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STUDY OF CUSTOMER SATISFACTION IN SMALL HOTELS IN NCR

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ABSTRACT

Tourism is an important revenue generating industry in the NCR. Though there are numerous star hotels in the Region but this paper aims to study small hotel's customers and analyzes their satisfaction status. Small or Budget hotels are meant for middle class and lower middle class individuals and family. One of the popular budget Hotels being Ginger group, has been taken as a part of this paper's survey. Families traveling together and budget travelers can also find comfortable in the several budget hotels in NCR. Students and backpackers will also find accommodation to suit their pocket in economical hotel in NCR.

Key words: Small hotels, Budget Hotels, Customer satisfaction

INTRODUCTION

The tourism industry of India is economically important and grows at a very high speed. The World Travel & Tourism Council calculated that tourism generated INR6.4 trillion, 6.6% of the nation's GDP in 2012. It supported 39.5 million jobs, 7.7% of its total employment. The sector is predicted to grow at an average annual rate of 7.9% from 2013 to 2023. This gives India the third rank among countries with the fastest growing tourism industries over the next decade. India has the large medical tourism sector which is expected to grow at an estimated rate of the 30% annually to reach about INR 95 billion by 2015.

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According to provisional statistics 6.29 million foreign tourists arrived in India in 2011, an increase of 8.9% from 5.78 million in 2010. This ranks India as the 38th country in the world in terms of foreign tourist arrivals. The domestic tourist visits to all states, and Union Territories numbered 850.86 million. The most represented countries are the United States (16%) and the United Kingdom (12.6%). In 2011 Maharashtra, Tamil Nadu and Delhi were the most popular states for foreign tourists. Domestic tourists visited the states Uttar Pradesh, Madhya Pradesh most frequently. Chennai, Delhi, Mumbai and Agra have been the four most visited cities of India by foreign tourists during the year 2011. Globally Chennai is at no.41 which is ranked by the number of foreign tourists, while they have ranked Delhi at 50, Mumbai at 57 and Agra at 65 and Kolkata at 99.

The Competitiveness Report notes that India has key strengths, linked mainly to cultural endowments. For instance, India ranks 7th in terms of number of World Heritage sites. The country also benefits from excellent price competitiveness, and ranks 6th overall in this category. Low ticket taxes and airport charges as well as low prices in the economy as a whole contribute to India's price competitiveness.

It is imperative to point out that India has the advantage of a strong domestic tourism base which was in excess of 200 million tourists in 2006. This base is likely to grow on the back of a rapidly rising middle class with increased incomes and awareness levels and is not greatly affected by the Competitiveness ranking which is primarily a comparison with other countries.

Hospitality Sector:

The hospitality industry is a broad category of fields within the service industry that includes lodging, restaurants, event planning, theme parks, transportation, cruise line, and additional fields within the tourism industry. The hospitality industry is a several billion dollar industry that mostly depends on the availability of leisure time and disposable income. A hospitality unit such as a restaurant, hotel, or even an amusement park consists of multiple groups such as facility maintenance, direct operations (servers, housekeepers, porters, kitchen workers, bartenders, etc.), management, marketing, and human resources.

Usage rate or its inverse "vacancy rate" is an important variable for the hospitality industry. Just as a factory owner would wish a productive asset to be in use as much as possible (as opposed to

having to pay fixed costs while the factory isn't producing), so do restaurants, hotels, and theme parks seek to maximize the number of customers they "process" in all sectors. This led to formation of services with the aim to increase usage rate provided by hotel consolidators. Information about required or offered products are brokered on business networks used by vendors as well as purchasers.

In looking various industries, "barriers to entry" by newcomers and competitive advantages between current players are very important. Among other things, hospitality industry players find advantage in old classics (location), initial and ongoing investment support (reflected in the material upkeep of facilities and the luxuries located therein), and particular themes adopted by the marketing arm of the organization in question (for example at theme restaurants). Very important is also the characteristics of the personnel working in direct contact with the customers. The authenticity, professionalism, and actual concern for the happiness and well-being of the customers that is communicated by successful organizations is a clear competitive advantage.

OBJECTIVE

To study the concept of low budget small hotels.

