



Correlation between guest satisfaction and organization survival: A Study of independent hotels in Delhi & NCR

Md Minhazul Karim

M.Sc Student, 2nd Year, NCHM - Institute of Hospitality, Noida

Article History- Received: June 2020; Published: August 2020

Abstract

When you have more customers, you tend to keep on progressing every month; lower consumer satisfaction has a considerably greater impact on the business. Each unsatisfied guest is another strike to the foundation of the business. This study was undertaken to ascertain the relationship between guest satisfaction and survival of independent hotels in Delhi and NCR. The study adopted a survey design in the form of questionnaires. Data collected from targeted independent hotels across the Delhi and NCR region. A sample size of 52 is taken for analysis. Emails were sent and personal interviews of the employees were taken for data collection. This study also used secondary data in the form of online journal articles and internet materials. This study focused on hotel entrepreneurs that are engaged in the service business whether or not focus on guest satisfaction to survive in today's globally competitive business environment.

Keywords: *Guest satisfaction, Organisation survival, Independent hotel, Delhi, NCR*

1. INTRODUCTION

Today managements are well aware that their survival in accomplishing the significant objectives of the hotel relies upon the satisfaction of their guests. To survive in today's markets, making a strong relationship with guests is the most imperative to make guest come again. A strong relationship is build by strong trust. Guest satisfaction expect creating and keeping up long tern relationship with valuable customers of the hotel. CRM centers on understanding the requirements and wants of the guest and accomplishing it and putting these requirements at the heart of the hotel and adding it in the company's strategy. Organizations that don't gather consumer loyalty data don't know whether they are on the right track or where they have to adjust to fulfill their customer's needs. Independent hotels need to do their most extreme to keep clients and get into a position where clients appropriate positive informal exchange about the association. If you have to keep your guests satisfied then you have to continue giving satisfactory results on every occasion.

2. LITERATURE REVIEW

CUSTOMER/GUEST RELATIONSHIP MANAGEMENT (CRM)

The significance of holding existing clients and extending business is of prime importance and cost of finding new clients mean each current client could be important [11]. After the 2000s, with the expanded use and impact of the web and such stages as exchange gatherings, consumers had the chance to be all the more dominant and effective against the ventures [2]. Utilizing CRM permits corporate agents to focus on one customer at one time, building up first an enduring and lasting and then a equally valuable relationship [6]. In the mid 21st century, different organizations are competing to set up another connection with existing customer and raise long client loyalty and productivity for their organization [10]

CUSTOMER SATISFACTION

The connection between satisfaction and loyalty is characterized as an exceptionally fulfilled guest's by and large remains committed longer, purchases more as the hotel presents new products and update existing products, talk well about the hotel and its product, give less consideration to competing brands, and is less sensitive to cost [1]. The hotel business is a guest headed service and for hotel to advertise themselves as brands it is essential to be customer driven and ensure that their guests get the best quality service [3]. The hotel manager to guarantee that their guests remain consistently fulfilled, they should guarantee that guests feel

invited, obligingly and proficiently served in a perfect, safe and protected condition with the best nature of service sold at a sensible cost [4].

SURVIVAL OF INDEPENDENT HOTELS (ENTREPRENEURS)

Government support, different outside projects may have positive impact on the exhibition of new business [5]. Industry pioneers who are advocating Startup India need high transmission capacity, tax reductions on budget plan cell phones supporting vernacular dialects, less difficult KYC standards, and improved access to power and credits. They are associating with strategy makers to get rid of guidelines which go about as a brake to investment [12].

Table: 1 Objectives of CRM in Service Sector

SL	Citation	CRM Objectives	Explanations
1	Work wise softwar, 2018	Service Ought to Decrease Expenses and Increase Profits	Make a profit focus out of a hotel utilizing operational and guest's data to lessen costs and produce more incomes.
2	Jacobsen, 2015	Service Ought to Improve Delivery of Service	Make a proficient and successful hotel business utilizing incorporated all data accessible in other front office and ERP applications.
3	How hospitality is using CRM and how they could use it better, 2020	Service Should Assist Hotels with Satisfying Guests	Upgraded guest's care, service and guest's data across the hotel to improve consumer loyalty and satisfaction.
4	Hotel CRM Software: How to Know What to Look For in 2020, 2019	Service Should Assist Hotel with Differentiating their Products	Differentiate business by offering service as a differentiator utilizing various channels, full chain wide perspective on guest's data.

