field Survey 2012

According to the survey, it was realized some customers use Champion hotel for their business meetings since it is conducive for business planning and discussion. Also, most customers come there to have fun and socialize after long weekdays. And some customers use the place for seminars and others lodge there for vacation.

4.7 Summary of the restaurant and other service satisfaction response

We gathered that, it was most of the customers' third and fourth time of visiting the hotel. This in a way confirmed that customers do make repeat purchase. The meals served by the hotel were of high quality as compared to other restaurants, as customers felt they have enjoyed the value for the money they paid for.

The staff was also seen as having enough knowledge about the questions being asked by customers, and they also take their time when communicating to customers and are very friendly and courteous.

The little problem customers were encountering was the issue of delivering time. It takes quite a longer time before customers' menus (meal) is being served. It is an issue some customers talked about. Time is seen as a very important tool today, as most customers become furious when their services delay. Customer satisfaction takes into account everything that will help the customer to enjoy the value for the money they are paying for including the time of delivery.

Some customers can rate your services as very poor because of the time you take in delivering your service.

Table 4.8 Restaurants and others services - Satisfaction Response

Questions	Excellent	Good	Average	Below Average	Poor	Total
Were you served promptly?	20	36	14	4	0	74
Time served	18	28	18	10	0	74
Taste of food	19	15	3	0	0	37
Value for money	18	38	16	2	0	74
Quality of service	22	40	10	2	0	74
Knowledgeable and able to answer questions	26	40	6	2	0	74
Staff attentiveness and availability	40	30	4	0	0	74
Patience when taking order	26	38	8	2	0	74
Communicating clearly and correctly	26	36	10	2	0	74
Staff friendly and courteous	22	40	8	2	2	74
Total	237	341	97	26	2	703
Percent	34	48	14	4	0	100

Source: Field Survey 2012

Comparing the above statistics, it is important to take into account the satisfaction level of the customers. 34% of the customers rated the services as excellent and 48% of the customers also

rated the services as good. This is quite a good sign for Champion hotel as almost 82% of the customers see the services to be of high quality, but the management of the hotel should not be that proud as 14% of the customers do not really enjoy the services of the restaurant and cannot boldly accept the quality of it. 4% of the customers also confirmed that services were below average. Such customers' complaints should be attended very as they can create negative word-of-mouth on the service provided since they are in a way indecisive.

4.8 Summary of the lodge satisfaction response

Data collected at the lodge revealed that 3 of the respondents see the front desk greetings as excellent, 8 respondents very good, 3 respondents good, 1 respondent fair. In the case of minimal waiting time, 5 respondents rated it as excellent, 7 respondents very good, and 3 respondents good.

Talking of staff trustworthiness, 4 respondents rated it as excellent, 8 respondents very good, and 3 respondents good. Also, with housekeeping service, 3 respondents rated it as excellent, 9 respondents very good, and 3 respondents good.

Lastly, 2 respondents rated the room services delivery as excellent, 10 respondents very good, 2 respondents good, and 1 respondent fair.

Table 4.9 Lodging - Staff Rating (People aspect of service)

	Excellent	Very Good	Good	Fair	Poor	Total
Courteous greeting at front desk	3	8	3	1	0	15
Minimal waiting time in line at check in	5	7	3	0	0	15
Staff trustworthiness	4	8	3	0	0	15
Housekeeping service delivery	3	9	3	0	0	15
Room service delivery	2	10	2	1	0	15
Total	17	42	14	2	0	75
Percent	23	56	19	2	0	100

Sources: **Field survey 2012**

The above shows that customers who use the lodge revealed that customers are warmly received immediately they enter the premises right from the security gate and do not spend much time at the check in at the reception desk.

Staffs are also trustworthy and customers feel secured when they are not in their room. Housekeeping and room service delivery were seen as of good quality as most customers said it was very good.

In all, 23% of the customers rated the services at the lodge to be excellent, 56% customers rated the lodge as very good, 19% customers rated the lodge as good, and 2% of customers rated it to be fair.

4.9 Customers' response on repeat purchase and referrals

Table 4.7 customer repeat purchase and referrals

	Yes	No	Total
Repeat purchase	78	11	89
Referrals	66	23	89
Total	144	34	178
Percent	81	19	100

Sources: Field survey 2012

Among the eighty-nine questionnaires that were given to customers, 78 customers acknowledged the fact that they would make repeat purchase if the need arises and 11 customers refuse to make repeat purchase when the need arises. Management should be able to identify why the 11 customers will not make repeat purchase when the need arises and deal with it with urgent care.