To study the facilities & services provide by the low budget hotels.

To study the policies use by low budget hotels in India.

To study customer satisfaction in low budget hotels in NCR

Roots Corporation profile

Roots Corporation Limited (RCL) is a wholly-owned subsidiary of The Indian Hotels Company Limited (IHCL). Incorporated on December 24, 2003, RCL operates the first-of-its-kind category of Smart Basics™ hotels across the country. Launched in June 2004, the Smart Basics™ concept created a revolution in the world of Indian hospitality. A GenNext category of hotels, they signify simplicity, convenience, informality, style, warmth, modernity and affordability. The concept was developed in association with renowned corporate strategy thinker, Dr C. K. Prahalad, and the hotels have been indigenously designed and developed by IHCL.

The Ginger hotels are built around a unique concept that provides facilities to meet the key needs of today's traveler, at surprisingly affordable rates. They have created a new category in the domestic hospitality landscape, while giving a major fillip to Indian tourism and other ancillary

industries. The primary objective behind the launch of these hotels is to provide a superior product offering and consistent experience to travelers, beyond the present offerings in the industry.

GINGER HOTELS:

In times of economic slowdown, there is a huge and publicly-recognized opportunity for budget hotels to capitalize upon the opportunity and take business from prime hotel brands as businesses both large and small seek to scale down their costs and downsize their hotel spend.

In the budget hotel sector, however, the primary competition is not so much larger like more expensive brands such as Hilton, Holiday Inn, Ramada, Radisson etc., but the private sector bed-and-breakfast and private hotel sector which amazingly represents 80%. Budget brands such as Premier Inn, Travelodge and easy Hotel recognize this and are basing their growth strategies upon it.

The privately owned hotel/bed-and-breakfast sector is particularly vulnerable to branded budget hotel competition because it does not deliver a reliable experience and quality level across different hotels across the country or even on the same street. Premier Inn, Travelodge and easy Hotel have recognized this and their core growth strategy is to take market share from the private hotel sector by offering a value proposition with a known and reliable quality and level of service at the end of the guest's journey. The uncertainty is removed and a consistent value proposition delivered.

Budget hotels also offer the investor a low price point per room. Some buy-to-let hotel rooms are available at Low-cost hotel rooms can offer the same yield or better as premium hotel brands that could cost the investor between four and ten times as much as a budget hotel room.

Reselling budget hotel rooms could also be quicker and easier than the already proven resell market for larger hotel rooms due to their lower price point. If purchasing a hotel room off-plan, then the off-plan period is often much shorter for a budget hotel (at around one year) than for a resort-based hotel room or premium brand (that could be between two years and five years away) meaning the investor gets income and capital growth sooner.

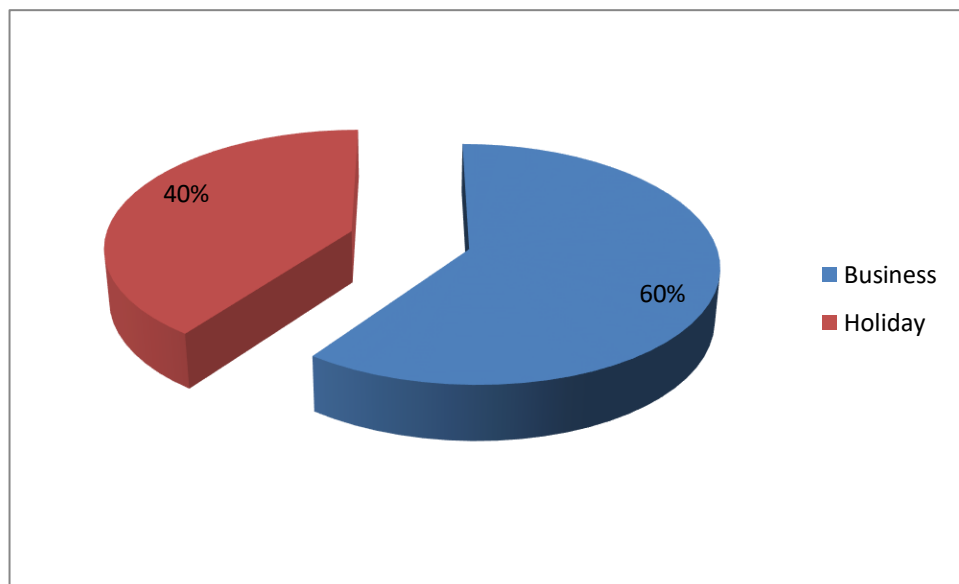
Lower cost, budget hotel rooms also permit the investor to diversify across more schemes than they would have been able to do if purchasing more expensive rooms (unless the investor purchased larger hotel rooms through syndicates to divide up the cost between several investors). Investing in budget hotels, therefore, allows the investor to benefit through income and capital growth from the potential economic slowdown, possible recession even, the credit crunch effects and even inflation itself as all hotel rates rise over the next few years.