3. RESEARCH OBJECTIVES

- 1.To understand role of guest relationship management in the hotel sector.
- 2.To analyze the relationship between guest satisfaction and survival of independent hotels in Delhi and NCR region.

METHODOLOGY

A structured questionnaire was administered to 60 independent hotels in Delhi & NCR professionals. The Likert scale was used to collect responses. The sampling method used is Non-Probability (Convinces sampling). Respondents were approached through emails and personal interviews. Both the variables were analyzed by the use of Microsoft EXCEL. Secondary data has been collected from relevant literature from various sources referring to the previous data from various sources such as online journals, websites, articles, and observational facts. Various related papers were studied and relevant information was collected, sorted, arranged and compiled together to formulate this paper.

HYPOTHESIS

H10: There is no association between guest satisfaction and organization survival for independent hotels in Delhi & NCR region.

H1a: There is association between guest satisfaction and organization survival for independent hotels in Delhi & NCR region.

Table 2: Research Sample Profile

No.	Description	Results
1	Questionnaires	60
2	Questionnaires reverted	52
3	Viable questionnaires	52
4	Response rate	86.67%
5	Questionnaires used for analysis	52

60 questionnaires were distributed in 60 different hotels in Delhi & NCR region in order to collect data, out of which all only 52 reverted back, indicating response rate of 86.67% in the survey.

4. DATA INTERPRETATION

Maximum respondents were 2-star independent hotels (13, 25%). Second most responses came from 3-star hotels (11, 21.1%) then in the third no. are other independent non-star hotels (10, 19.2%). Next no. responses came in the row are 4-star independent hotels (8, 15.4%), next 1-star hotels (6, 11.6%) and the last 5-star hotels (4, 7.7%).

Table 3: Category of Hotel Responses

Variables	Categories	Frequency	Percentage (%)	Cumulative Percentage
Independent Hotels	5 star	4	7.7	7.7
	4 star	8	15.4	23.1
	3 sar	11	21.1	44.2
	2 star	13	25	69.2
	1 star	6	11.6	80.8
	Non star	10	19.2	100
Total		52	100	

5. DESCRIPTIVE ANALYSIS

	Quick reaction to the order placed by customer results in repeated business.			Consistent discount for regular customer results in customer loyalty.			Customer-oriented behaviour by employees is a product of customer satisfaction.		
	No.	%	Cum. %	No.	%	Cum. %	No.	%	Cum. %
Strongly Agree	21	40.4	40.4	31	59.6	59.6	21	40.4	40.4
Agree	24	46.2	86.6	15	28.9	88.5	25	48.1	88.5
Neutral	2	3.8	90.4	2	3.8	92.3	1	1.9	90.4
Disagree	3	5.8	96.2	3	5.8	98.1	2	3.8	94.2
Strongly Disagree	2	3.8	100	1	1.9	100	3	5.8	100
Total	52	100		52	100			100	
Mean	1.865385			1.615385			1.865385		
Standard Deviation	1.010316			0.952887			1.048413		
Sample Variance	1.020739			0.907994			1.09917		

Table 4: shows that 21 respondents representing 40.4 % strongly agreed towards quick reaction to the orders placed by customer results in repeated business, 24 respondents representing 46.2 % agreed, 2 respondents representing 3.8 % of the hotels were neutral, 3 respondents representing 5.8 % of the hotels disagreed and 2 respondents representing 3.8 % of the hotels strongly disagreed to this assertion.

On the issue on consistent discount for regular customer results in customer loyalty, 31 respondents representing 59.6 % of the total hotels strongly agreed, 15 respondents representing 28.9 percent agreed, 2 respondents representing 3.8 % were neutral, 3 respondents

representing 5.8 % of the total hotels disagreed and 1 respondents representing 1.9 % strongly disagreed.

