



## Key Challenges That Hotels Face Which Influences Customer Satisfaction

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### ABSTRACT

Nowadays, Thailand is one of the top tourism destinations in the world, accounting for 9.4% of the country's GDP in 2017 (World Travel and Tourism Council, 2018). An estimated 38.27 million tourists visited Thailand in 2018, with an anticipated 41 million arrivals for 2019 (Bangkok Post, 2019). The luxury hotel sector serves many of these visitors, with one estimate indicating that just under half of visitors to Thailand will choose to stay in a luxury hotel (Colliers, 2018). This means it is important for hotels to succeed in meeting customer expectations – especially service quality.

The purpose of this deductive, quantitative approach was to investigate the influence of service quality on guest satisfaction, to examine present trend of consumer behaviour, to identify dimensions of service quality and to provide recommendations for service improvement in luxury hotels by applying an established theoretical framework to observation.

Data were collected from 400 guests from 12 hotels using a questionnaire including attitudinal items, a screening question, and demographic information, which was designed using a combination of adapted and new items identified during the full literature review (Gravetter & Forzano, 2011). Data were analysed using descriptive statistics and multiple regression.

This study demonstrated that hotel service excellence characteristics strongly influenced customer satisfaction for luxury hotels. The research also pointed out how inadequate the strategies the hotels were using, and demonstrated the importance of staff training and experience, as well as staff attitudes and responsiveness. Taken together, these factors were very important for guest satisfaction. The strongest effect came from the physical environment, demonstrating that hotel guests had high expectations for the physical environment, both in their room and in the public areas of the hotel.

The main recommendations of this study are that managers of luxury hotels in Thailand need to rethink and improve staffing strategies that rely on untrained or minimally trained staff who work on a part-time or casual basis. Not only staff training and experience but also staff attitude and responsiveness should be considered as important factors because they greatly affect guest satisfaction.

**Keywords:** Customer Expectation, Service Quality, Customer Satisfaction, Service Excellent



## 1. Introduction

The proposed research takes place in the luxury hotel sector, a five-star hotel in Thailand. A five-star rating hotel is a hotel that offers the highest luxury experience to customers through personalized services, a wide range of amenities and extra comfort accommodations (Lai & Hitchcock, 2017). Decorations of a five-star hotel is up-to-date, new and outstandingly clean, while staffs are ready for any inquiries from guests (Walls, et al., 2011). Thailand is one of the top tourism destinations in the world, accounting for 9.4% of the country's GDP in 2017 (World Travel and Tourism Council, 2018). An estimated 38.27 million tourists visited Thailand in 2018, with an anticipated 41 million arrivals for 2019 (Bangkok Post, 2019). The luxury hotel sector serves many of these visitors, with one estimate indicating that just under half of visitors to Thailand will choose to stay in a luxury hotel (Colliers, 2018). Many international luxury chains operate in Thailand, including Sofitel, Mercure, Ritz-Carlton, Hyatt, Kempinski, Sheraton and Intercontinental, with major developments in Bangkok and in major resort cities ongoing (Lunkam, 2017). Thus, the luxury hotel sector is important and growing as a component of the tourism industry, as well as a key aspect of many tourists' experience in Thailand. At the same time, the market is heavily competitive and with slowing demand, luxury hotels have had difficulty raising rates (Colliers, 2018). This means it is important for hotels to succeed in meeting customer expectations – especially service quality, which guests expect to be exceptional (Lu, et al., 2015).

The problem this research addresses is how to improve service quality and service operations in luxury hotels. The research problem came to the attention of the researcher because of her work in a five-star hotel in Bangkok. Therefore, this research focuses on the tangible and service dimensions of service quality and on the gaps between guest expectations and what the hotel provides its guests. It is conducted as a primary study because of a lack of previous studies conducted in Bangkok. The service quality issues are from the survey that found by interviewing Front Office Managers in five stars hotel and gathering the complaint from customers in TripAdvisor website.