DATA ANALYSIS

How satisfied are you by following aspects of Ginger?

1. What was the Primary Purpose of your Stay?

Business Holiday



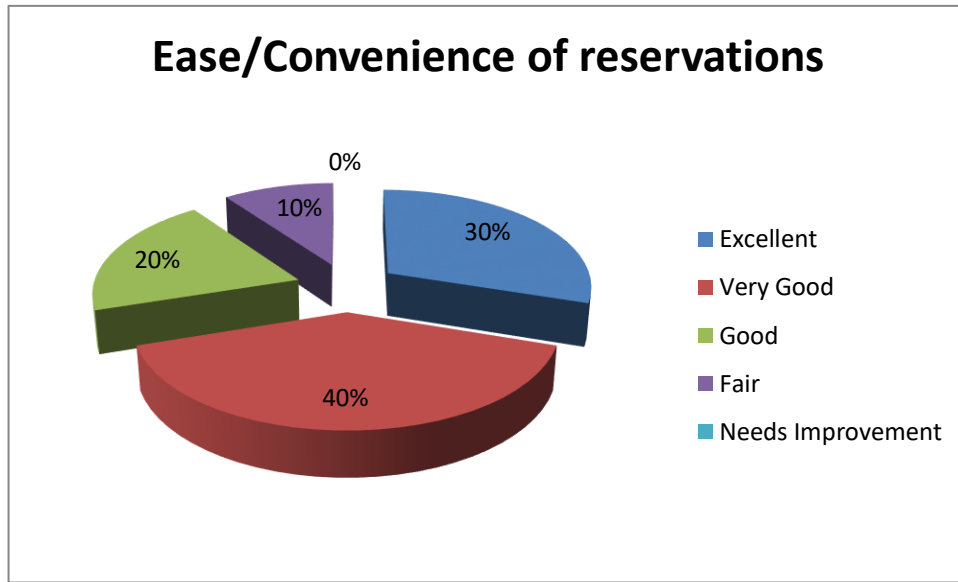
As per the survey done, it has been observed that the primary purpose of the staying by tourist was basically for business purpose; where by 60% was for business and 40% was for holiday.

