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EVALUATION OF CUSTOMER FEEDBACK SYSTEMS AT HOTELS IN CHINA

By
Liang Ling

Submitted in partial fulfillment of the requirements for the degree of

MASTER OF SCIENCE IN HOTEL AND TOURISM MANAGEMENT

THE HONG KONG POLYTECHNIC UNIVERSITY
December, 2006
DECLARATION

I declare that this thesis is my own work and has not been submitted in any form for another degree or diploma at any university or other institution of tertiary education. Information derived from the published or unpublished work of others has been acknowledged in the text and a list of references given.

__________________________  (Signature)

Liang Ling
Abstract of dissertation entitled:
Evaluation of Customer Feedback Systems at Hotels in China
submitted by Liang Ling
for MSc in Hotel and Tourism Management
at The Hong Kong Polytechnic University in December, 2006

ABSTRACT

Customer feedback system is important to customer satisfaction. This study investigates guests’ perceptions about the customer feedback at hotels in China. Based on the survey of 248 guests at six hotels, “guest comment card” was found most commonly used by hotels and “guest contact staff” was perceived the most effective among all feedback channels. It appears in the study that a big majority of guests would talk to the hotel when they were delighted or dissatisfied and most of them would rather choose talk to the management than talk to the guest contact staff for feedback. “Seeking assurance from the company same mistake not occur” was found the most common motive of complaint. This study has provided hoteliers in China with important information about customer feedbacks and suggested that hotels in China should empower guest contact staff to handle customer feedback and emphasize the development of knowledge and skills of guest contact staff in handling guest feedback.

Keywords: Hotels, Customer satisfaction, Feedback, Complaint, China
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CHAPTER 1

Introduction

1.1 Background

China’s hotel industry is one of the first groups that were allowed opening to the outside world. It has made tremendous development both in quantity and quality since China adopted the policy of opening to the outside world in 1978. Many international hotel chains such as Sheraton, Holiday Inn, Hilton, Shangri-La, etc. have entered China one after another since then. Domestic hotel groups also developed rapidly during the period. The quantity of nationwide accommodation establishments reached 280,000 in 2003 (He, 2006) whereas it was only 137 twenty-six years ago (Sun, 2005) and the market situation has changed from short of supply to oversupply. At the same time it has completed the transformation from planning economy to market economy. As the economy and tourism is developing rapidly in China, many international hotel chains are speeding up its expansion in the country and also more international hotel chains of economy brand such as Super 8, Ibis etc. have entered and are entering China. This makes the competition of the whole industry even fiercer.

Competition has had major implications for the customer, providing: increased choice, greater value for money and augmented levels of service. Additionally, there is little to distinguish one hotel’s products and services from another. Thus it has become imperative for hotel organizations to gain a competitive advantage. There
are two strategies most commonly used by hotel managers in order to gain a competitive advantage; they are: low-cost leadership through price discounting, and developing customer loyalty by providing unique benefits to customers. Hotels that attempt to improve their market share by discounting price, however, run the serious risk of having a negative impact on the hotel's medium and long-term profitability (Kandampuly & Suhartanto, 2000). The situation happened in Nanjing when the hotels met with toughest competition brought in by international chain hotels' entry into the city one after another starting from 1998. Hotel price decreased 45% and room revenue reduced over 50% on average in three years time due to the pricing strategy. Numerous examples illustrate that it is important that the hotel industry develop customer loyalty, as opposed to relying solely on pricing strategies.

The battle for organizations today is not so much to acquire new customers, but rather, to gain a greater share of an existing customer's business and to try and develop customer loyalty.

Customer satisfaction is defined as a major necessity for achieving customer loyalty and hence, a prospering business. Satisfying the guests is the first step to getting more recommendations (positive word of mouth), and thus creates a favorable image, leading to rising profits. Higher customer satisfaction can increase the customer retention rate, reduce price elasticity, insulate current customers from competitor efforts, lower marketing and operational costs for existing customers, lower marketing costs for obtaining new customers and enhance the reputation for the establishment (Anderson, 1993; Anderson and Fornell, 1994). Researchers have
shown that a 5 per cent increase in customer loyalty can produce a profit increase of 25% percent to 85 percent (Reichheld and Sasser, 1990).