Table 1 Overview of service quality issues identified

| Service Quality Problem                  | Interviewee |   |   |   |   |
|--|-------------|---|---|---|---|
|  | 1           | 2 | 3 | 4 | 5 |
| Problems with equipment and facilities   | ✓           | ✓ | ✓ | ✓ | ✓ |
| Staff turnover                           | ✓           |   | ✓ | ✓ |   |
| Staff shortages and hiring problems      | ✓           |   |   |   | ✓ |
| Staff training time, cost and difficulty |             |   | ✓ | ✓ | ✓ |
| Staff attitudes                          | ✓           |   |   |   | ✓ |
| Guest expectations                       | ✓           |   | ✓ | ✓ | ✓ |



## 2. Objectives of the study

The questions and objectives of the research were set in response to the background and the specific operational problems of the hotel it would be conducted in, as well as the preliminary literature review.

1) Research question: What are dimensions of service quality that can increase satisfaction level in luxury hotels?

2) Objective: To examine present trend of consumer behavior in luxury hotels (i.e. budget, booking channel, source of information and travelling companion); to identify dimensions of service quality that can increase satisfaction level in luxury hotels and; to provide recommendations for service improvement at luxury hotels.

## 3. Materials and methods

The proposed research will use a deductive, quantitative approach with a survey design. Deductive research, which applies an established theoretical framework to observation, was chosen because it is appropriate for situations where there is already existing theory that could explain a situation (Bryman & Bell, 2015), which is the case here. Quantitative research is the most appropriate choice here because it provides findings that can be generalized across a population (Creswell, 2014). This was necessary because luxury hotels are a wide market. Finally, a survey design was selected because it is the most appropriate approach to collecting data on existing attitudes and past experiences (Creswell, 2014).

The population of interest for the proposed study is guests of five-star hotels in Bangkok. There are nearly 60 five-star hotels in Bangkok according to Booking.com, a hotel-booking website that is popular among Thai people. However, this study focuses on only 12 five-star hotels that are in central business district of Bangkok in order to facilitate data collection process and budget.

The size of this population is unknown but given the current market situation is in the millions each year (Colliers, 2018). Using a table for determining sample size for a given population suggested by Krejcie and Morgan (1970), it is suggested that the sample of this study should be at least 384 as it is the size recommended for population of equal or more than 100,000 (see table 3). The research will use a minimum sample size of 400 to ensure the population is large enough. The sample will be selected using convenience sampling, which is selected because of its ability to provide a large sample rapidly (Gravetter & Forzano, 2011). This study aims to collect the data from only hotel staffs of these 12 five-star hotels, approximately 33 respondents for each hotel, in order to generate the least bias data for representing the whole population of a five-star hotel.



Table 2 Table for determining sample size for a given population

| N  | S  | N   | S   | N   | S   | N    | S   | N             | S          |
|----|----|-----|-----|-----|-----|------|-----|---------------|------------|
| 10 | 10 | 100 | 80  | 280 | 162 | 800  | 260 | 2800          | 338        |
| 15 | 14 | 110 | 86  | 290 | 165 | 850  | 265 | 3000          | 341        |
| 20 | 19 | 120 | 92  | 300 | 169 | 900  | 269 | 3500          | 246        |
| 25 | 24 | 130 | 97  | 320 | 175 | 950  | 274 | 4000          | 351        |
| 30 | 28 | 140 | 103 | 340 | 181 | 1000 | 278 | 4500          | 351        |
| 35 | 32 | 150 | 108 | 360 | 186 | 1100 | 285 | 5000          | 357        |
| 40 | 36 | 160 | 113 | 380 | 181 | 1200 | 291 | 6000          | 361        |
| 45 | 40 | 180 | 118 | 400 | 196 | 1300 | 297 | 7000          | 364        |
| 50 | 44 | 190 | 123 | 420 | 201 | 1400 | 302 | 8000          | 367        |
| 55 | 48 | 200 | 127 | 440 | 205 | 1500 | 306 | 9000          | 368        |
| 60 | 52 | 210 | 132 | 460 | 210 | 1600 | 310 | 10000         | 373        |
| 65 | 56 | 220 | 136 | 480 | 214 | 1700 | 313 | 15000         | 375        |
| 70 | 59 | 230 | 140 | 500 | 217 | 1800 | 317 | 20000         | 377        |
| 75 | 63 | 240 | 144 | 550 | 225 | 1900 | 320 | 30000         | 379        |
| 80 | 66 | 250 | 148 | 600 | 234 | 2000 | 322 | 40000         | 380        |
| 85 | 70 | 260 | 152 | 650 | 242 | 2200 | 327 | 50000         | 381        |
| 90 | 73 | 270 | 155 | 700 | 248 | 2400 | 331 | 75000         | 382        |
| 95 | 76 | 270 | 159 | 750 | 256 | 2600 | 335 | <b>100000</b> | <b>384</b> |