And on the issue on customer-oriented behaviour by employees is a product of customer satisfaction, 21 respondents representing 40.4 % of the total respondents strongly agreed, 25 respondents representing 48.1 percent agreed, 1 respondents representing 1.9 % were neutral, 2 respondents representing 3.8 % of the total respondents disagreed and 3 respondents representing 5.8 % strongly disagreed.

The mean ranged in between 1.615 to 1.865. Consistent discount for regular customer has the lowest mean and quick reaction to the order & customer-oriented behaviour by employees has the highest, whereas, the standard deviations vary from the lowest of 0.953 for consistent discount for regular customer to the highest of 1.048 for customer-oriented behaviour by employees which means hotels have more similar responses having consistent discount for regular customer which means their views are significantly similar on the idea of regular customer loyalty on consistent discount and remaining hotels have varied opinion on their intention to customer satisfaction.

Table 5: Independent Hotel's Survival in Delhi & NCR Region)

	Staff equipped with modern technology improves complaint management results in flow in operations.			Favorable working environment and ease behaviour towards guests by staff is a cause of survival.			Giving greater importance to customer retention via collecting practical information about guests helps in providing more personal service.		
	No.	%	Cum. %	No.	%	Cum. %	No.	%	Cum. %
Strongly Agree	24	46.3	46.3	18	34.7	34.7	35	67.3	67.3
Agree	22	42.3	88.6	30	57.7	92.7	12	23.2	90.5
Neutral	2	3.8	92.4	1	1.9	94.3	1	1.9	92.4
Disagree	2	3.8	96.2	2	3.8	98.1	2	3.8	96.2
Strongly Disagree	2	3.8	100	1	1.9	100	2	3.8	100
Total	52	100		52	100		52	100	
Mean	1.769231			1.807692			1.538462		
Standard Deviation	0.982502			0.81742			0.999246		
Sample Variance	0.965309			0.668175			0.998492		

Table 5: shows that 24 respondents representing 46.3 % of the total hotels strongly agreed that staff equipped with modern technology improves complaint management results in flow in operations, 22 respondents representing 42.3 percent agreed, 2 respondents representing 3.8 percent were neutral, 2 respondents representing 3.8 % of the total hotels disagreed and 2 respondents representing 3.8 % strongly disagreed.

On the issue on whether favorable working environment and ease behaviour towards guests by staff is a cause of survival, 18 respondents representing 34.7 % of the total hotels strongly agreed, 30 respondents representing 57.7 % agreed, 1 respondents representing 1.9 percent were neutral, 2 respondents representing 3.4 % disagreed and 1 respondents representing 1.9 % strongly disagreed.

On the issue on giving greater importance to customer retention via collecting practical information about guests helps in providing more personal service, 35 hotels representing 67.3 % of the total hotels strongly agreed, 12 hotels representing 23.2 % agreed, 1 hotel representing 1.9 % were neutral, 2 respondents 3.8 % of the total respondents disagreed and 2 respondents representing 3.84 % strongly disagreed.

The mean ranged in between 1.538 to 1.808. Giving greater importance to customer retention via collecting practical information about guests has the lowest mean and favorable working environment and ease behaviour towards guests by staff has the highest, whereas, the standard deviations for these variables ranged from the lowest of 0.817 for favorable working environment and ease behaviour towards guests by staff to the highest of 0.999 for giving greater importance to customer retention via collecting practical information about guests which means hotels gave more similar responses on favorable working environment and ease behaviour towards guests by staff which means their views are significantly similar on the idea of hotel survivability by creating favorable working environment and ease behaviour towards guests by staff and remaining hotels have varied opinion on the independent hotel survivability.

CORRELATION ANALYSIS OF HYPOTHESIS

Table 6: Correlation Analysis of Hypothesis

	Survival of independent hotel (Y)
Customer Satisfaction (X)	0.738939

Independent Variable X – Customer Satisfaction

Dependent Variable Y – Survival of Independent Hotels

This hypothesis ascertains the relationship between guest satisfaction and survival of entrepreneurs in the sector. The result ($r = 0.738939$) indicating that, there is a positive relation between guest satisfaction and survival in the hotels of Delhi. If the customer satisfaction level decreases because of poor service, wrong commitment, extra charges, hygiene compromise, loss in brand value, etc than it will put a threat on the survivability of the hotel.

