

Communication and Its Impact on Customer Satisfaction in the Hospitality Industry

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ARTICLE INFO	ABSTRACT
<p>Article History: Received: August 30, 2019 Revised: October 27, 2019 Accepted: November 24, 2019 Available Online: December 31, 2019</p> <hr/> <p>Keywords: Hospitality service Service quality Customer satisfaction Lodging quality index (LQI)</p>	<p>The main aim of this study was to assess the influence of communication on customer satisfaction. Descriptive statistics (mean score and standard deviation) were used to examine the customers' perceptions and current customer satisfaction status. The least performance was obtained from the mean score of the communication dimension. Correlation and regression analysis were used to see the relationship between the dependent and independent variables and investigate cause and effect relationships. The key finding showed that there was a positive and significant effect of communication on customer satisfaction.</p>

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1. Introduction

Service quality is one of the foremost practical tools for the hotel Industry's success. They are evaluating (Ramachandran & Chidambaram, 2012). The satisfaction of stakeholders is taken into account to be a pillar for the survival of any business. Getty and Getty (2003) describes customers as being primary and important players among those stakeholders. They are the sources of profit for profit-making organizations and, therefore, the primary reason for being operational for non-profit organizations. There's a general agreement by researchers that the concepts of customer satisfaction and quality service are too interrelated. Although satisfaction and quality service are draws in meaning; they're distinct. Perceived service quality was explained as a sort of attitude and a long-run overall evaluation of a product or service. At the same time, customer satisfaction was considered a transaction-specific evaluation (Tan, Oriade, & Fallon, 2014).

The importance of consumers within the business process has made it vital always to research customers. Accordingly, few studies are conducted to gauge quality communication, then relating it with customer satisfaction. Different hospitality industry assessments indicate that employees are an important asset. To create unique relationships with customers, employees shall have technical know-how concerning how to treat guests, answer their needs, concerns, and complaints, maintain good rapport and supply a pleasant experience (Mohammed, 2012). The key to providing such treatment is knowing the way to communicate with customers. In this study, the following fundamental research questions were raised and answered;

1. What is customers' perception of the communication efforts of the selected hotels, lodges, and resorts?
2. Is there any significant relationship between employees' communication and customer satisfaction of the selected hotels, lodges, and resorts?
3. What is the current status of the communication variable's influence on customers' satisfaction?

1.1. Objectives of the Study

- ❖ To explore the perception of customers toward the services of the selected hotels, resorts, and lodges.
- ❖ To investigate the correlation between communication and Customer Satisfaction
- ❖ To identify the effect of communication, customer satisfaction

2. Materials and Methods

Measuring service quality is better to dictate whether the services are good or bad and whether the purchasers are satisfied with it or not. Consumers' satisfaction can't be determined at a one-time period because, at just one occasion, customers could be fully satisfied, and at once more, the reverse could also be true. As a result, customer satisfaction should be measured in the current situation. Satisfaction as a cognitive component is mentioned as "perceived service quality," which refers to a customer's evaluation of a series of service attributes that constitute a service performance. The emotional component mentioned satisfaction as "emotional satisfaction" consists of such emotions as anger, contentment, happiness, pleasure, irritation, and disappointment (Mbuthia, Muthoni, & Muchina, 2013).

Communication is one of the most critical service quality dimensions, helping to understand customers in the desired manner. It refers to the capacity of employees to stay customers informed. According to Getty and Getty (2003), good communication implies good listening skills and using language and terms that all customers can understand. This dimension also describes the efforts made by employees to know the customers' needs. As a result, the study initiated to identify the influence of communication on customers' current status.

The study investigated how communication affects customer satisfaction. Customer satisfaction is a dependent variable that occurs when the selected hotels' services are rated by customers as high quality and satisfactory. Since customers are the backbone of any organization, working towards customers' satisfaction plays a vital role. The study postulates that the way of communication determines the satisfaction degree of customers.



Figure 2.1: Conceptual framework

2.1. Research Design

Methodologically, a quantitative research method, was used in this research. It is a methodology that seeks to quantify the data type and conclude the evidence by analyzing the data scientifically. A survey questionnaire was developed and analyzed using different statistical analysis techniques. Based on the research approach, a descriptive research design was used.