Source: Krejcie & Morgan, 1970

Note: "N" is population size; "S" is sample size.

Data will be collected using a questionnaire, which will be designed using a combination of adapted and new items identified during the full literature review. Items will include attitudinal items, a screening question, and demographic information (Gravetter & Forzano, 2011). The scales will be tested for internal consistency in a pilot test of the first 40 questionnaires collected. Cronbach's alpha will be used to evaluate the scales ( $\alpha > .700$ ) (Bryman & Bell, 2015). Data will be analyzed in SPSS. Descriptive statistics and regression will be used for analysis.

#### 4. Results

It was explained that the primary findings of the study were developed using a customer survey. The result begins with the reliability test outcomes. It then presents the descriptive statistics, including demographic information, customer behavior and service factors. Third, the outcomes of the hypothesis tests are presented.



Following the presentation of the results, the findings of the study are discussed using the literature review to explain the findings and identify new or novel knowledge from the research.

#### 4.1 Reliability testing results

The reliability testing was performed using Cronbach's alpha, with a minimum value of  $\alpha \geq 0.7$ , which is suitable for most research (Bryman and Bell, 2015). The results are shown in Table 4. As this shows, all of the Likert scales reached the minimum level required, with the lowest scale being Staff Training and Experience ( $\alpha = .706$ ). None of the scales was high enough to suggest redundant items ( $\alpha \geq 0.95$ ) (Bryman and Bell, 2015). Therefore, there were no changes required to the original scales to improve the internal consistency and reliability of the scales.

Table 4 Reliability test

| Variables                     | Cronbach's Alpha Scores |
|-------------------------------|-------------------------|
| Customer Satisfaction         | 0.807                   |
| Physical Environment          | 0.720                   |
| Staff Attitudes               | 0.781                   |
| Staff Training and Experience | 0.706                   |
| Staff Responsiveness          | 0.748                   |
| Anticipation of Needs         | 0.819                   |

#### 4.2 Descriptive results

Following the pilot test and completion of data collection, descriptive statistics were calculated to identify general trends in the data. This section presents the descriptive statistics. These are arranged into three sections, including demographic profile, customer behavior toward luxury hotels, and service excellence factors and customer satisfaction.

##### 4.2.1 Demographic profile

The final sample size of the study was 390 respondents, which was slightly larger than the minimum sample size of 384 respondents that was identified as appropriate for the sample. Demographic information that was collected for the study included gender, age, education, occupation, income, and marital status.

**Gender.** (Table 5) The largest group of respondents self-identified as female (51%), followed by male (44.9%). A small group of respondents did not choose to self-identify gender or identified as other than male or female (4.1%).

Table 5 Gender



| Gender                  | Frequency (N = 390) | Percent |
|-------------------------|---------------------|---------|
| Male                    | 175                 | 44.9    |
| Female                  | 199                 | 51.0    |
| Other/Prefer not to say | 16                  | 4.1     |

**Age.** (Table 6) The sample was relatively old, with the largest groups self-identifying as 46 to 60 years (31%) or more than 60 years old (22.1%) respectively. However, there was representation of younger groups, including 26 to 35 years (19%), 36 to 45 years (17.4%) and 18 to 25 years (10.5%).