Understanding the expectations and perceptions of the customer is crucial to customer satisfaction. Superficial or poor understanding of customer needs is one of the main causes that fail to meet customer satisfaction. The hospitality industry has its customers right under its roof and as a whole has access to more information about its customers than perhaps any other industry in the world. Thus, it is somewhat surprising how little is known about those customers. Of course, there is the standard information that most operators gather: occupancy, average room rate, average check, number of covers, frequently ordered menu items, and so forth, but the opportunity to know more about the customer is too often left unseized. This is particularly true considering the huge data bases acquired by some companies through their frequent guest programs (Lewis & Chambers, 1989). In some hotels in China, the housekeeping service procedure still requires room attendant to deliver hot tea and towel to guest upon his/her checking into the room. The management of those hotels perceives that this service can show customer the oriental hospitality thus to increase customer satisfaction. But for most guests what they expect at this time might be no disturbance. At both material and labor cost, the hotel may have delivered unwelcome service. The reason for this is that an effective customer feedback system is lacking.

1.2 Problem Statement

Hotel customer feedback system is comprised of two aspects: one is that the hotel purposely communicate with customers to get their feedback and identify their
expectations and perceptions of the products and services provided to them using the methods of guest comment card, mail survey, telephone survey, internet survey, in-room guest questionnaire, focus group meeting, personal visit, customer contact staff’s observations and communication with customer, etc. Or put it the other way, measurement of customer satisfaction; the other is that customers purposely communicate with the hotel to make compliment, complaint and recommendations in written or verbal forms. Real-time customer feedback provides a strong method for improving loyalty and increasing customer lifetime value. How does customer feedback system function in hotels in China and how to increase its effectiveness are important to hotel customer satisfaction.

1.3 Research Objectives

Customer feedback can not only help improve the hotel’s quality and increase customer satisfaction but also help hotel management to determine organizational shortfalls so that performance incentives can be developed at all hierarchical levels in the company.

Customer satisfaction measurement has been a significant addition to the new ISO9000: 2000 standard. Organizations certified to this standard are now required to identify parameters that cause customer satisfaction or dissatisfaction and consciously measure them.

Customer satisfaction measurement and management and customer complaint management are key parts of customer feedback and have been widely discussed by academic scholars and industry professionals. Many of the discussions are on methods and process issues based on statistical results. There are few articles
assessing the effectiveness of hotel customer feedback system from guest point of view. This study investigates six domestic independent hotels in the city of Shanghai, Nanjing and Xian of China from five stars to three stars through guest survey for the following purposes:

1. To identify guest feedback channels and systems available at the hotels.

2. To examine guests' perception of the effectiveness of the different channels.

3. To explore the complaint motives of hotel guests as ingredients for service failure recovery.

4. To assess the significant differences between guests' complaint motives and their demographic variables.

5. To make recommendations based on the study findings.
CHAPTER 2

Literature Review

2.1 Customer Feedback

The relationship between managements’ interaction with customers and service quality or customer satisfaction has been the topic of many research studies for years. All of the research found that polling customers was necessary for service improvement (Wisner and Corney, 1997). Chisholm (2005) found that through customer feedback and intelligence, dissatisfied customers can be identified and retained.

Wisner and Corney (1997) stated that one widely used method for obtaining customer feedback in the hospitality industry is the customer comment card. Along with customer surveys, customer interviews, focus groups, toll-free telephone numbers and service encounter observations, the comment card offers management the opportunity to receive valuable, standardized feedback in the form of comments, criticisms and ideas for service performance improvement.

Mc Cleary and Weaver (1982) suggested to use customer questionnaires to identify customer service elements and to evaluate customer satisfaction provided by employees.