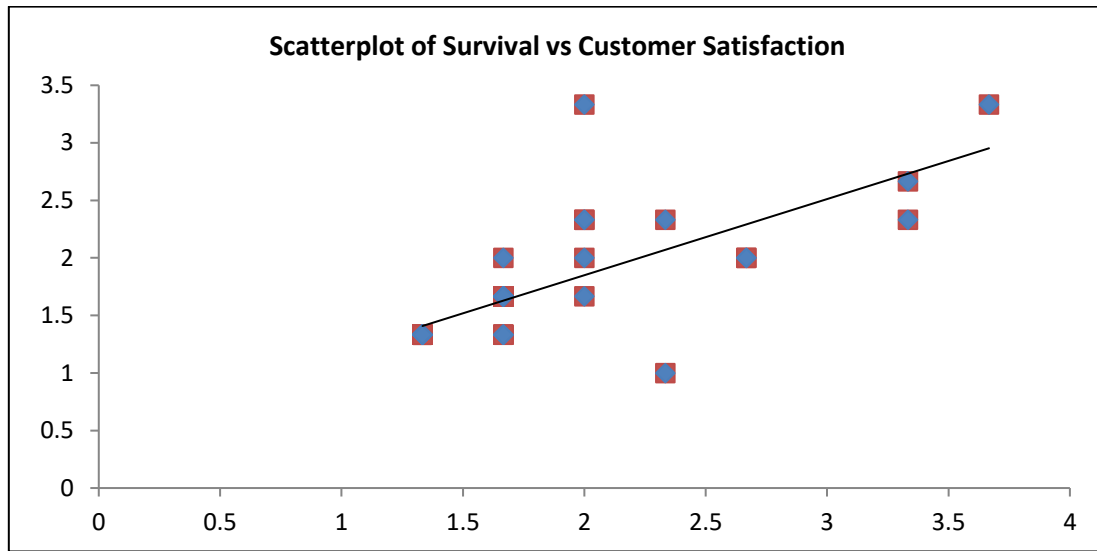


Fig.1 Regression chart of Hypothesis

$$\text{Survival of Independent Hotels (X)} = 0.661 \text{ Customer Satisfaction (Y)} + 0.525$$

$$R^2 = 0.546, R \text{ Square means coefficient of determination}$$

The result $R^2 = 0.546$ which says 54 percent of the variability in survival is explained by the regression of survivability on customer satisfaction we see whether guest satisfaction is a good predictor of survival of independent hotels in Delhi & NCR or not. So the general flow of these points is definitely positive. We also got linearly related regression line. Which means the value of the independent variable i.e. customer satisfaction increases, the mean of dependent variable i.e. survival of independent hotels also tends to increase. The customer satisfaction coefficient in the regression equation is 0.661. This coefficient represents the mean increase of survival of independent hotel for every single guest satisfaction. If one guest of a independent hotel gets satisfied, the average survival of the hotel increases by 0.661%.

6. LIMITATIONS

Due to time constraint the data collected from the targeted hotels of Delhi. Data mainly collected from the sales professionals of the hotel not from any other departments or staffs. So

it is a sales centric study and future research can be done on mapping out the researches of guests and entire stakeholder. Secondary data in the form of literature review was collected from online sources.

CONCLUSION

The concept of guest satisfaction is apparently the way to maintain business particularly those in the hotel sector and especially in the independent hotel segment in Delhi & NCR where new hotels are jumping up nearly regularly. They must proceed in distinguishing the guest's present and future needs and wants to meet their expectations. Increase benefits for the staff so that staff doesn't feel exhausted during the holding up his position of work. The hotel must build its focus on customer suggestion and recommendations, which improve the degree of satisfaction and reliability to the hotel and keep the guests for the longest conceivable period. Hotel must deal with the staff's outside appearance so as to satisfy guest. Concentrate on the staff's practical and scientific aptitudes and capacities to raise their positive mental level to satisfy the best degree of managing guests in accordance with the idea of Customer Relationship Management. Hotel should improve the picture of the hotel with respect to the guest's perspective by acceptable method and speed in finishing the work which expands guest's satisfaction. Hence, Hotels that need to make benefit and survive in the Delhi's market condition must embrace on sound customer relationship management and focus on meeting customer demand beyond their expectation.