Table 6 Age

| Age                | Frequency (N = 390) | Percent |
|--------------------|---------------------|---------|
| 18-25 years        | 41                  | 10.5    |
| 26-35 years        | 74                  | 19.0    |
| 36-45 years        | 68                  | 17.4    |
| 46-60 years        | 121                 | 31.0    |
| More than 60 years | 86                  | 22.1    |

**Education.** (Table 7) Respondents were highly educated in general. Most identified as having a Bachelor's degree (46.9%), Master's degree (35.1%), or doctoral degree (2.6%). Much smaller groups identified as holding a diploma (9.5%) or high school degree or below (5.9%).

Table 7 Education

| Education            | Frequency (N = 390) | Percent |
|----------------------|---------------------|---------|
| High school or below | 23                  | 5.9     |
| Diploma              | 37                  | 9.5     |
| Bachelor degree      | 183                 | 46.9    |
| Master degree        | 137                 | 35.1    |
| Doctoral degree      | 10                  | 2.6     |

**Occupation.** (Table 8) Respondents had a wide range of occupations. The largest group were private company employees (43.8%), but there were also sizeable groups of government employees (16.9%), students (16.7%), and business owners (13.8%). Also represented, but much less commonly, were freelancers or self-employed (3.1%), homemakers (2.6%), unemployed people (1.8%) and retired people (1.3%).



Table 8 Occupation

| Occupation                                  | Frequency (N = 390) | Percent |
|---|---------------------|---------|
| Business owner (owned a registered company) | 54                  | 13.8    |
| Government's employee                       | 66                  | 16.9    |
| Private company's employee                  | 171                 | 43.8    |
| Student                                     | 65                  | 16.7    |
| Unemployed                                  | 7                   | 1.8     |
| Freelancer (self-employed)                  | 12                  | 3.1     |
| Homemaker                                   | 10                  | 2.6     |
| Retired                                     | 5                   | 1.3     |

**Income.** (Table 9) Unsurprisingly, respondents typically had high incomes. The largest group, representing nearly half the sample, had income of more than 55,000 baht per month (44.6%), followed by those with income of 45,001 to 55,000 baht per month (27.7%). Smaller groups had monthly incomes of 15,001 to 25,000 baht (10%), 25,001 to 35,000 baht (7.5%), 35,001 to 45,000 baht (6.2%) or 15,000 baht or below (4.1%).

Table 9 Income

| Income                | Frequency (N = 390) | Percent |
|-----------------------|---------------------|---------|
| 15,000 baht or below  | 16                  | 4.1     |
| 15,001-25,000 baht    | 39                  | 10.0    |
| 25,001-35,000 baht    | 29                  | 7.4     |
| 35,001-45,000 baht    | 24                  | 6.2     |
| 45,001-55,000 baht    | 108                 | 27.7    |
| More than 55,000 baht | 174                 | 44.6    |

**Marital status.** (Table 10) Most of the participants were married with children (51%), married with no children (28.5%), or single (13.8%). Smaller groups were divorced (3.3%), separated (1.8%), widowed (1.0%) or other statuses (0.5%).

Table 10 Marital status

| Marital status           | Frequency (N = 390) | Percent |
|--------------------------|---------------------|---------|
| Single                   | 54                  | 13.8    |
| Married with no children | 111                 | 28.5    |
| Married with children    | 199                 | 51.0    |
| Widowed                  | 4                   | 1.0     |



| Marital status | Frequency (N = 390) | Percent |
|----------------|---------------------|---------|
| Divorced       | 13                  | 3.3     |
| Separated      | 7                   | 1.8     |
| Others         | 2                   | .5      |

In summary, respondents were generally 45 years and older, married (with or without children). Highly educated, private or government employees with high incomes.