2.2. Source of Data

Both primary and secondary data were used for the study to come up with factual findings. The survey approach was the most common method of primary data collection technique implemented in this study. A questionnaire was used to collect relevant data. Questionnaires permit the researcher to gather the information that cannot be found elsewhere (Islam & Niaz, 2014). The questionnaire survey was the most successful method for this study to collect the data.

The literature reviewed was the primary input to develop the data collection instrument. Therefore, after carefully reviewing all the sources, the researchers utilized a five-point Likert-scales questionnaire and distributed it to the samples selected from the customers of the selected hotels, lodges, and resorts. The items were constructed from the Lodging Quality Index (LQI) model to measure customer satisfaction.

2.3. Sample size and sampling techniques

The researcher utilized a purposive sampling technique for selecting hotels, resorts, and lodges included in this study. Accordingly, the targeted hotels, resorts, and lodges are those hospitality sectors with high bedroom service capacity due to better service quality expectations relative to the remaining hotel categories. For that, they are frequently used by targeted visitors or tourists.

To determine sample size or determine sample respondents, the researchers determine using Cochran's formula since the population is infinite.

$$n_0 = \frac{Z^2 pq}{e^2}$$

$$n_0 = 1.96^2 * 0.5 * 0.5 / 0.05^2 = 385$$

Finally, by giving around seven percent grant for possible risks associated with a low response rate, the researchers distributed 412 questionnaires to the selected significant hospitality service providers. To allocate the total sample size for the selected hotels, resort, and lodge, the researchers considered the selected service providers' variation concerning the expected guests during the data collection period. The expected guests of the selected hotels, resort, and lodge during the data collection period (eight weeks) were determined through considering the obtained evidence from the researchers' observation and the acquired information from the reception workers. As a result, the study implemented proportional allocation of the selected hospitality service providers' total sample size by using the following formula.

$$n1 = \frac{nN1}{N}$$

Where; n1 = sample size of each selected hotel, n= total sample size of the selected hotels, N1= expected customers in each hotel, N =total number of expected guests of the selected hotels.

Table1

Distribution of Expected visitors per month during the data collection period

Service providers Name	Expected guest	No. of beds	Sample size
Central hotel	1400	19	115
Orit hotel	1300	27	107
Jinka resort	900	22	74
Goh hotel	1200	24	99
Eco-omo lodge	200	40	17
Total	5000	179	412

Finally, the respondents were selected using the convenience sampling technique. Guests who stayed at least one night in the selected hospitality service providers assumed to evaluate the services better and included in the study. This was done during their checkout. This method was implemented by Khan (2013) by considering hotel customers are not typical and as a result, the researcher selected every customer who comes in the study area hotel.

2.4. Unit of Analysis

The individual customer was the unit of analysis for the study. The study tried to view service quality from the perspective of customers/guests. As a result, considering customers as the unit of analysis is appropriate since their expectations and perceptions of the service's quality of service and their satisfaction status could be taken.

2.5. Method of Data Analysis

The facts collected through the questionnaire were summarized using SPSS version 20 through statistical methods such as tabulation, average mean, and frequency count. The collected data analyzed and processed by using descriptive data analysis techniques. In addition to this, to show the relative influence and degree of relationship among independent variables and dependent variables, the researcher used inferential data analysis techniques.

3. Results and Discussion

This chapter comprises a detailed analysis of the data collected and the study's findings, represented in numerical, tabular, and graphical terms. Four hundred twelve questionnaires were distributed for the selected hospitality service providers. Out of the total questionnaire distributed, 383 questionnaires were returned. From these, 13 questionnaires were not filled correctly as per the instructions. From this, one can understand that the analysis was done with 370 valid responses. To facilitate ease in conducting the empirical analysis, the results of descriptive analyses are presented first, followed by the inferential analysis. Since the obtained value of Cronbach alpha for all items is more significant than 0.7, it can be said that the questionnaire has acceptable reliability (Satvati, Rabie, & Rasoli, 2016) end note file not found on the web.