Parasuraman et al. (1988) identified five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy which applied to a
wide range of service business through surveys of consumers.

Coyle and Dale (1993) used customer and employee surveys to find service quality "gaps" between providers and customers and recommended managers listen to customers and empower employees to solve problems as ways to close the service quality gaps.

Lockwood (1994) noted that customer requirements change with time, requiring a continual effort to update and make operational improvements. He recommends collecting memorable good and bad service encounters from customers, managers, and staff, categorizing and determining frequencies of each type of encounter, then taking action on the biggest problem types.

Barsky (1996) suggested that the customers may be excellent source of information for management on how the organization can provide quality service. Through survey and focus groups, customers can help management to determine which service areas are most in need of improvement.

Most recently, customer involvement has been discussed in relation to benchmarking activities by Yasin and Zimmer (1995). The authors recommend using surveys, focus groups, and fictitious guests (people hired by the organization to act as customers) as ways to determine service quality levels that could be periodically compared both internally and externally.

Sanes (1993) stated that customer feedback is available in many forms, and complaints are the most useful and meaningful source of information to improve customer satisfaction.
No one method alone is sufficient. A well-thought-out feedback process includes a combination of methods, each used where it will be most effective. To be successful, feedback gathering must be viewed not as an event or activity, but as part of an ongoing process of building and maintaining strong, effective relationships with customers. The systematic process for obtaining feedback from customers involves measuring customer satisfaction, understanding customer complaint intention, handling customer complaint and recovery of service failures.

2.2 Customer Satisfaction

Studies of consumer behavior emphasize customer satisfaction as the core of the post-purchase period (Westbrook and Oliver, 1991). Oliver (1981) defined customer satisfaction as a customer's emotional response to the use of a product or service. However, it is more likely that customer satisfaction is a complex human process that involves cognitive and affective processes, as well as other psychological and physiological influences (Oh and Parks, 1997). Anton (1996) gave a more contemporary approach, and defined customer satisfaction as a state of mind in which the customer's needs, wants and expectations throughout the product or service life have been met or exceeded, resulting in subsequent repurchase and loyalty.

Measurement and management of customer satisfaction has been widely studied and practiced by scholars and industry professionals.

Sheila Kessler (1995) observed that customer focus and satisfaction measures include both soft and hard ones. Soft measures for customer satisfaction center on
customer perception and help you understand what customers think of your service or product relative to your competition. They include surveys, focus groups or interviews, and observation. Hard measures for customer satisfaction are customer behaviors and are measured in numbers like cash register receipts, market share, revenues, and profits, which keep you informed about what customers are actually buying. Both are important to understand customers.

Johnson and Gustafson (2000) developed a process model for creating a customer measurement and management system illustrated in Figure 2.1 below:

![Figure 2.1 A Process Model for Customer Measurement and Management](image)

*Source: Michael D. Johnson and Anders Gustafson (2000 p.15)*

The cycle is a continuous process of planning, researching, analyzing, deciding, implementing and learning. The stage of qualitative research such as interviews and focus groups and observing customers provides you with the lens through which customers view products and services and is the basis for quality-satisfaction loyalty modeling. Developed from the lens of the customer, the survey assesses the attributes
and benefits the products and services provide and the overall levels of customer satisfaction and loyalty that result. Analyzing the data gathered provides the information needed to set priorities for improvement. Then the management must take part in categorizing the output of a customer analysis into a strategic satisfaction matrix.

2.3 Customer Complaint Intention

Customer complaint is inevitable. The diversity of the hospitality customer and the heterogeneity of the hospitality product absolutely ensure that there will be complaints. An absence of complaints may be the best indication management has (along with declining occupancies or covers) that something is wrong. Hospitality customers are never totally satisfied, especially over a period of time (Lewis & Chambers, 1989).