#### 4.2.2 Customer behaviour toward luxury hotels

Customers were asked questions about their behavior toward luxury hotels, including frequency of stay, companions, information sources, booking channels, and preferred rates.

Frequency of stay. (Table 11) Most respondents were moderately frequent luxury hotel guests, staying one to three times a year (52.6%) or four to six times a year (27.2%). A much smaller group could be described as frequent guests, staying seven to ten times (12%) or more than ten times (8.2%) in a year.

Table 11 Frequency of staying in a luxury hotel

| How many times a year do you stay in a luxury hotel? | Frequency (N = 390) | Percent |
|--|---------------------|---------|
| 1-3 times  | 205                 | 52.6    |
| 4-6 times  | 106                 | 27.2    |
| 7-10 times   | 47                  | 12.1    |
| More than 10 times                                   | 32                  | 8.2     |

**Stay companions.** (Table 12) It was most common for participants to stay at luxury hotels with their family (50.3%), friends (20.3%), or colleagues (19%), although smaller groups did stay with their lovers or partners (9.5%) or alone (1%).

Table 12 Companion for visiting luxury hotels

| Who do you normally travel with? | Frequency (N = 390) | Percent |
|----------------------------------|---------------------|---------|
| Friends                          | 79                  | 20.3    |
| Family                           | 196                 | 50.3    |
| Colleague                        | 74                  | 19.0    |
| Lover/Partner                    | 37                  | 9.5     |
| Alone                            | 4                   | 1.0     |





**Information channels.** (Table 13) Respondents identified multiple sources of information. The most common information source was recommendations from friends and family (41.3%), followed by Facebook (31.8%), blogs (10.3%), and travel websites (5.9%). Other sources, including YouTube/vlogs (4.4%), Instagram and Twitter (3.1% each), and a travel agency (0.3%) were also mentioned by a few respondents.

Table 13 Source of information for luxury hotels

| What would be your source of information for a luxury hotel? | Frequency (N = 390) | Percent |
|--|---------------------|---------|
| YouTube/vlog   | 17                  | 4.4     |
| Facebook   | 124                 | 31.8    |
| Blog   | 40                  | 10.3    |
| Instagram  | 12                  | 3.1     |
| Twitter  | 12                  | 3.1     |
| Travel website   | 23                  | 5.9     |
| Travel agency  | 1                   | .3      |
| Friends and family recommendation                            | 161                 | 41.3    |

**Booking channels.** (Table 14) By far the most preferred booking channel was travel websites or apps, like Agoda or Booking.com (63.1%). While some respondents did book through tourism fairs (23.6%) or hotel websites (9%), other booking channels, such as telephoning the hotel directly (3.3%), other sources (0.8%), or credit card redemptions (0.3%) were not commonly used.

Table 14 Channels to book luxury hotels

| What would be your preferred channel to book a luxury hotel? | Frequency (N = 390) | Percent |
|--|---------------------|---------|
| Travel website/app (Agoda, booking.com, etc.)                | 246                 | 63.1    |
| Hotel website  | 35                  | 9.0     |
| Tourism fair   | 92                  | 23.6    |
| Telephone directly to hotel                                  | 13                  | 3.3     |
| Others   | 3                   | .8      |
| Credit card redemption                                       | 1                   | .3      |

**Preferred rates.** (Table 15) Most respondents preferred to pay 5,000 baht or less for a night's stay (50.5%), although some participants preferred 5,001 to 10,000 baht (35.4%). A few would pay 10,001 to 15,000 baht (11.8%), but only a small number would pay more than 15,000 baht (2.3%).



Table 15 Preferred rate at luxury hotels

| What is your preferred rate per night for a standard room in a luxury hotel? | Frequency (N = 390) | Percent |
|--|---------------------|---------|
| 5,000 baht or cheaper  | 197                 | 50.5    |
| 5,001-10,000 baht  | 138                 | 35.4    |
| 10,001-15,000 baht   | 46                  | 11.8    |
| More than 15,000 baht  | 9                   | 2.3     |

In summary, about 80% of respondents stayed at luxury hotels six times a year or less. Almost all stayed with family, friends, and colleagues. Dominant information sources included family and friends recommendations and Facebook. Almost all respondents booked either online or through tourism fairs. Finally, about 85% of respondents preferred to pay no more than 10,000 baht.