Table 2
Reliability statistics

Cronbach's Alpha	N of Items
0.811	9

3.1 Analysis of Constructs

Table 3
Mean Scores and Standard Deviation of Communication

Items	N	Mean	Std. Deviation
The hotel allows me to express my opinion	370	3.34	0.908
I received complete attention at the front desk	370	3.21	0.884
Reservationists tried to find out my specific needs	370	3.09	0.981
I usually have an excellent interactive dialogue with the hotel employees	370	3.24	0.997
The hotel communicates based on your desire	370	3.28	0.958
Total (overall mean)	370	3.23	0.946

Source: Own Survey

The data depicted in table 3 above considered communication as a function of the stated five items. The items' highest mean score value indicates that the hotel employees were tried to allow customers to express their opinion. However, the lowest mean value was observed from

the selected hotels' efforts to find out the particular needs of customers, provide undivided attention to customers, enable interactive dialogue or two-way communication with the hotel guests, and the respondents preferred to stay neutral regarding these items. The communication dimension's overall mean score indicates that guests of the selected hotels stayed neutral concerning the service providers' efforts to communicate effectively with customers.

Table 4
Mean Scores and Standard Deviation of Customer satisfaction

Items	N	Mean	Std. Deviation
The overall service quality of this hotel/restaurant is rated as excellent	370	3.39	1.102
In general, I am highly satisfied with the services of the hotel	370	3.40	1.027
As a guest of this hotel, I feel that I am prepared to pay more for their high-quality services	370	3.14	0.968
I highly recommend this hotel to others	370	3.38	0.773
Total (overall mean)	370	3.33	0.967

Source: Own Survey

Table 4 shows the mean score of guests' responses regarding customer satisfaction items. The items were developed to assess customers' satisfaction status, future behavioral intention of guests, and their overall evaluation regarding their experience with the selected hotels, resorts, and lodges. Understanding customer attitudinal loyalty is an essential factor for any business. It will help the marketing manager design programs to modify future customer behavior, especially switching behavior from or to a particular brand (Suhartanto & Noor, 2013).

The overall mean score of 3.33 with a standard deviation of 0.967 indicates that customers/guests preferred to stay neutral. Staying in a hotel must be an emotional experience for a guest, and it has to be based on positive experiences. Interaction between a customer and employer is one of the crucial moments for creating satisfaction and, at the same time, establishing loyalty (Tadeja, 2008). Thus, creating a positive experience is crucial for satisfying and maintaining loyal customers.

In general, the survey result indicates that most customers of the selected hotels, resorts or lodges favored to say nothing with respect to the investigators' intention to assess their perception of the overall service quality and their current satisfaction status. The mean score of items is related to price, and customers' intention to recommend lies within a neutral range (3.14 and 3.38) with a standard deviation of 0.968 and 0.773, respectively. This revealed the sign of switching trend of customers due to the influence of word of mouth and the competitive pricing strategy of hospitality service providers. The standard deviation of 0.968 and 0.773 indicates a consensus on price and recommending the service to others. Customers often switch mainly due to some pricing issues, such as perceived high prices, unfair or deceptive pricing practices; therefore, to increase customer satisfaction, it is essential for service firms to actively manage their customers' price perceptions (Kibeh, 2013). It is reasonable to expect that the perception about price fairness improves satisfaction with the service. Gumussoy and Koseoglu (2016) study also confirmed the significant effect of perceived price fairness on customer satisfaction.

Finally, the finding exposed the need to implement various loyalty programs to improve guests' satisfaction levels. According to Myftaraj and Nexhipi (2014), the loyalty program allows one to maintain a close relationship with customers through creating an interactive environment. A loyalty or membership program can become a more reliable tool for the hospitality business to learn more about their customers' behaviors and future intentions to purchase (Kim, Vogt, & Knutson, 2016).

3.1. Correlation Analysis

Correlation is a statistical measurement of the relationship between two variables. The linear correlation coefficient measures the strength and direction of a linear relationship between

two variables. The following general guidelines indicate a quick way of interpreting the value of correlation coefficient: -0.9 to -1.0 or 1.0 to 0.9 very strong; -0.9 to 0.7 or 0.7 to 0.9 strong; -0.7 to -0.4 or 0.4 to 0.7 moderate; -0.4 to -0.2 or 0.2 to 0.4 weak, low correlation and -0.2 to 0.0 or 0.0 to 0.2 very weak to negligible negative/positive correlation (Rahman, Redwanuzzaman, Masud-UI-Hasan, & Rahman, 2014). Accordingly, Pearson's correlation coefficients statistical method was used to determine the relationship between the selected hospitality service providers' communication practice and customers' satisfaction (see table 3.4).