2. Reservations

Ease/Convenience of reservations

- a) Excellent
- b) Very Good
- c) Good
- d) Fair

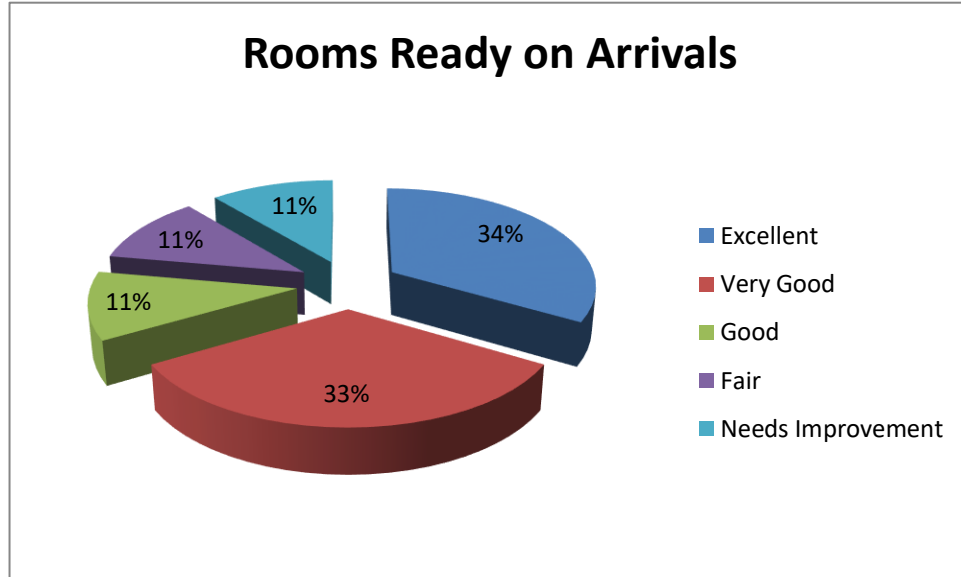
e) Needs Improvement



The survey shows that 30% of the tourists were happy with the reservation system, which is a huge percentage if compared with the other given categories.

3. Rooms Ready on Arrivals

- a) Excellent
- b) Very Good
- c) Good
- d) Fair
- e) Needs Improvement

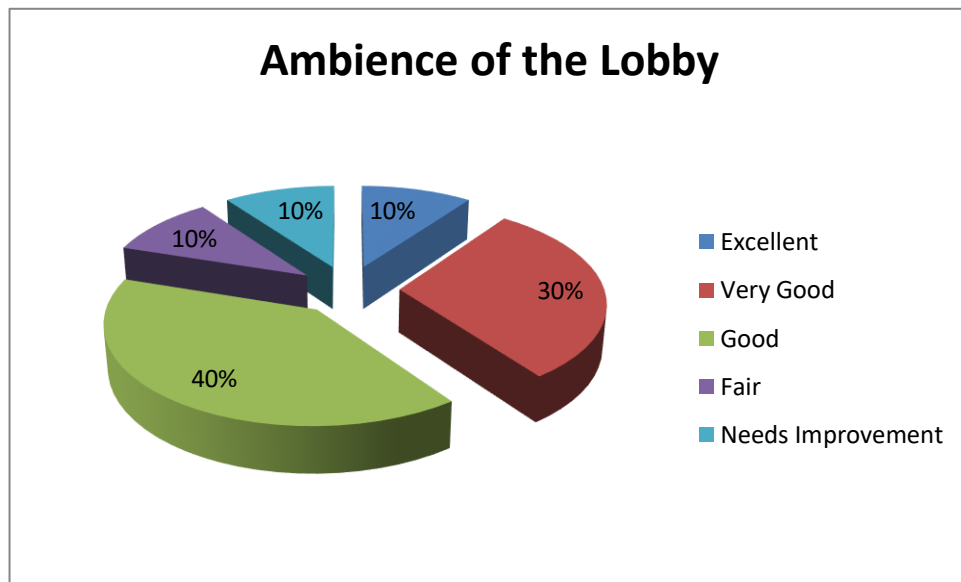


34% says that they were satisfied with the room ready on the arrival. 33% are saying good and rest other say 11% each.

4. Overall Ambience of the Hotel

Ambience of the Lobby

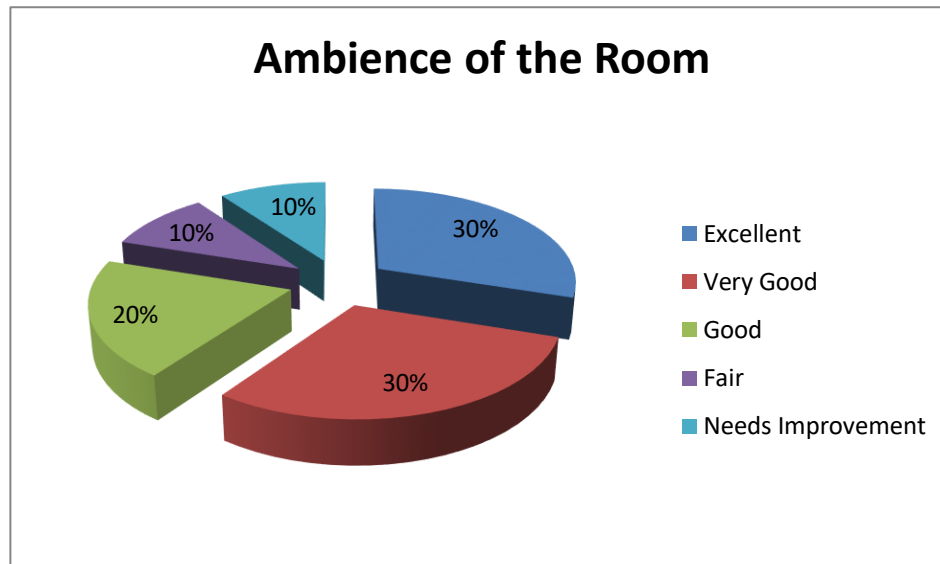
- a) Excellent
- b) Very Good
- c) Good
- d) Fair
- e) Needs Improvement



