AN IPA ASSESSMENT OF INTERNATIONAL GUESTS' PERCEPTIONS ON HOTEL SERVICE OPERATIONS

Anderson Ngelambong, Nina Farisha Isa
Faculty of Hotel and Tourism Management,
University Technology of MARA, P.Pinang. MALAYSIA

Mohd Hafiz Mohd Hanafiah
Faculty of Hotel and Tourism Management,
University Technology of MARA, Shah Alam. MALAYSIA

Silverina Anabelle Kibat, Johanna Adlin Ahmad
Faculty of Hotel and Tourism Management
University Technology of MARA, Sarawak, MALAYSIA

ABSTRACT

The purpose of this paper is to examine international guests' perceptions on the importance and performance of eight key areas of hotel operation. From in depth review of the literature, eight attributes of hotel operation were identified namely accommodation services, resort day activities, dining services, bar/lounge, night entertainment, airport transfers, check-in/out, and in-house service. The findings of the study are imperative to provide valuable information for hotel managements to improve their operation performance and guests' satisfaction. Also, the results may present useful facts with regards to potential future expansion or reduction/removal in hotel operation services. The study was conducted at Batu Feringghi, Pulau Pinang with the participation of international guests at five hotels. A total of 110 questionnaires were returned from 150 distributed to the respondents who stay at the hotels. Due to missing values and alike, the sample was further reduced to 104 respondents representing a total rate of 69.33 per cent. An Importance-Performance Analysis (IPA) technique was used to determine the importance guests assign to salient attributes and to assess their satisfaction with the hotels performance on each of the attributes. A mean statistic for each item was generated by using Excel Database before being plotted to the IPA grid presentation. The study found that among the eight attributes of the hotel operation bar/lounge was rated as the least importance. While in terms of guests' satisfaction, night entertainment received the lowest mean ratings.

Keywords: service performance, service organization, guest's perception

INTRODUCTION

Quality and service quality have different meanings for customers, employees and managers of service organization, and for the general public (Klaus 1985). This has resulted in a variety of approaches to quality and its definition. Although the most popular definition of quality relates to meeting/exceeding expectations, there is neither an accepted nor a best definition of quality for every situation (Reeves & Bednar 1994). For example, quality has been defined as "fitness for use" (Juran, 1974) and "conformance to requirements (Crosby, 1979).

According to Hansen & Bush (1999), a product/service will be perceived as high quality only if it conforms to the requirements of the customer. Thus, the customer is the key to define quality, and an organization's internal definition of quality is meaningless if it fails to reflect customer requirements. From a customer's perspective, satisfaction with a service is a function of both the functional and performance-delivery elements. They are quite capable, however, of having responses to each element that differ from the actual evaluations or the perceptions of the service quality (Czepiel et al., 1985).

It is important that customers have a positive service encounter with service providers because this influences their perception on the overall performance of their service organization. Klaus (1985) stated that customer's views on quality experiences in service encounters can be learned from inspecting one's own experiences as a service consumer and from service-industry marketing approach. Marketing in term of advertising both reflects and shapes the images of service quality that customers have: consistent themes are the degree of excellence, goodness, pleasantness, value, and speed which increase their recognition of the importance of services and facilities provided.

Thus, customers expect service organization to do what they supposed to do. They expect fundamentals, not fanciness; performance not empty promises. Other than that, Nobles & Thompson (2002) found that properly timed service delivery system is crucial for a positive service encounter especially in front-line services such as front desk and dining. Waiting –line experience for some customers can be frustrating, time consuming, and incredibly expensive. This significantly polluted their overall perceptions and judgment of the quality of service provided although the service might be efficient, courteous, and complete.

Customer satisfaction is also greatly influence by the service employees' behavior and performance in the service delivery process. Fiebelkorn (1985) reported that satisfaction is strongly related to four attributes: employee competence, interest in helping, friendliness, and the speed of transaction. Moreover customer satisfaction increases when they have customer treatment that shows empathy, courtesy, and the value of the customer in all interactions. Similarly, Chu & Choi (2000) said hotel guests demand a quality service in all aspects of hotel operation which include service efficiency, understandability, helpfulness, politeness and friendliness, appearance and language skills.

To achieve the highest service quality, most service organizations emphasize on: strong service culture, empowered service-delivery system, "customer listening" orientation, and responsive guarantees (Enz & Siguaw 2000). Besides that, Ford & Heaton (2001) mentioned that service organization should manage each "moment of truth" in the service experience effectively and efficiently. These lead to a creation of service quality program that set the standard in which every employee can follow. This indirectly, make customers feel comfortable, hence help them derive the maximum value from the experience they have paid for, and to ensure that the experience is as rich, enjoyable, and satisfying.

According to Berry (1981) and Loveman (1998), successful human resource practice that enhances employees' satisfaction will directly influence employee performance. These include selecting the right people; providing them with continuous training and development in interpersonal and problem-solving skills as well as technical skills; empowering employees to exercise judgment and creativity in responding to customers' special needs; and having a reward system that recognize excellent employees (Bowen & Ford 2004; Parasuraman, Berry & Zeithaml 1991).

