Customer satisfaction measurement practice in Taiwan hotels

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Abstract

The primary research carried out for this study focuses on hotel guest comment cards (GCCs) and customer satisfaction management schemes in Taiwan. Content analysis was used to determine the extent to which each hotel’s comment card design corresponded to the identified best practice criteria. Results reveal that no single hotel analyzed within the survey sample of this study meets all identified best practice criteria for their GCCs. It is recommended that the hotel industry in Taiwan reexamine its approach to evaluating customer satisfaction, with the goal of achieving conformity to all critical best practice criteria identified in this paper.

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1. Introduction

One of the biggest contemporary challenges of management in service industries is providing and maintaining customer satisfaction. Service quality and customer satisfaction have increasingly been identified as key factors in the battle for competitive differentiation and customer retention. Lam and Zhang (1999) claim that overwhelming customer demand for quality products and service has in recent years become increasingly evident to professionals in the tourism industry. Among all customer demands, quality service has been increasingly recognized as a critical factor in the success of any business (Gronoos, 1990; Parasuraman et al., 1988).
Customer satisfaction is different from perceived service quality. Service quality is the customers’ attitude or global judgment of a company’s service over time, while customer satisfaction refers to a specific business transaction (Lam and Zhang, 1999). Service management literature argues that customer satisfaction is the result of a customer’s perception of the value received in a transaction or relationship—where value equals perceived service quality relative to price and customer acquisition costs (Blanchard and Galloway, 1994; Heskett et al., 1990)—relative to the value expected from transactions or relationships with competing vendors (Zeithaml et al., 1990). Guest comment cards (GCCs) are now routinely used as guest satisfaction indices by most hotels. In 1998, Gilbert and Hornell conducted a study to analyze customer satisfaction in middle to luxury level hotels in the United Kingdom and compared their findings to a list of “best practice” criteria. Their study provides an extensive literature base and best practice recommendations based on GCCs. Their study also identified a growing number of three to five star hotels recognizing the importance of effective customer satisfaction surveys to their competitive performance.

The purpose of this study is to examine hotel GCC and customer satisfaction management schemes in Taiwan. This study adopts the applied content analysis approach which Gilbert and Horsnell (1998) used in their study, utilizing comparison and recording of findings based on a set “best practice” criteria. The results of this study provide hotel professionals with an assessment of current methods of measuring and managing customer satisfaction in Taiwan’s international tourist hotels.

2. Literature review

2.1. Service quality and customer satisfaction

The main function a hospitality organization’s members must perform is the delivery of quality service to its customers. Service quality has been defined as how well a customer’s needs are met, and how well the service delivered meets the customer’s expectations (Lewis and Booms, 1983). Gronoos (1984) indicated that the perceived quality of service is dependent on a comparison between expected and perceived service, and is thus the outcome of a comparative evaluation process. Parasuraman et al. (1985) defined “service quality” as the degree and direction of discrepancy between a customer’s perceptions and expectations, whereas “perceived service quality” is the gap between a customer’s expectations and perceptions as a measurement of service quality. The smaller the gap, the better the quality of service and greater the customer satisfaction. Barsky (1996) suggests that the customers may be excellent sources of information for management on how the organization can provide quality service. Through surveys and focus groups, customers can help management to determine which service areas are most in need of improvement. Gunderson et al. (1996) defines customer satisfaction as, “a guest’s post-consumption judgment of a product or service that can, in turn, be measured by
assessing guest’s evaluation of a performance on specific attributes.” The authors’ research revealed that the business travelers were most concerned with the tangible aspects of housekeeping (e.g. room amenities) and the intangible aspects of the front desk (e.g. receptionists’ willingness to provide service). Providing services which customers prefer is obviously a starting point for providing customer satisfaction. A relatively easy way to determine what services customers prefer is simply to ask them. Greathouse et al. (1996) conducted research investigating the factors that travelers considered important in hotel accommodations. In this study, travelers questioned at visitor information centers rated cleanliness of room, value for price, friendliness of staff, and security of property as some of the most important attributes of a hotel. A number of studies on customer satisfaction in the hospitality industry have focused on identifying service attributes; that is, a customer’s needs and wants. From a marketing perspective, customer satisfaction is achieved when the customer’s needs and wants are fulfilled (Lam and Zhang, 1999). Lam and Zhang (1999) conducted a study to assess customers’ expectations and perceptions of service quality, and identified a gap between the two. They also explored the impact of service quality factors on overall customer satisfaction. Their findings revealed that “reliability” and “responsiveness and assurance” are the most significant factors in predicting customer satisfaction. In addition, these two factors had the largest differential scores, indicating that the customers’ perceptions fell well short of their expectations. The purpose of measuring customer satisfaction is to assess the quality of the existing management practices and identify directions for improvement. The aim of managing satisfaction is to obtain a higher rate of customer retention and improve a company’s market share and profits (Gilbert and Horsnell, 1998). Many researchers propose that customer satisfaction influences customer loyalty, which in turn affects profitability (Anderson and Fornell, 1994; Gummesson, 1993; Heskett et al., 1990, 1994; Reicheld and Sasser, 1990; Rust et al., 1995; Schneider and Bowen, 1995; Storbacka et al., 1994; Zeithaml et al., 1990). Barsky (1992) discussed a theoretical model of customer satisfaction and then tested the model using a survey instrument. Using his survey instrument, he was able to support his hypothesis that intent to return is positively related to customer satisfaction.