10% of the tourist marked themselves in the category where they want improvement in the lobby, another 40% says they had average experience.

5. Ambience of the Room

- a) Excellent
- b) Very Good
- c) Good
- d) Fair
- e) Needs Improvement

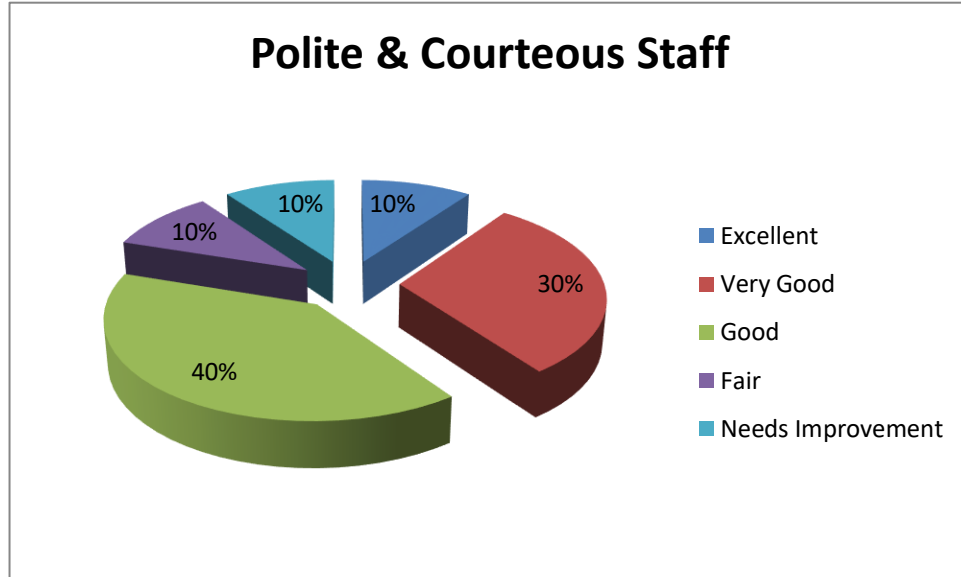


10% of the clients say that they want improvement in the ambience of the room.