Table 5
Correlations between communication and Customer satisfaction

Service quality dimension		Customer satisfaction
Communication	Pearson correlation	0.589**
	Sig.(2-tailed)	0.000
	N=	370
Customer satisfaction	Pearson correlation	1
	Sig.(2-tailed)	0.000
	N=	370

**Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey

The results of correlation analysis show that the independent variable communication positively and significantly correlated with the dependent variable (customer satisfaction) ($r = 0.589, p < 0.01$).

3.2. Multiple Regression Analysis

This section of the study presents the results and discussions of the multiple linear regression analysis. Multiple Linear Regression analysis was conducted to investigate the relative influence of communication practice on customer loyalty.

Table 6
Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.858 ^a	0.674	0.668	1.34926

Source: Own Survey

R defines the relationship between the variables, which should be more than 0.5, and the table result shows that ($R=0.758$), which is greater than 0.5 (Madhusudhan & GV, 2019). The magnitude of the adjusted R Square is 0.668. This means that 66.8 percent of the dependent variable (customer satisfaction) can be explained or influenced by the independent variables of communication, while other causes explain the remaining 33.2 percent. The model summary result revealed that the model is reasonably fit for further analysis. R^2 values of 0.26 and above are considered substantial, as Cohen (1988) discussed, cited in (Rahman et al., 2014).

Table 7
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.293	0.477		2.711	0.007		
	Comment	0.305	0.035	0.381	8.719	0	0.613	1.632

Source: Own Survey, 2019

Table 3.5 above displays the estimates of the multiple regression of customer satisfaction against its variable for the sample of 370 hotels, resorts, and lodge guests of the selected hospitality service providers. Based on the analysis of multiple regression results, it can be said that the relationship between the independent variable (viz. communication) and dependent variable (i.e., customer satisfaction) is significant at a 5 percent significance level. Unstandardized beta coefficients (also known as the rate of change) indicated how much the dependent variable varies with an independent variable when all other independent variables are held constant. Standardized regression coefficients were used to determine the relative importance of the service quality dimensions in predicting customer satisfaction. The beta coefficients indicated how and to what extent the service quality dimensions influence customers' satisfaction (Islam & Niaz, 2014). Based on the result of multiple linear regression analysis results, multiple regression model can be written as follows;

$Y_i = 1.293 + 0.305X_1 + 0.05$, where Y_i is the dependent variable (customer satisfaction),

The value of 1.293 is the constant (the value of y when the value of all independent variables is 0), whereas X_1 refers to perceived communication. Finally, the researchers set their confidence level at 95 percent with a 5 percent (0.05) error term.

The standardized beta coefficient column shows the contribution that an individual variable makes to the model. The higher the value of the beta coefficient shows the significant contribution or impact of the independent variable in explaining and predicting the dependent variable. 'communication' with its beta coefficient value of 0.381 has emerged as the most critical construct in predicting customer satisfaction.

Generally, as indicated by the regression result, the researcher identified that communicating with customers can significantly determine customer satisfaction. The study by SOONSAN (2017) found that communication is the essential service quality dimension for increasing the hotel guests' satisfaction and positive word-of-mouth. Communication might be an element that could build an empathetic relation between the service provider and its customers. A possible solution for the increment of profitable business could be sustainable market communication (Pakurár, Haddad, Nagy, Popp, & Oláh, 2019).

4. Conclusion and Recommendation

The study concluded that providing quality service while communicating with customers plays a significant role in enriching customer satisfaction. Thus, based on the study result, it is identified that the need to improve service quality dimensions with more emphasis serving customers through interacting with them by using a useful communication tool. As indicated by different service quality and customer satisfaction-related literature, the communication dimension was one of the most important factors influencing customer satisfaction. But customers do not particularly feel so much communicated with hotels, resorts, and lodges, which causes a managerial look at that. This comes in the form of designing possible communication tools and building close co-operation with the customers. The hotels, resorts, or lodges should provide continuous training to the employees and review their overall marketing strategy concerning this dimension. Effectively communicating with customers is a critical success factor for service providers. Thus, it is crucial to understand customers' needs and wants by constantly keeping in touch with customers to improve customers' loyalty status. According to Boakye (2011), to increase the level of customers' satisfaction as well as to develop their loyalty status, hotel managers need to have a clear understanding of guests' value drivers and be aware of how their business contributes or fails to contribute to the creation of such value with a critical focus on interactive communication efforts.

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