Also, out of the eighty-nine questionnaires, 66 customers responded positively to referring the services of the hotel to other colleagues and 23 customers responded otherwise.

4.10 SERVICE PROCEDURE USED BY CHAMPION HOTEL

4.10.1 Room service procedure for Food and beverages served to a guest.

- ✓ The telephone is answered promptly and courteously in accordance with enterprise procedures and customer service standard.
- ✓ The customer's name is checked and used in the interactions.
- ✓ Details of the orders are clarified, repeated and checked with the guest,
- ✓ Approximate time for delivery is advised to the customer.
- ✓ Orders are accurately recorded and the information is checked.
- ✓ Door knob docket are correctly interpreted.
- ✓ Where necessary, orders are promptly transferred to the appropriate location for preparation.

4.10.2 Restaurant Service Procedure

- ✓ The customer is ushered into his/her seat by the waitress/waiter
- ✓ Welcome note by the waitress and then ask the customer whether he/she will take a drink or not
- ✓ Menu book is given to the customer for the choice of meal
- ✓ The order is then taking by the waitress to the appropriate place for preparation.
- ✓ Approximate time for delivery is advised to the customer.

- ✓ Meals and beverages are correctly served and placed if required by the customer and in accordance with enterprise procedures

4.10.3 Present Room Service Accounts

- ✓ The customer's accounts are checked for accuracy and presented in accordance with enterprise procedures.
- ✓ Cash payments received are presented to the cashier.
- ✓ Charge accounts are presented to the guest for signing and charged to the accounts.

4.11 The Relevance of Customer Satisfaction to the Company's Existence

Customer satisfaction is a key factor in achieving business success and hence company's existence. This is for the reason that the entire business plan, marketing strategies, sales and profits will solely depend on its impact on the customers' satisfaction. Essentially, you are in business to generate revenue through selling your products to people who are in need of these services so that the company can exist. These people want to discern if your products will be able to make their lives much easier.

To be able to gain income for your business, it follows that you must carefully design and satisfy the needs of your customers. This is the foundations of an emerging and profitable business. Every decision you make must take into consideration how it affects the customers since the customer is a key to company's existence.

CHRISTIAN SERVICE UNIVERSITY COLLEGE

SCHOOL OF BUSINESS STUDIES

QUESTIONNAIRE FOR CUSTOMERS

This questionnaire is a part of a study for a Bachelors Degree (Business Administration – Marketing Option) at Christian Service University College. The objective of the research is to evaluate the effect of customer satisfaction on company's profitability in a hospitality (hotel) industry – Champion hotel. It is only for academic work and any information provided will be kept confidential.

Please tick (✓) where appropriate

1. Gender

Male ☐ Female ☐

2. Age

Below 25years ☐ 25-35years ☐ 36-45years ☐ 46-55years ☐
Above 55years ☐

3. Nationality

Ghanaian ☐ Other African Countries ☐ American/European ☐
Others ☐

4. Occupation

Government official ☐ Workers ☐ Self employed ☐ Student ☐
Others ☐

5. Purpose of visit

Business ☐ Vacation ☐ Honeymoon ☐ Seminar ☐ Others ☐

6. How many time (s) have you visit this hotel?

One ☐ Two ☐ Three ☐ Four ☐ Five and above ☐

7. How do you rate the environment?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

8. How courteously were you received in?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

9. Minimal waiting time in line at "check-in"

5mins ☐ 10mins ☐ 15mins ☐ 20mins ☐ above 20mins ☐

10. Was Housekeeping services timely and efficient during your stay?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

11. Were there "quality" room amenities package (shampoo, soaps, etc.)?

Yes ☐ No ☐

12. How will you rate the quality of service?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

13. Are the staffs knowledgeable enough in answering your questions?

Yes ☐ No ☐

14. How will you rate the attentiveness and availability level of the staffs?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

15. Are the staffs are trustworthy?

Yes ☐ No ☐

16. How will you rate the staff communication skills?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

17. How friendly and courteous are the staffs?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

18. Will you in any way make repeat purchase?

Yes ☐ No ☐

19. Will you refer the services to people you know?

Yes ☐ No ☐

20. In all, how satisfied were you?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

Thank You for Your Corporation

CHRISTIAN SERVICE UNIVERSITY COLLEGE

SCHOOL OF BUSINESS STUDIES

QUESTIONNAIRE FOR CUSTOMERS

This questionnaire is a part of a study for a Bachelors Degree (Business Administration – Marketing Option) at Christian Service University College. The objective of the research is to evaluate the effect of customer satisfaction on company's profitability in a hospitality (hotel) industry – Champion hotel. It is only for academic work and any information provided will be kept confidential.