#### 4.2.3 Service factors

Service factors were measured using five-point Likert scales, with variable scales including customer satisfaction, physical environment, staff attitude, staff training and experience, staff responsiveness, and anticipation of needs. Descriptive statistics including mean and standard deviations were measured for each of these items. Additionally, the original scale was reinterpreted to the means to show the general trend. For this reinterpretation, first the interpretation levels were calculated by dividing the range by the total number of original interpretations ( $4/5 = 0.8$ ). The levels were reassigned as follows:

- Strongly disagree (1.00 to 1.79)
- Disagree (1.80 to 2.59)
- Do not agree or disagree (2.60 to 3.39)
- Agree (3.40 to 4.19)
- Strongly agree (4.20 to 5.00)

These means were calculated both for individual items and as an unweighted average. This unweighted average gives insight into how customers feel about the general dimension of service quality. It is also the measure that was actually used in the hypothesis test (discussed in the next section).

**Customer satisfaction.** (Table 16) Three items measured customer satisfaction with hotels in Bangkok. The mean of this scale indicated strong agreement that the customer was satisfied ( $M = 4.24$ ,  $SD = .628$ ).



Table 16 Customer satisfaction

| Statement  | Mean        | Std. Deviation | Interpretation        |
|--|-------------|----------------|-----------------------|
| <i>Customer satisfaction of luxury hotels in BKK</i> | <i>4.24</i> | <i>.628</i>    | <i>Strongly Agree</i> |
| Staying in a luxury hotel makes me very happy.       | 4.22        | .701           | Strongly Agree        |
| I've always wanted to stay in a luxury hotel.        | 4.19        | .735           | Agree                 |
| I prefer luxury hotels than other types of hotel.    | 4.31        | .693           | Strongly Agree        |

**Physical environment.** (Table 17) Three items measured the physical environment. The mean of this scale also indicated strong agreement that the physical environment was satisfactory (M = 4.20, SD = .620).

Table 17 Physical environment

| Statement   | Mean        | Std. Deviation | Interpretation        |
|---|-------------|----------------|-----------------------|
| <i>Physical environment</i>   | <i>4.20</i> | <i>.620</i>    | <i>Strongly Agree</i> |
| I feel satisfied when the hotel that I stay has a beautiful decoration. | 4.17        | .699           | Agree                 |
| I pay great attention to the room comfort of a hotel.                   | 4.23        | .674           | Strongly Agree        |
| Physical environment is very important.                                 | 4.20        | .691           | Strongly Agree        |

**Staff attitude.** (Table 18) The staff attitude scale had three items. The mean of this scale indicated strong agreement that the staff attitude was satisfactory (M = 4.24, SD = .616).

Table 18 Staff attitude

| Statement  | Mean        | Std. Deviation | Interpretation        |
|--|-------------|----------------|-----------------------|
| <i>Staff attitudes</i>   | <i>4.24</i> | <i>.616</i>    | <i>Strongly Agree</i> |
| I do not want to stay in a hotel where the staff has a bad attitude. | 4.17        | .693           | Agree                 |
| I enjoy the service of a staff that's friendly.                      | 4.36        | .680           | Strongly Agree        |
| Staff attitudes are very important.                                  | 4.19        | .719           | Agree                 |



**Staff training and experience.** (Table 19) Staff training and experience was measured using three items. The mean of this scale was slightly lower than the other items, indicating agreement that staff training and experience was satisfactory ( $M = 4.16$ ,  $S.D. = .618$ ).