6. Quality of Hotel Staff

Polite & Courteous Staff

- a) Excellent
- b) Very Good
- c) Good
- d) Fair
- e) Needs Improvement

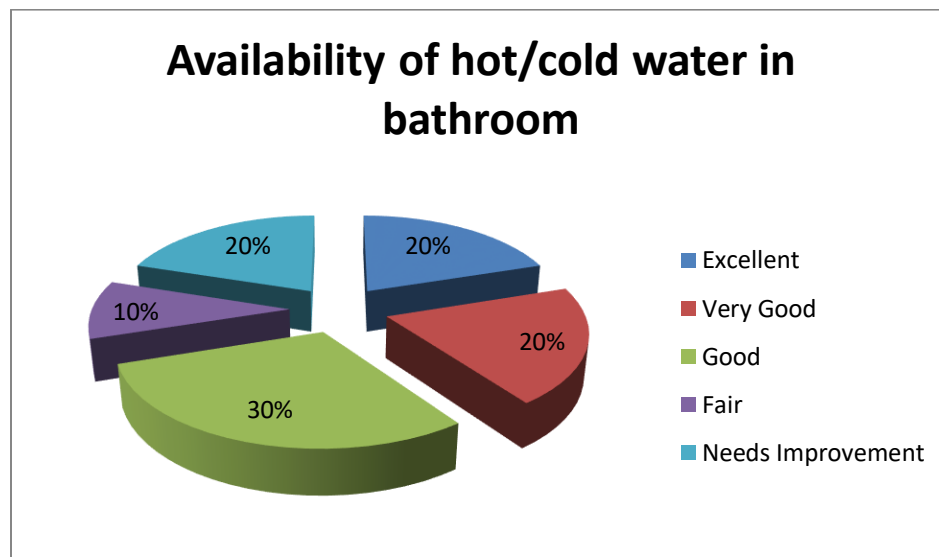


40% says that their experiences with the hotel staffs were of average level, and only 10% said that they had an excellent experience.

7. In Room Facilities:

Availability of Hot/Cold Water in Bathroom

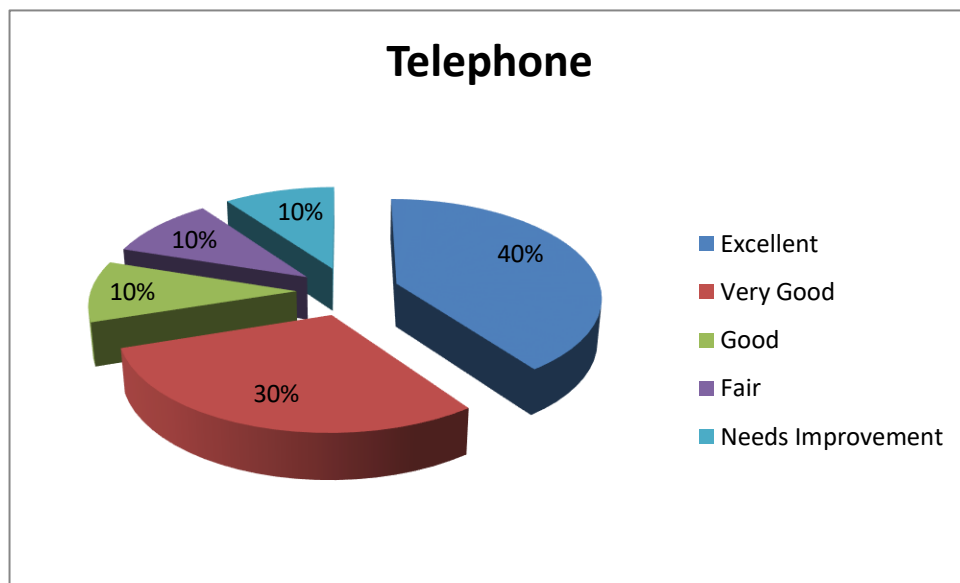
- a) Excellent
- b) Very Good
- c) Good
- d) Fair
- e) Needs Improvement



Above pie chart shows that 20% clients says Excellent, Very good & Needs improvement. But 30% clients say Good & 10% says fair. Mostly clients have good experience with hot & cold water facilities.