2.2. Measures of customer satisfaction

Throughout the literature, customer satisfaction was measured in different ways. One measure consists of responses to a single question on the customer-satisfaction questionnaire: “Overall, how satisfied are you with...?” Responses for all satisfaction questions were made on 1–7 Likert-type scales labeled “very satisfied” (1) and “very dissatisfied” (7) at each extreme. The problems associated with the use of a single response variable were mitigated by the simplicity of the question. Satisfaction with key elements of both service and price (measured independently as the “service index” and the “price index”) was developed from theories found in service management literature (Heskett et al., 1994; Schneider and Bowen, 1995). Simplified, these theories state that the perceived value is a function of perceived quality and price, and that differing levels of perceived value result in differing levels of customer
Many researchers have developed multi-attribute scales for measuring customer satisfaction in hospitality professions (Lewis and Pizam, 1981; Lewis and Klein, 1987; Knutson, 1988; Callan, 1994). Oh and Parks (1997) conducted a critical review of customer satisfaction research and suggested that the expectancy-disconfirmation is widely accepted and applied conceptually in the study of customer satisfaction. Positive disconfirmation occurs when the product or service is better than the customer expects, resulting in satisfaction, whereas with negative disconfirmation, the product or service is worse than the customer expects, resulting in dissatisfaction. Schall (2003) describes best practices for measuring guest satisfaction and loyalty. This study discusses best practices hotels use in survey design, including intent, clarity, scaling, and validity, as well as the methodological issues of timing, question order, and sample size.

GCCs are routinely used as guest satisfaction indices by most hotels. A guest comment card is the card commonly distributed in rooms allowing those guests who wish to do so to respond. Lewis and Pizam (1982) have indicated a growing trend in hotel chains throughout the United States using GCC’s to make strategic managerial decisions. After assessing this development, the authors determined that the use of GCCs requires a more disciplined and scientific approach than is currently being used in most hotels. Recent studies in both the United States and the United Kingdom reveal that many hotel chains still use guest satisfaction evaluating methods based on inadequate practices to make increasingly important and complex managerial decisions (Barsky, 1992; Barsky and Huxley, 1992; DeVeau et al., 1996; Jones and Sasser, 1995; Jones and Ioannou, 1993). Despite the diversity of guest satisfaction systems in use, they tend to share a number of common faults (Gilbert and Horsnell, 1998). Common faults were divided into three main areas: quality of the sample, design of the GCCs, and data collection and analysis (Gilbert and Horsnell, 1998). Gilbert and Horsnell (1998) developed a GCCs checklist criterion to assess whether current practices for measuring and managing customer satisfaction in mid to luxury UK hotels accurately reflects categories proposed in the checklist. This study adopts content analysis by utilizing comparison and recording of GCCs based on Gilbert–Hornell GCC checklist criterion, in order to examine the guest comment card design and policy in Taiwan’s international tourist hotels.

3. Research methods

Gilbert and Horsnell (1998) analyzed GCCs in middle to luxury level hotels in the United Kingdom using a method called applied content analysis. Content analysis only describes what hotel companies include on their GCCs, whereas, an applied content analysis allows external appraisal through a checklist approach. Applied content analysis utilizes comparison and recording of findings based on checklist criteria; therefore, the emphasis on each category (reflected in the frequency count) directly demonstrates the extent to which a hotel company (or those in a sample group) match the theory that underpins the effectiveness of customer satisfaction measurement. Content analysis was found to be very practical by DeVeau et al.
Gilbert and Horsnell’s (1998) applied content analysis approach to examine GCCs of 76 international tourist hotels in Taiwan. The extent to which each GCC corresponds to the checklist of 32 categories was sought, to determine the effectiveness of GCC in measuring customer satisfaction.