Table 19 Staff training and experience

| Statement  | Mean        | Std. Deviation | Interpretation |
|--|-------------|----------------|----------------|
| <i>Staff training and experience</i>                                     | <b>4.16</b> | <b>.618</b>    | <i>Agree</i>   |
| I am disappointed when the staff does not do what I requested correctly. | 4.17        | .664           | Agree          |
| Luxury hotels should take high priority in training their staff.         | 4.16        | .720           | Agree          |
| Staff training and experience are very important.                        | 4.13        | .678           | Agree          |

**Staff responsiveness.** (Table 20) The three items of the staff responsiveness scale had a mean that indicated strong agreement that this dimension was satisfactory ( $M = 4.26$ ,  $S.D. = .643$ ).

Table 20 Staff responsiveness

| Statement  | Mean        | Std. Deviation | Interpretation        |
|--|-------------|----------------|-----------------------|
| <i>Staff responsiveness</i>  | <b>4.26</b> | <b>.643</b>    | <i>Strongly Agree</i> |
| I am dissatisfied when the staff takes a long time to do what I requested. | 4.20        | .690           | Strongly Agree        |
| Staff should take care of customer needs in a timely fashion.              | 4.32        | .767           | Strongly Agree        |
| Staff responsiveness is very important.                                    | 4.26        | .696           | Strongly Agree        |

**Anticipation of needs.** (Table 21) The three items of the anticipation of needs scale indicated strong agreement that this dimension was satisfactory ( $M = 4.21$ ,  $S.D. = .637$ ).

Table 21 Anticipation of needs

| Statement                    | Mean        | Std. Deviation | Interpretation        |
|------------------------------|-------------|----------------|-----------------------|
| <i>Anticipation of needs</i> | <b>4.21</b> | <b>.637</b>    | <i>Strongly Agree</i> |



| Statement   | Mean | Std. Deviation | Interpretation |
|---|------|----------------|----------------|
| I am happy when staff proactively take care of my needs.          | 4.23 | .715           | Strongly Agree |
| Staff should be able to predict customer needs.                   | 4.22 | .720           | Strongly Agree |
| The staff ability to anticipate customer needs is very important. | 4.17 | .703           | Agree          |

In summary, these descriptive statistics show that the respondents were highly positive both about their level of satisfaction with luxury hotels in Bangkok and with the dimensions of service excellence that are proposed to contribute to it. Even the lowest mean, for staff training and experience, was highly positive and was only slightly below the level that would have been rated as 'strongly agree'. Therefore, it can be stated that overall, the trend was highly positive toward luxury hotels in Bangkok. However, this does not show whether there is a direct relationship between customer satisfaction and the service factors, which was tested in the hypothesis test.

#### 4.3 Hypothesis testing results

The hypotheses of the conceptual framework were tested using multiple regression. Results are shown in the model summary (Table 22), ANOVA test (Table 23), and coefficients (Table 24). The ANOVA test confirms that the model was significant ( $F = 380.224$ ,  $p < .001$ ). The model summary also shows that the model was well-fitted ( $\text{adj. } R^2 = .830$ ). These findings can be interpreted to indicate that 83% of the variance in customer satisfaction was predicted by variance in the service factors. The coefficient tests show that all five of the dimensions were significant at  $p < .05$ , including physical environment ( $p < .001$ ), staff attitudes ( $p = .014$ ), staff training and experience ( $p < .001$ ), staff responsiveness ( $p = .008$ ), and anticipation of needs ( $p = .047$ ). The strongest effect came from the physical environment ( $b = .463$ ), followed by staff training and experience ( $b = .197$ ) staff attitudes ( $b = .128$ ), staff responsiveness ( $b = .095$ ) and anticipation of needs ( $b = .042$ ). These results allow for acceptance of all five of the hypotheses that were proposed in the conceptual framework.