Please tick (✓) where appropriate

1. Gender

Male ☐ Female ☐

2. Age

Below 25years ☐ 25-35years ☐ 36-45years ☐ 46-55years ☐
Above 55years ☐

3. Nationality

Ghanaian ☐ Other African Countries ☐ American/European ☐
Others ☐

4. Occupation

Government official ☐ Workers ☐ Self employed ☐ Student ☐
Others ☐

5. Purpose of visit

Business ☐ Vacation ☐ Honeymoon ☐ Seminar ☐ Others ☐

6. How many time (s) have you visit this hotel?

One ☐ Two ☐ Three ☐ Four ☐ Five and above ☐

7. How do you rate the environment?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

8. Were you served promptly?

Yes ☐ No ☐

9. How long do you wait to be served?

5mins ☐ 10mins ☐ 15mins ☐ 20mins ☐ above 20mins ☐

10. What was the taste of your meal?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

11. Did you felt having value for your money?

Yes ☐ No ☐

12. How will you rate the quality of service?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

13. Are the staffs knowledgeable enough in answering your questions?

Yes ☐ No ☐

14. How will you rate the attentiveness and availability level of the staffs?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

15. Do the staff exercise patience when taking orders?

Yes ☐ No ☐

16. How will you rate the staff communication skills?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

17. How friendly and courteous are the staffs?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

18. Will you in any way make repeat purchase?

Yes ☐ No ☐

19. Will you refer the services to people you know?

Yes ☐ No ☐

20. In all, how satisfied were you?

Excellent ☐ Good ☐ Average ☐ Below average ☐ Poor ☐

Thank You for Your Corporation

CHRISTIAN SERVICE UNIVERSITY COLLEGE

SCHOOL OF BUSINESS STUDIES

QUESTIONNAIRE FOR MANAGEMENT

This questionnaire is a part of a study for a Bachelors Degree (Business Administration – Marketing Option) at Christian Service University College. The objective of the research is to evaluate the effect of customer satisfaction on company's profitability in a hospitality (hotel) industry – Champion hotel. It is only for academic work and any information provided will be kept confidential.

Please tick (✓) where appropriate

1. Do you keep records of your customers?

Yes ☐ No ☐

2. How frequent do you keep records of your customer?

Very frequent ☐ Frequent ☐ Somehow ☐ Not at all ☐

3. Do you measure customer satisfaction?

Yes ☐ No ☐

4. How frequent do you measure customer satisfaction?

Very frequent ☐ Frequent ☐ Somehow ☐ Not at all ☐

5. What techniques do you use in measuring customer satisfaction?

Questionnaires ☐ Follow up calls ☐ Suggestion box ☐ Interview ☐

Outsourcing ☐ Other

6. Do you have a customer complaint handling point in your company?

Yes ☐ No ☐

7. How effective is the complaint handling point?

Very effective ☐ Effective ☐ Somehow ☐ Not at all ☐

8. Do customers do repeat purchase?

Yes ☐ No ☐

9. In terms of percentage, how will you rate the repeat purchase?

0-25 ☐ 26-50 ☐ 51-75 ☐ 76-100 ☐

10. Do customers refer your service to their colleagues?

Yes ☐ No ☐

11. In terms of percentage, how will you rate the referrals?

0-25 ☐ 26-50 ☐ 51-75 ☐ 76-100 ☐

12. How important is customer satisfaction to you?

Very important ☐ Important ☐ Somehow ☐ Not at all ☐

13. Does customer satisfaction have effect on your company's profitability?

Yes ☐ No ☐

14. In terms of percentage, how will you rate the effect of customer satisfaction on your

company? 0-25 ☐ 26-50 ☐ 51-75 ☐ 76-100 ☐

15. How frequent do you motivate staff?

Very frequent ☐ Frequent ☐ Somehow ☐ Not at all ☐

16. How frequent do you train staff?

Very frequent ☐ Frequent ☐ Somehow ☐ Not at all ☐

17. What was the most compelling reason for your company to improve customer

satisfaction?

18. General comment

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STAFF INTERVIEW QUESTIONS

1. How do you see your company's working environment?
2. How do you understand your work schedule?
3. Are customers a border sometimes?
4. Are your customers satisfied after your service?
5. Do your customers make repeat purchase?
6. How will you rate the repeat purchase in percentages?
7. Do your customers refer others to you?
8. How will you rate the referral in percentages?
9. How frequent are you motivated by your management?
10. How frequent do you get training on customer satisfaction?