Complaint behavior is defined by Jacoby and Jaccard (1981) as an action taken by an individual that involves communicating something negative regarding a product or service. Mowen (1993) stated that complaint behavior is any one of a number of actions that is triggered by perceived dissatisfaction with a purchase episode. Day and Landon (1977) proposed a two-level hierarchical classification of actions, which defines the complaint behavior. The first level distinguishes action from no action. The Most likely explanation for taking no action is that it is not worth the time and the effort (Day et al., 1981). However, Sanes (1993) states that the greatest pitfall of all is the unheard complaint. The second distinguishes public actions from private actions. Public actions include seeking redress or refund from
the seller, and private actions refer to word-of-mouth communication to friends and relatives and ceasing to patronize the hotels. Grabicke (1981) further explained that private actions generally do not come to the direct attention of the seller and thus could have a serious impact on sales and profitability.

The complaint motivation and patterns are complex (Heung and Lam, 2003). Williams et al. (1993) described customer complaint behavior as a function of dissatisfaction. Singh and Wilkes (1996) also stated that dissatisfaction is a significant factor that attributes to complaints. Day and Landon (1977) stated that if the costs and time spent on a complaint are perceived as exceeding the benefits as a result of a complaint, customers will tend to remain silent and take no action. Non-complainers considered that complaining was done by people with little else to do and believed that it would be futile (Kau and Serene, 1995). Personal boycotts and negative word-of-mouth are prevalent because they are perceived as a low-cost way of expressing dissatisfaction (Lewis & Chambers, 1989). Research has shown that people do not complain for three primary reasons (Lewis & Chambers, 1989):

1. It is not worth the time and effort.
2. They don’t know where or how to complain.
3. They believe that nothing will be done even if they do complain.

Some of the demographic variables were found related to complaint behaviors (Heung and Lam, 2003). Female customers are more inclined to complaint (Kau et al., 1995) and tell others if they are dissatisfied with the complaint handling (Lewis, 1983). Jacoby and Jaccard (1981) found out that customers with a higher education
were more likely to complain. Morganosky and Buckley (1986) also pointed out that education is one of the significant characteristics of complainers. Day and Landon (1977) stated that those who publicly complained were younger in age and had a better education and higher income. Bearden and Mason (1984) identified similar results and pointed out that complaint behavior was inversely related to age and positively linked to income and education.

2.4 Complaint Handling

Resolving Customer complaints is a critical component of customer retention. One study by TARP found that if a customer has a major complaint, 91% will not buy from you again, but if it was resolved quickly, 82% of those customers will return (Kotler, Bowen and Makens, 1996). An organization with a high level of customer complaints probably has a more open and responsive culture and is not necessarily experiencing an unusually high level of customer dissatisfaction. Handling satisfied customers is easy; handling dissatisfied customers is the acid test of marketing and management (Lewis and Chambers, 1989).

Goodwin and Ross (1992) claim that satisfaction levels after complaint-handling (secondary satisfaction) can prove to be higher than previous levels of satisfaction. Their research further suggests that effective complaint-handling can lead to stronger customer loyalty (J.G. Maxham III, 1999). Customer complaints openly invited and handled professionally fairly and effectively
become a net-positive experience and can totally eliminate any reasons for the customer to defect (Murphy, 2005).

A fair complaint handling signals also security to the customer (Hansen and Jeschke 1995), which can even be enforced by positive word-of-mouth communication, advertising and public relations.

Kotler, Bowen and Makens (1996) found that one critical area in complaint resolution is that most customers do not complain. They do not give management a chance to resolve their problems. They just leave and never come back. The authors suggested that managers develop ways to encourage customers to complain and train employees to look out for guests that look dissatisfied and try to find out their problems. The methods suggested to seek complaints include customer hot lines that encourage customers to call about problems that they are having and customer comment cards, which encourage customers to discuss problems that they had with the product.