Table 22 Model summary of hypothesis testing

| Model Summary  |                   |          |                   |                            |
|--|-------------------|----------|-------------------|----------------------------|
| Model  | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1  | .912 <sup>a</sup> | .832     | .830              | .25894                     |
| a. Predictors: (Constant), Anticipation of Needs, Staff Responsiveness, Physical Environment, Staff Attitudes, Staff Training and Experience |                   |          |                   |                            |



Table 23 ANOVA for hypothesis testing

| ANOVA <sup>a</sup>   |            |                |     |             |         |                   |
|--|------------|----------------|-----|-------------|---------|-------------------|
| Model  |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
| 1  | Regression | 127.472        | 5   | 25.494      | 380.224 | .000 <sup>b</sup> |
|  | Residual   | 25.748         | 384 | .067        |         |                   |
|  | Total      | 153.219        | 389 |             |         |                   |
| a. Dependent Variable: Customer Satisfaction   |            |                |     |             |         |                   |
| b. Predictors: (Constant), Anticipation of Needs, Staff Responsiveness, Physical Environment, Staff Attitudes, Staff Training and Experience |            |                |     |             |         |                   |

Table 24 Coefficients for hypothesis testing

| Coefficients <sup>a</sup>                    |                               |                             |            |                           |       |        |
|--|-------------------------------|-----------------------------|------------|---------------------------|-------|--------|
| Model  |                               | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.   |
|  |                               | B                           | Std. Error | Beta                      |       |        |
| 1  | (Constant)                    | .136                        | .097       |                           | 1.402 | .162   |
|  | Physical Environment          | .468                        | .052       | .463                      | 9.009 | .000** |
|  | Staff Attitudes               | .131                        | .053       | .128                      | 2.481 | .014*  |
|  | Staff Training and Experience | .200                        | .053       | .197                      | 3.783 | .000** |
|  | Staff Responsiveness          | .093                        | .035       | .095                      | 2.674 | .008*  |
|  | Anticipation of Needs         | .084                        | .042       | .085                      | 1.992 | .047*  |
| a. Dependent Variable: Customer Satisfaction |                               |                             |            |                           |       |        |

The first research objective was to examine present trend of consumer behavior in luxury hotels. The conceptual framework was tested using a sample of guests of 12 Bangkok luxury (five-star) hotels (n = 390). These guests were, in general, relatively old (45 and over), well-educated, and relatively wealthy couples and families. The results further showed that the majority of respondents visit luxury hotels 1-3 times a year (n=205) and 4-6 times (n=106) which can be considered as a regular customer of the hotel. In terms of travelling companion, most of them admitted that they prefer to travel with family and friend (n=275), which is accounted for up to 70% of them. This is consistent with the Thai culture where the people stay close to family and friend.

Furthermore, when investigating source of information, preferred booking channel and preferred rate per night for a luxury hotel, it was found that friend and family (n=161) and social media like Facebook (n=124) was ranked as the first two popular channels among the respondents, and they go to travel website like Agoda.com and Booking.com (n=246) for comparing rates and booking an accommodation in which most of them preferred no more than 5,000 baht per night (n=197). These are key insight that the luxury hotels can be used to develop



marketing strategies that are attractive to the customers. The second research objective was to identify dimensions of service quality that can increase satisfaction level in luxury hotels. When testing the conceptual framework regarding dimension of service quality, it was found that all five of these dimensions influenced customer satisfaction. The strongest effect came from the physical environment of the hotel, followed by staff training and experience, staff attitudes, staff responsiveness, and staff anticipation of needs. These factors predicted 83% of variance in customer satisfaction.

This study demonstrated that hotel service excellence characteristics strongly influenced customer satisfaction for luxury hotels. The research also pointed out how inadequate the strategies the hotels were using, and demonstrated the importance of staff training and experience, as well as staff attitudes and responsiveness. Taken together, these factors were very important for guest satisfaction. The strongest effect came from the physical environment, demonstrating that hotel guests had high expectations for the physical environment, both in their room and in the public areas of the hotel.

The main recommendations of this study are that managers of luxury hotels in Thailand need to rethink and improve staffing strategies that rely on untrained or minimally trained staff who work on a part-time or casual basis. Not only staff training and experience but also staff attitude and responsiveness should be considered as important factors because they greatly affect guest satisfaction.

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