

RESEARCH PROPOSAL

BUSINESS TRAVELER SATISFACTION WITH HOTEL SERVICE ENCOUNTER*

INTRODUCTION

Business travelers are an invaluable market for the hotel industry. Their spending power is approximately twice than that of leisure travelers (Hampton, 1989). To attract this lucrative market, many new services and facilities have been developed. For example, hotels have set up in-room fax machines, business centers, and private lounges. Unfortunately, in a highly competitive market, these initiatives will soon become a commodity. To target resources for further improvement, and to stay ahead of competition, hotels must identify services that offer the greatest satisfaction to business travelers. More importantly, hotels must constantly assess their offerings to determine whether particular services actually live up to customer expectations.

Many researchers have examined customer satisfaction in the hotel industry. For example, Oh (1999) tested a model which represented the links between satisfaction and a number of perception variables. Similarly, Barsky (1992) validated a satisfaction framework with data obtained from the United States and Japan. Mattila (1999) used a conjoint-analysis approach to investigate hotel customer trade-offs between personal service and physical environment. Sparks and colleagues (1997) explored the influence of hotel employee effort on customer satisfaction. These researchers have tended to view customer satisfaction as a point in time after consumption (Oliver, 1980). However, such an approach is not without problems. First, it fails to reflect the complex process that is the key characteristic of hotel services. There are numerous possible service encounters in a hotel, such as those at check-in, in the room, at the restaurant, and at check-out. Customers may find it difficult to aggregate the satisfaction levels of various service encounters to give an overall satisfaction score. Second, the results obtained from a global measure may not be useful: even when customers score a particular attribute – such as staff attitude – low, hotel marketers do not know the specific circumstances in which the service went wrong. Accordingly, the main purpose of this study is to examine business traveler satisfaction with different service encounters in the hotel environment. Consideration will be given to how discrete service encounters affect the overall satisfaction and repurchase intention of business travelers.

REVIEW OF LITERATURE

The concept of customer satisfaction has been studied extensively by many researchers, and the most widely used measure is the expectancy-disconfirmation paradigm (Oliver, 1980). The expectancy-disconfirmation paradigm describes the process by which customers develop feelings of satisfaction or dissatisfaction about consumption. Derived from an early definition of customer satisfaction (Hunt, 1977), the paradigm has been tested and subsequently confirmed in many studies (Oliver & DeSarbo, 1988; Tse & Wilton, 1988). The paradigm is composed of four constructs: expectations, perceived performance, disconfirmation, and satisfaction. If perceived performance matches or exceeds expectations, then satisfaction occurs. If expectations exceed perceived performance, then disconfirmation occurs.

Although many studies have adopted the expectancy-disconfirmation paradigm, some do not fully accept it for service evaluation in its present form. For example, Oliver (1980) suggested that alternative models could be developed to reflect the complex process in service consumption. Likewise, Oliver (1993), and Bolton and Drew (1991) have described service

satisfaction evaluation as a process. Andreassen (1977) stated that there is a significant carryover effect for customer satisfaction from period to period. Rust *et al.* (1996) further elaborated that dimensions of the service encounter drive encounter satisfaction, which then drive overall satisfaction.

In an attempt to understand how satisfaction judgement evolves, some researchers have segmented the entire delivery process into distinct service encounters. Bitran and Lojo (1993), for example, structured a framework to reflect the different encounters that take place at professional service firms. The encounters are: (1) access, (2) check-in, (3) diagnosis, (4) service delivery, (5) check-out, and (6) follow-up. They argued that these encounters are typical in every professional service organization. For the hotel business, Danaher and Mattsson (1994a) divided the delivery process of a meeting or conference event into 4 distinct service encounters: (1) arrival, (2) coffee-break, (3) lunch, and (4) the conference room. In another study by Danaher and Mattsson (1994b), the hotel service delivery process was partitioned into 5 encounters, namely: (1) check-in, (2) room, (3) restaurant, (4) breakfast, and (5) check-out. Although the particular encounters that comprise each service experience vary across service contexts, researchers have generally agreed that the service delivery process can be categorized into a series of consecutive encounters.

Much research has been devoted to understanding the antecedents of customer satisfaction, but few studies have examined its content or dimensions (Singh, 1991). One of the earliest such studies was conducted by Hartman (1967). He articulated a three-dimensional concept that can be used to characterize the cognitive, affective, and systemic dimensions of satisfaction. Specifically, the cognitive aspect refers to the performance or function of a service encounter, whereas the affective aspect concerns the customer's feelings about the service. The systemic aspect represents the customer's tradeoff between what is received and what is given. On the basis of Hartman's framework, Mattsson (1992a) proposed to model satisfaction as a synthesis of three value dimensions: practical, emotional, and logical. For example, in the hotel industry, a room with good layout offers practical value to customers. The intangible benefits (e.g., status, prestige, and security) gained from using the room represent the emotional dimension. The logical dimension focuses on whether the hotel room and the related services represent value for money. This model has found support in a variety of settings, such as hotels (Danaher & Mattsson, 1994a; 1994b), print advertisements (Mattsson, 1992b), museums (De Ruyter, 1997) and restaurants (Lemmink *et al.*, 1998) and will be adopted for the present study.