METHODOLOGY

The study was conducted at Batu Feringghi, Pulau Pinang during the peak season in June 2010. It was a descriptive nature of study using statistical data to generate results. A close-ended quantitative based questionnaire was designed to assess the eight key attributes of a hotel operation. There were 16 items (eight importance and eight performance) which asked the respondents to rate the identified attributes. The respondents were asked to indicate, on a five-point Likert scale, the level of importance of each item (1 very unimportant – 5 very important) to them. They were then asked to identify for each their perception of performance (what they actually thought in terms of services delivered during their stay) using a separate 5-point scale (1 very satisfactory – 5 very satisfactory).

In reference to the reliability of the instrument, as directed by Martilla & James (1977), the importance and performance lists were separated to help minimize compounding and order effects. If the importance and performance of an attribute were asked consecutively, they argued, the response to the first could influence the response to the second.

A total of 150 questionnaires were distributed to the participated hotel guests. Approximately 110 were returned in the three-day survey period. Due to missing values and the like, the sample was further reduced to 104 respondents representing a response rate of 69.33 per cent. Of this 104 respondents, 53 (50.96 per cent) were male and 51 (49.03 per cent) female. Respondents who completed the questionnaire were given a souvenir as a token of appreciation.

ANALYSIS AND RESULTS

In the analysis of Importance-performance scale used for the study, a mean statistic for each item was calculated using Excel Database. Also, in the analysis, a two-dimensional, four-quadrant grid has formed from the result (see figure 1). The four quadrants were titled according to the placement of the item on the importance and performance axes. The titles adopted from Martilla & James (1997) were as follows:

1. Q1 "Concentrate Here": high importance, low performance

2. Q2 "Keep Up the Good Work": high importance, high performance

3. Q3 "Low Priority": low importance, low performance

4. Q4 "Possible Overkill": low importance, high performance

Referring to the graph as a guideline, the line of distinction on the two scales of Importance-Performance was set at three. That is, ratings of 3.0 and greater were considered important or satisfactory while ratings of less than 3.0 were considered unimportant or unsatisfactory.

Importance –Performance Analysis

Table 1 and 2 show the mean scores of the eight attributes for guests in relation to Importance and Performance. The data was then transferred to the IPA grid presentation (Figure 1). In Figure 1, the X-axis represents the perception of Performance scores relaying to guests' experience of a hotel and resort services and facilities. The Y-axis represents the relative weights of the eight Importance items relating to a hotel and resort services and facilities.

Table 1: Importance of a Hotel and Resort Attributes

Attributes	Mean Ratings
Accommodation services	4.6
Resort day activities	3.0
Dining services	4.1
Bar/lounge	2.4
Night entertainment	4.0
Airport transfers	4.2
Check in	3.5
In house service	3.2

Table 2: Satisfaction with the Service Performance of a Hotel and Resort

Attributes	Mean Ratings
Accommodation services	3.3
Resort day activities	3.9
Dining services	2.3
Bar/lounge	2.8
Night entertainment	2.2
Airport transfers	3.5
Check in	4.3
In house service	4.6

The respondents reported varying degrees of satisfaction (performance) for the hotel attributes, ranging from 2.2 for night entertainment to 4.6 for in house services (see table On the other hand, the Importance respondents assigned to the hotel attributes range from 2.4 for bar/lounge to 4.6 for accommodation services (see table 1).
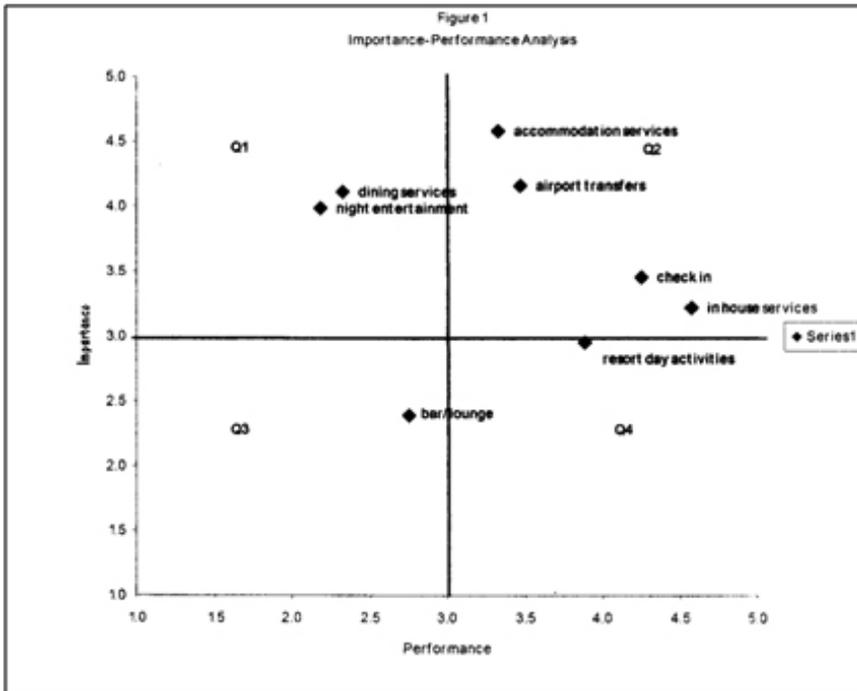