REFERENCES

1. Adikaram, C. N., Khatibi, P. D., & Yajid, P. T. (2016). The Relationship between Customer Relationship Management and Customer Satisfaction: A Study on Private Higher Education Institutions in Sri Lanka. *International Journal of Arts and Commerce* , Vol. 5 (No. 2). pp.69-95. ISSN 1929-7106.
2. Ahmad, D. T., Jawabreh, D. O., Afeef, M. (., & Almomani, A. (2012). Impact of Customer Relationship Management of Hotel (A Case study Umaid Bhwan). *Asian Journal of Finance & Accounting* , Vol. 4, (Issue 1). pp.118-131. ISSN 1946-052X.
3. Aiyer, M., Panigrahi, J. K., Das, B., & Neurgaonkar, S. (2018). Cross-Functional Process Framework for Customer Experience and Customer Relationship Management: Reinventing a Dimension Mix to Value Co-creation. *Jour of Adv Research in Dynamical & Control Systems* , Vol. 10, (Special Issue 09). pp.2545-2550.
4. DilPazir, D., & Amin, I. (2015). A study of customer satisfaction towards hotel industry in kashmir valley. *International Journal of Management Research & Review* , Volume 5 (Issue 12). pp.1117-1123. ISSN: 2249-7196.
5. Dutta, A. (n.d.). Start-up Initiative. *IOSR Journal of Business and Management* , pp.93-97. ISSN: 2319-7668.
6. Elfarmawi, W. (2019). Correlation between customer relationship management system usage, product innovation, and customer satisfaction. *Foundations of Management* , Vol. 11. pp.23-32. pISSN 2080-7279.

7. *Hotel CRM Software: How to Know What to Look For in 2020*. (2019, December 11). Retrieved January 24, 2020, from HotelTechReport: <https://hoteltechreport.com/news/hotel-crm>
8. *How hospitality is using CRM and how they could use it better*. (2020). Retrieved January 24, 2020, from Technology Advisors: <https://www.techadv.com/blog/how-hospitality-using-crm-and-how-they-could-use-it-better>.
9. Jacobsen, K. (2015, July 28). *4 Advantages of CRM for the Hospitality Industry*. Retrieved January 24, 2020, from CRM software blog: <https://www.crmsoftwareblog.com/2015/07/4-advantages-crm-hospitality-industry/>
10. Nugrohoa, A., Suharmantob, A., & Masuginoc. (2018). Customer Relationship Management Implementation in the Small and Medium Enterprise. *ResearchGate* (pp. pp.1-11). American Institute of Physics. DOI: 10.1063/1.5028076.
11. U, M. N. (2012). Customer relationship management in hospitality. *Journal of good governance and sustainable development* , VOL. 1,(Issue 1). pp.40-47. DOI: RCMSS/JGGSD/12003 .
12. Upadhyay, D. C., & Rawal, D. P. (2017). Start Ups; Let's Start Them Up - An Inside View in the Indian Start Up Scenario. *International Journal for Research in Applied Science & Engineering Technology* , Volume 5 (Issue X). pp.1531-1544. ISSN: 2321-9653.
13. *Workwisesoftware*. (2018, March 02). Retrieved January 24, 2020, from 4 Ways Hotel CRM is Used in the Hospitality Industry: <https://www.workwisellc.com/blog/crm-hospitality-industry/>.

How to cite this article:

Md Minhazul Karim, "Correlation between guest satisfaction and organization survival: A Study of independent hotels in Delhi & NCR", *International Journal of Intelligent Computing and Technology (IJICT)*, Vol.4, Iss.2, pp.21-30 , 2021.