Gilbert–Horsnell’s GCC checklist was created based on prior researches; the meanings and references for each of 32 categories are illustrated in Table 1. The 32 recording categories used to analyze the content of hotel GCCs fall under five general areas of analysis: (1) focus and management value of GCC attributes, (2) GCC attribute measurement techniques (attribute measurement scales), (3) GCC measure of overall customer satisfaction and loyalty, (4) GCC marketing measures (for identifying key market segments), and (5) effective layout of questions.

In this survey, 76 international tourist hotels in Taiwan were requested by mail to send their GCCs to the authors. A follow-up telephone interview was conducted three weeks after the original mailing in order to prompt a higher response rate. Of the 76 hotels, 45 sent their GCCs to the authors. This resulted in a response rate of 59.2%. The majority of those 31 hotels that did not send a GCC indicated they currently are not using one. The recording categories were plotted for each GCC and frequencies scored. Each card was assigned a number to maintain anonymity as promised in the mail request. The frequencies for each recording category were added and computed for the entire sample.

4. Results

The results of this study, based on the 32 recording categories used to examine the content of the GCCs, are presented as follows:

Acceptable number of questions for decision making/response: The total sample distribution indicates that the majority of GCCs range from 17 to 73 questions. Of the total sample of 45 hotel GCCs, only eight were within the recommended range of 40–60 questions. Of the remaining sample, 31 GCCs contained less than 40 questions, and four included 61 or more. These findings were consistent with the findings of Gilbert and Horsnell (1998), who noted that the majority of the GCCs contain too few questions to yield enough in-depth information to offer adequate management insight.

Number of intangible and tangible delivery attributes: In order to ensure that the main focus of a hotel’s GCC is to assess the customer’s needs rather than merely meet requirements of the hotel’s management, the majority of questions should be oriented towards intangible service delivery performance. In Gilbert and Horsnell’s (1998) study, there was a positive ratio of intangible attribute questions to tangible attribute questions (18:13) for the seven largest hotel chains in the United Kingdom. Of the 45 hotel GCCs analyzed in this study, only one contains more tangible delivery attributes than intangible delivery attributes. The emphasis of the other 44 GCCs is on intangible aspects.
<table>
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<th>Areas</th>
<th>Recording categories</th>
<th>Meaning</th>
<th>References</th>
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<td>(A) Focus and management value of GCC attributes</td>
<td>1. Number of “questions”</td>
<td>Assess if there is a fatigue effect of too many questions or too few, which would offer little management insight.</td>
<td>Aaker et al. (1995)</td>
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<td>2. Number of intangible delivery attributes</td>
<td>Check that both tangible and intangible attributes are being measured.</td>
<td>Danaher and Haddrell (1996)</td>
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<td>3. Number of tangible delivery attributes</td>
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<td>4. Standardization (hotel chains only)</td>
<td>Given the standardization of brands to confirm, there should be a consistent approach.</td>
<td>Jones and Ioannou (1993)</td>
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<td>5. Placing independent drivers together as one attribute</td>
<td>The questions should be clear and if there is a problem of questions that include two aspects.</td>
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<td>6. Breaking hotel operational areas into actionable drivers of satisfaction</td>
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<td>(B) GCC attribute measurement techniques (attribute measurement scales)</td>
<td>7. A direct expectations-met scale</td>
<td>Understand the purpose of scales and ensure the inclusion of one or more scales that reflect the customer’s psychological attitude response.</td>
<td>Barsky and Huxley (1992), Cadotte and Turgeon (1988), Danaher and Haddrell (1996), DeVeau et al. (1996), Jones and Sasser (1995) Lewis and Pizam (1982), Lockwood (1994)</td>
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<td>8. A Likert-type scale</td>
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<td>9. An excellence rating scale</td>
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<td>10. A pictorial rating scale</td>
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<td>11. A yes/no scale</td>
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<td>12. An open comment box but no scale</td>
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<td>13. An open comment box and a scale</td>
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<td>14. Importance scale relating to areas or attributes</td>
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<td>(C) GCC measures of overall satisfaction and loyalty</td>
<td>16. Provide a direct or indirect measure of overall satisfaction</td>
<td>Ensure an accurate gauge of a customer’s overall satisfaction. DeVeau et al. (1996), Holloway and Robinson (1995), Jones and Sasser (1995)</td>
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<td></td>
<td>17. Provide a direct or indirect measure of loyalty</td>
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<td>(D) GCC marketing measures (identify key market segments)</td>
<td>18. Purpose of visit</td>
<td>Provide improved marketing information as well as allow for cross-referencing findings to different market segments. Barsky and Huxley (1992), Jones and Ioannou (1993)</td>
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<td>19. Previous stays in this hotel/hotel of chain</td>
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<td>20. Name or room number</td>
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<td>21. Company</td>
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<td>22. Position in company/occupation</td>
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<td>24. Age range</td>
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<td>25. Sex/title</td>
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<td>26. Nationality/country</td>
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<td>27. Provide sections relating to specific market segments</td>
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<td>28. Test marketing channel effectiveness</td>
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<td>29. Identify competition</td>
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<td>(E) Effective layout of questions</td>
<td>30. The overall satisfaction score is at the beginning of the card</td>
<td>The design of a questionnaire will affect response and accuracy based on the logical flow of questions. Aaker et al. (1995)</td>
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<td>31. Attribute ranking questions are toward the beginning of the card</td>
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<td>32. Marketing and demographic questions are toward the end of the card</td>
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Standardize the GCC for all hotels in the chain or brand: Of the total sample of 45 hotels’ GCCs, only two represent hotel chains. However, the individual hotel in the chain had its own GCC. This fails in the requirement, highlighted by Jones and Ioannou (1993), that the GCC acts as a tool for group management’s use in maintaining consistency across its estate. This also indicates the fact that the individual hotel in the chain develops its own marketing strategy to meet the needs of its customers. In the study conducted by Gilbert and Horsnell (1998), the majority of companies operating hotel chains met this standardization aspect.