8. Telephone

- a) Excellent
- b) Very Good
- c) Good
- d) Fair
- e) Needs Improvement

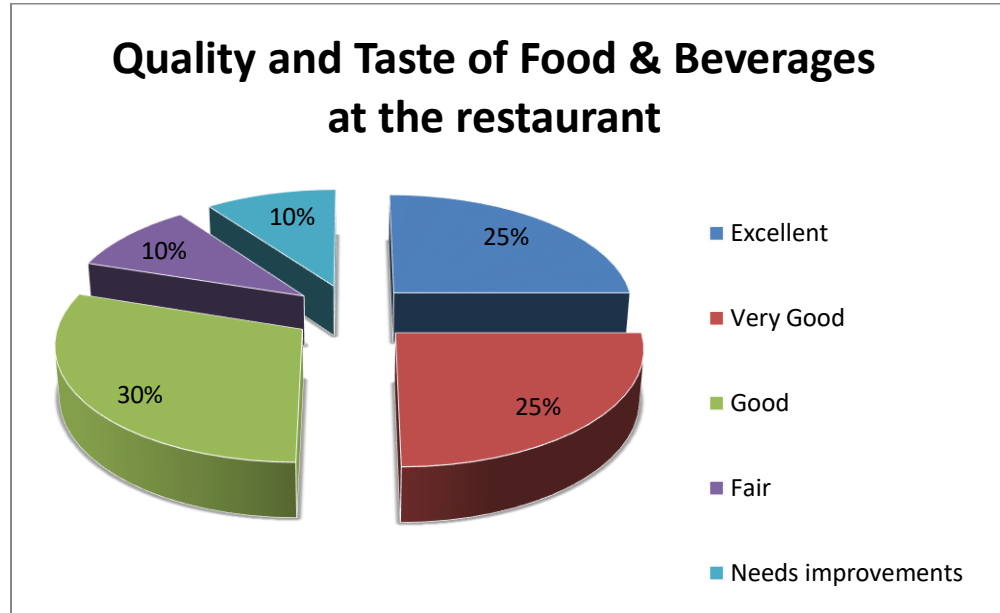


The above chart shows the Telephone facilities is 40% Excellent, 30% say Good, and others are 10% each. Means most of the clients are happy with the telephone facilities.

9. Restaurant / Food

Quality & Taste of food & Beverages at the Restaurant

- a) Excellent
- b) Very Good
- c) Good
- d) Fair
- e) Needs Improvement

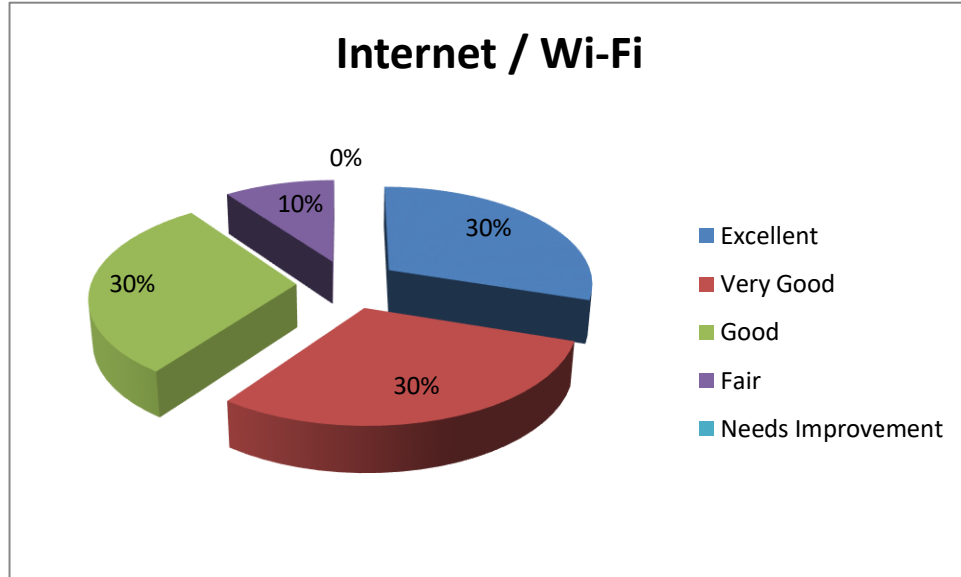


The above pie chart shows that only 30% of the client says they are satisfied with the quality and taste of food and marked the services provided as of average nature.