Figure 1: IPA Analysis of the Hotel Attributes

The results of the IPA are displayed in figure 1. Two attributes received high importance ratings coupled with low performance ratings from the respondents; and as such fall into the "Concentrate Here" cell. These attributes include dining services and night entertainment. Bar/lounge was rated as low on performance and importance, thus it is accordingly classified as "Low Priority". Four attributes received high performance and high importance ratings; these attributes are place in the "Keep Up the Good Work" cell. They are accommodation services, airports transfers, check-in and in house services. Another attribute was rated as high performance rating but equal importance rating which is hotel and resort day activities; and as such fall between the "Keep Up the Good Work" cell and the "Possible Overkill" cell.

DISCUSSION

The analysis of the IPA model identifies those areas where improvement should be made and provides insight into strategies appropriate for effecting that improvement. In this study, discussion is focused to four areas according to the IPA grid which are targeted for change.

"Concentrate Here" Quadrant

The quadrant captured two attributes, dining services and night entertainment. This sends a direct message that improvement efforts should concentrate here because quality of service in those areas did not meet/exceed guests' expectations (Reeves & Bednar 1994). Employees performance in those areas could be improved if they have proper training that provide them with the necessary knowledge, skills and abilities to perform the task and also be interactively skilled. In providing a service to guests, the employees have to empower to respond to different needs/wants of the guests in order to identify and solve their problems (Parasuraman, Berry & Zeithaml 1991; Bowen & Ford 2004). According to Nobles & Thompson (2002) timing of service is crucial because it directly influence guests' satisfaction level particularly in dining service. For example late delivery, slow response to a guest's request, or failure to render any service promptly can have an unfortunate effect on guests' satisfaction level. Hence, not only there is a need for employee training to provide attentive and consistent service, yet unobtrusive service that assures maximum guests satisfaction. Also, the management should emphasize the important of a properly timed service delivery that requires the proper equipment, a positive attitude and teamwork.

"Keep up the Good Work" Quadrant

Accommodation services, airport transfers, check-in, and in house services were identified in this quadrant. These four attributes were considered satisfactorily in

meeting guests' requirements in relation to service quality. This sends a meaningful message to the managers, in that they should concentrate to maintain these aspects from their guests' point of view. A service quality program should be developed that incorporate strong service culture, empowered employees, responsiveness actions and customer feedback. This set a standard for the employees in dealing with guests during the service encounter to ensure better service performance (Enz & Siguaw 2000; Ford & Heaton 2001). Moreover, resources should be directed to improve and maintain the quality of rooms and in-house services. Efficient check-in and check-out systems that reduce should be considered. Also, an efficient airport transfers is important for guests particularly for the medium and long haul passengers. They definitely want a smooth transition from the airport to the resort without any problems or delay after a long flight (Nobles & Thompson 2002).

"Low Priority" Quadrant

One attribute was identified in this quadrant; bar/lounge. Although performance level may be low in this cell, this does not mean that the management should reduce their efforts to improve the service. Looking at the grid, it is just a few points away from the "Keep Up the Good Work" quadrant. A good marketing approach could make the attribute important in the eyes of the guests, for example the management could advertise their bar/lounge as an attractive and special place to socialize and organize an event. The management should consider doing some renovating work for their bar/lounge areas in order to change its atmosphere/ambience to cater for a wider market segments such as creating a bistro environment. When the guests realize that the bar/lounge is an interesting place only then they would perceive it as an important area in the hotel. In term of service performance, training programs could be arranged to equip the employees with necessary skills, knowledge and attitude. Moreover, a monetary or physical reward program that recognize and appreciate excellent employees should be introduced. This could motivate them to perform better. Management should address employees' attitudes that have effect on guests' satisfaction such as empathy, friendliness and helpfulness.

"Possible Overkill" Quadrant

One attribute was captured in this quadrant; hotel/resort day activities. Actually it is on the borderline between two quadrants (refer to grid) with importance rating of 3.0 the same with the cut-off point Y-axis. Klaus (1985) identified marketing particularly advertising could enhance the image and reputation of a service or facility. The management should plan an effective marketing to move up the item to the "Keep Up the Good Work" quadrant. For example, having an attractive package price for room and resort day activities definitely create a value for money. Other than that, hotel and resort day activities should be advertised as exciting and fun. This would attract guests to try them out.

The study has served its purpose to identify, evaluate and analyze several Batu Feringghi's hotel and resort service areas attributes and make suggestions regarding priorities and resource allocation. IPA technique has succeeded in measuring guests' perceptions towards the hotels and resorts eight attributes. The findings help hotel management to identify their areas of strength and weaknesses for better allocation of resources in improving service performance. It is quite possible that an integrated improvement strategy would provide the greatest success in terms of achieving guests' satisfaction, as well as organization goals. However, because markets, customers, and performance are all dynamic, periodic measurement is essential.

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