Use a direct expectations–met scaling system to rate each attribute: Research has indicated that the most effective scale for measuring satisfaction is the “expectations–met” scale. However, none of the GCCs in the sample met this criterion. The most common scale is the excellence rating scale, which was used by 31 of the total sample (69%). The findings were consistent with Gilbert and Horsnells’ (1998) study that the most common scale, the excellence rating scale, was used by 71.1% of the total sample. Yes/no scales were included by 24 of the total 45 hotels GCCs (53%), and 12 of 45 GCCs (27%) used the Likert-type scale. The majority of GCCs used more than one scale.

Include a space for open comments (critical comment area) at the end of the survey: DeVeau and colleagues (1996) indicated that the lack of provision for open-ended comments inhibits customer freedom to remark on missing facilities. The results of the study conducted by Gilbert and Horsnell (1998) showed that all except one of the GCCs met this criterion. In this study, 34 of 45 GCCs (76%) met this criterion.

Provide a direct or indirect measure of overall satisfaction and a measure of loyalty: Of the total sample, only 11 of 45 GCCs (24%) include an overall satisfaction question (be it direct or indirect) and 14 of 45 GCCs (31%) ask a question of loyalty. The low percentage shows that hotel management may not perceive these measures as important.

Include questions to identify key market segments: In addition to measuring customer satisfaction, GCCs provide an opportunity to collect information about the customer for marketing purposes. Questions relating to customer demographics are included in the GCCs to reflect views of customers from target markets. Nearly all (91%) of GCCs in the total sample requested at least the name and/or room number of the guest completing the card. Other marketing-related information requested pertains to customer motivation, such as purpose of visit (16%) and previous stays in this hotel/hotel of chain (18%). Questions of general demographic information pertain to salary (2%), age range (7%), sex (11%), and nationality/country (78%).

Provide special sections on the comment card for key market segments: Only three GCCs in the total sample included a separate section for completion by customers from special market segments. This indicated a lack of focus on market segmentation for most of the hotels. Similar results were shown in the study conducted by Gilbert and Horsnell (1998).

Use the GCC to test relative effectiveness of current marketing channels: None of the GCCs included questions relating to the marketing channel. Therefore, it is
impossible to collect potentially powerful feedback on the relative effectiveness of a hotel or chain’s advertising and marketing channels.