10. Business Aiding / Add on Facilities

Internet / Wi-Fi

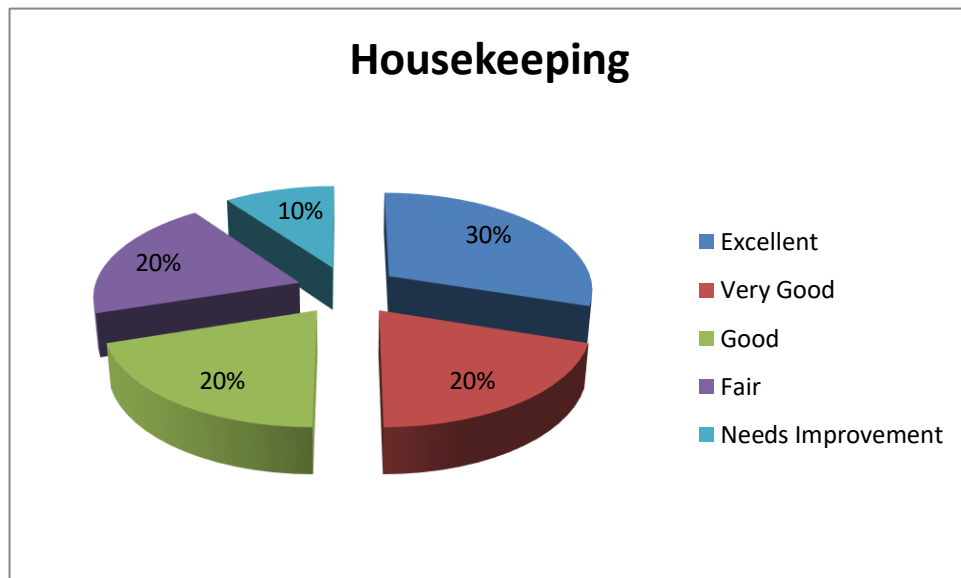
- a) Excellent
- b) Very Good
- c) Good
- d) Fair
- e) Needs Improvement



30% of the client said that they had good experience with the Wi-Fi and internet facilities provided by the hotels.

11. Housekeeping

- a) Excellent
- b) Very Good
- c) Good
- d) Fair
- e) Needs Improvement

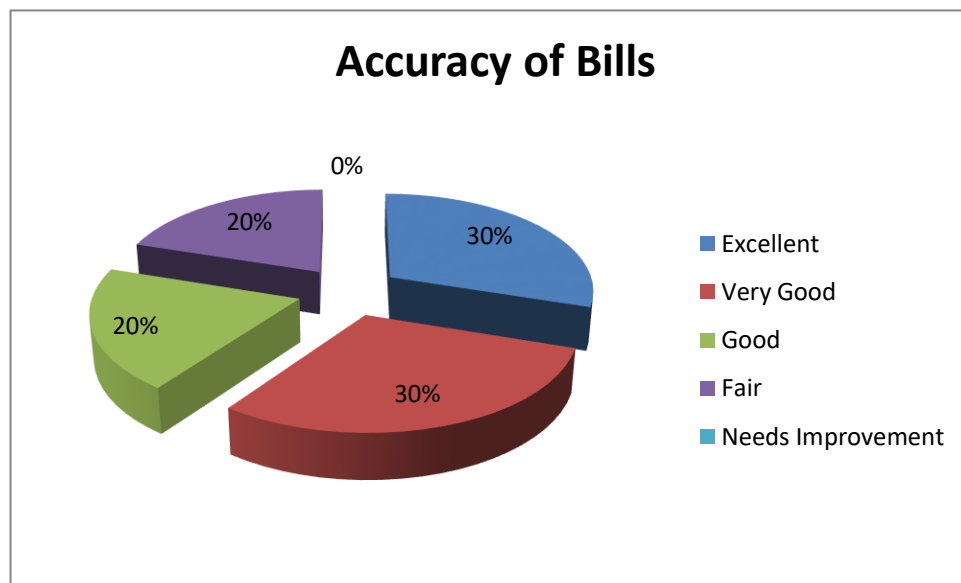


From the above presented pie chart it could be analyzed that the housekeeping facilities of the hotel are of very good nature, 10% of the average said that improvements is needed.

12. Check-Out Facilities

Accuracy of Bills

- a) Excellent
- b) Very Good
- c) Good
- d) Fair
- e) Needs Improvement



Above pie chart shows that the checkout facilities (Accuracy of Bills) of the hotels are being appreciated by the clients whereby 30% of the share from the average no. of clients says that they had excellent experience.

CONCLUSION:

Hotel Industry in across the globe needs to be ready to reap the benefits of changing customer needs in NCR and must continue to ensure Customer Satisfaction and Loyalty and thus make all efforts to retain customers .Innovation is also proposed as a key to success in the Hotel industry currently and also for the future as competition is growing rapidly. So, it will be a good idea to establish theme restaurants with variety of cuisines. Ensuring exceptional guest care by each and every employee should be the norm. To ensure this, flatter structures are recommended to stimulate communication process and close working as a team. Staff levels must be offered

better pay packages since they are the ones in direct contact with your customers. Competitive pay packages will also help in retention of staff and better services to the customers.

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