METHODOLOGY

This is an exploratory study aimed at examining how various service encounters affect business traveler satisfaction and repurchase intention. Based on earlier work by Danaher and Mattsson (1994a, 1994b), a structured-undisguised questionnaire will be used to collect data for the study. Two in-depth interviews will be carried out to refine the instrument.

The questionnaire will be divided into three sections. The first section of the questionnaire screens respondents to ensure that only those targeted are included in the study. The principal part of the questionnaire is section two. The hotel stay will be segmented into five encounters, namely: (1) check-in, (2) the room, (3) restaurant, (4) business center, and (5) check-out. For each encounter, three items – emotional, practical, and logical – will be formulated pertaining to the primary dimensions of satisfaction. Respondents will be asked to rate their overall satisfaction on a 5-point scale ranging from 1 (very dissatisfied) to 5 (very satisfied). Repurchase intention will be measured on a 10-point scale ranging from 1 (very unlikely) to 10

(very likely). The final section focuses on the demographic and travel characteristics of the respondents. The questionnaire will be pre-tested on a group of hospitality faculty members.

A non-random sampling design will be adopted; thus, a limitation of the study is that the findings may not be generalizable. The sampling frame is defined as business travelers departing from the Hong Kong International Airport who have stayed at a Hong Kong hotel in the past week. To minimize possible sample bias, systematic sampling procedures will be used to select every fifth traveler queuing at check-in counters in the departure hall after a random start.

A total of 200 respondents of different nationalities will be interviewed. Each respondent will spend an average of 3 minutes answering the survey. Because the unit of observation is people travelling for business purposes who have stayed at a Hong Kong hotel in the past week, all those failing these pre-requisites will be removed.

Data will be analyzed with the SPSS Statistical Package. Descriptive statistics will be used to summarize general characteristics of the respondents. After that, a series of t-tests and one-way ANOVAs will be performed to compare data from respondents of different sex and category of hotels visited. The conceptualization of the model is that at each encounter a customer's satisfaction is affected by the most recent and earlier encounters of the hotel stay. Due to the recursive effect, severe multicollinearity may occur. Therefore, the 15 satisfaction items will be transformed by factor analysis using Varimax rotation (McDaniel & Gates, 1991; Hair *et al.*, 1995). The information contained in the 15 items will be summarized into 5 service encounter indices. Reliability analysis of the items will also be conducted.

Multiple regression analyses will be used to examine the relationship between satisfaction with the 5 service encounters and overall customer satisfaction and repurchase intention. The dependent variables are the business travelers' overall satisfaction with the hotel services, and their repurchase intention. The independent variables are the indices for service encounter satisfaction. Pearson's correlation analysis is also used to test the relationship between overall satisfaction and repurchase intention.

LIMITATIONS

This study should be viewed as exploratory, and there are a few limitations. The results are limited by the small sample size gathered due to the constraints of time and limited resources. There are also problems with soliciting information from respondents. To be more accurate, satisfaction should have been measured immediately after the service encounter, as it may have been contaminated by satisfaction with later encounters. However, business travelers are normally busy during their stay, and it would not be practical to ask respondents to rate their satisfaction after every service encounter. Respondents will be simply asked to rate the five encounters simultaneously. Thus, potential confounding and recursive effects may deteriorate respondent satisfaction with different encounters (Oh & Jeong, 1996). Another limitation is the fundamental assumption that respondents experience the five encounters sequentially. In reality, respondents may receive their service in a different order. For each encounter, a customer's satisfaction is affected by the most recent or earlier encounters, and a different order of services may affect the encounter's influence on overall satisfaction.

TIMETABLE

	Date
Prepare proposal	
Complete literature	
Complete fieldwork	
Complete analysis	
Complete final report	

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Satisfaction Statements

Satisfaction with check-in encounter

1. Nice treatment at check-in
2. Quick check-in
3. Correct booking at check-in

Satisfaction with room encounter

4. Cozy room
5. Furniture and equipment easy to use
6. Value of money for the room

Satisfaction with restaurant encounter

7. Nice atmosphere in the restaurant
8. Good food
9. Value of money in the restaurant

Satisfaction with business center encounter

10. Comfortable atmosphere
11. Sufficient business facilities and services
12. Prompt service

Satisfaction with check-out encounter

13. Nice treatment at check-out
14. Quick check-out
15. Correct bill

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