*Include a question on competitors:* In Gilbert and Horsnell’s study, very few GCCs included a question relating in any way to the guest’s awareness of the competition. This is affirmed by our survey results, with only one GCC providing a question on competitors.

*Effective layout of questions:* For the category “effective layout of questions,” only one GCC included the overall satisfaction score at the beginning of the card. However, 49.5% of the GCCs had attribute-ranking questions toward the beginning of the card, and 69.8% of GCCs included marketing and demographic questions toward the end of the card.

Personal phone interviews with senior management were conducted to determine the ways GCCs were distributed and processed. The majority of hotels do not provide incentives to guests who complete the GCC. In-room distribution is the most common way of GCC dispersal.

5. Conclusion and implications

This study aims to examine the GCCs at international tourist hotels in Taiwan. Results of this study identify that a growing number of companies recognize the importance of effective customer satisfaction surveys to their competitive performance. The results of this study reveal that no single company within the survey sample meets all critical best practice criteria, and many fall substantially short in terms of overall best practice. Nearly 40% of the total sample have not yet used GCCs to measure customer satisfaction. The majority of GCCs do not include questions relating to customer motivation, such as purpose of visit and previous stays in this hotel/hotel chain. Very few GCCs provide sections relating to specific market segments, tested marketing channel effectiveness, and identified competition. These omissions indicate that the majority of hotel GCCs in Taiwan neither provide information for improving marketing information, nor allow for cross-referencing of findings to different market segments. The low percentage of GCCs providing a direct or indirect measure of overall satisfaction and a measure of loyalty also shows that the management of hotels in Taiwan may not perceive either of these measures as important. Few hotels include marketing-related questions on their GCCs. Questions regarding customer motivation, such as purpose of visit and previous stays in this hotel/hotel chain, were included by less than 20% of the total samples. Thus, customer information collected from GCCs do not provide hotel management with adequate information to make marketing decisions. In addition, no hotel used GCCs to test relative effectiveness of current marketing channels and only one GCC included a question relating in any way to the guest’s awareness of the competition. This reflects the fact that hotels in Taiwan do not use GCC as a marketing and management tool.

It is recommended that the hotel industry in Taiwan reexamine its approach to customer satisfaction systems in an attempt to achieve conformity with all identified
critical best practice recommendations. This study was limited to the examination of GCCs distributed at international tourist hotels; there is no information regarding sampling and data processing of GCCs at hotels surveyed. In-depth interviews of middle and senior management are needed. It is recommended that future studies use qualitative methods to analyze senior hotel managers’ discussion of issues unable to be ascertained from the comment cards. It is interesting to know the frequencies that GCC being completed by guests and whether hotels provide incentives to the guest, and how data from GCCs were analyzed. Recently, a “multi-faceted indicator system” (MFIS) was developed by Meyer and Westerbarkey (1996), as indicated in the study conducted by Gilbert and Horsnell (1998). It is a system that combines arrays of external data (guest comment cards and information from complaint management, mystery guests, and focus groups) into a broad-based guest satisfaction index. It could be utilized alongside internal data such as corporate accounting and production/delivery figures. This system may provide hotels with more complete direction in the measurement of customer satisfaction. Instead of measuring guest satisfaction, future studies may take a different approach by identification of necessary employee performance cues. With an understanding of which employee groups’ performances are necessary to a positive guest assessment, hotel managers can implement a strategy to ensure their proper functioning. Thus, future studies may focus on determining the most relevant employee performance that guests use to arrive at an overall evaluation of service quality.

In conclusion, this study examined GCC of international tourist hotels in Taiwan based on best practice criteria recommended from prior research. The findings are consistent with the findings of Gilbert and Horsnell (1998) and confirm the need for future research to discover the type of management decisions made based upon information gathered from hotel GCCs. Although results indicate that GCC was not effectively and efficiently used by majority of the hotels, this study was the first research to provide an examination of GCCs at 76 international tourist hotels. Hotel management may choose to thoroughly reevaluate its GCC based on the 32 criterion listed on the checklist to design, administer, and interpret its satisfaction survey, in order to better assess guest satisfaction. In addition, from a strategic perspective, hotel managers may carefully manage different types of employee performance so that each serves as an appropriate cue to service quality. Determining the most relevant types of employee performance is crucial in this endeavor, as it allows managers to allocate human resources more efficiently to improve overall service quality for ensuring satisfaction.

References