To induce customers to inform the company about their dissatisfaction as the company can only respond if it knows of the customer's dissatisfaction. First of all, adequate, easily accessible complaint channels have to be set up to lower customer perceived financial and psychological barriers to voice dissatisfaction instead of switching service provider (Pepels 1995).
Furthermore, these channels can give customers the impression of being taken seriously (Raab 1997). The following types of complaint channels can be set up:

(Riemer 1986):

- Vocal (in person)
- By telephone (toll-free service numbers, service hotlines)
- In writing
- Electronic (email, feedback forms in the internet, opinion communities on the web, service-fax)

According to recent studies, "oral communication is better suited to conveying compassion and empathy to irate customers than written communication" (Tax and Brown 1998). Furthermore, customers may prefer to complain by telephone than to have a face-to-face interaction (Tax and Brown 1998) as it is a quick, inexpensive and convenient (low psychological barriers) method to complain.

Complaint stimulation includes all measures to inform customers about the existence of these complaint channels and to induce them to use these channels to lower the number of unvoiced complaints. Complaint stimulation should increase the customer propensity to complain (change their attitude towards complaining) by reducing their perceived complaining costs and by influencing their perceived likelihood of success (Riemer 1986). All complaint stimulation measures aim to achieve a high complaint quota, which is the complaining customers/dissatisfied
customers ratio, to transform a significant proportion of customer dissatisfaction into complaints so that negative consequences of other reactions to dissatisfaction can be inhibited (Riemer 1986).

The following marketing instruments can be used to communicate complaint channels (Riemer 1986):

- Comment cards
- Advertisements in sales bulletins or other media (TV spots)
- Special note on product/part of product information
- Special note on invoice/bill
- Active personal approach by the company (e.g. by telephone)

In addition, companies should always communicate a contact person so that forwards of complaints due to "outside my reference" employee reactions, which are time consuming for both customers and companies, can be prevented (Gruber, 2004). Furthermore, the contact person has to possess sufficient social-psychological skills to cope with the situation successfully.

Lovelock (2001) identified ten guidelines for effective complaint handling:

1. Act fast

2. Admit mistakes but don’t be defensive
3. Understand problem from customer’s viewpoint

4. Don’t argue

5. Acknowledge customer’s feelings

6. Give benefit of doubt

7. Clarify steps to solve problem

8. Keep customers informed of progress

9. Consider compensation

10. Persevere to regain goodwill

Chisholm (2004) states that the moment that a customer expresses dissatisfaction is the moment when an organization can most influence customer retention, recurring revenues and customer lifetime value. Customers who receive fast and effective responses to their issues and feedback are more often satisfied and loyal than customers who have never experienced problems in the first place. As a rule, fast effective responses show that organizations view customers’ concerns as high priorities, reduce the time customers spend wondering whether their concerns will be addressed, reduce the need for customers to investigate alternative solutions to address their concerns, and significantly raise customer satisfaction and loyalty.
2.5 Service Recovery

One method of enhancing a firm’s customer retention involves properly responding to service failures (Webster and Sundaram, 1998). Such attempts by firms to rectify some consumer-perceived service failures are often termed “service recoveries”. Service failure is apt to occur at some point in time for firms in the service industry. For the present studies, service failures are defined as any service-related mishaps or problems (real and/or perceived) that occur during a consumer’s experience with a firm (J.G. Maxham III). Since “zero defects” is an unrealistic goal in service delivery, service firms must have in-place recovery strategies, e.g. unconditional service guarantees, empowered employees, to correct service failures and strive for “zero defections” of customers (Reichheld and Sasser, 1990).

Some researchers suggest that a firm’s recovery effort can either reinforce customer relationships or compound the failure (Hoffman et al., 1995; Smith et al., 1998). Others suggest that over one-half of service recovery efforts actually compound the problem (Kelley et al., 1993). As such, it seems conceivable that poor service recoveries can cause consumers to rate failing firms lower after their recovery efforts than they rated the firms immediately following the failures (J. G. Maxham III, 1999).

In contrast to a poor recovery, many suggest that a proper recovery can restore levels of satisfaction and promote referrals for future purchases (Goodwin and Ross,
1992). Effective service recovery with, say, a hotel guest or airline passenger can even produce a customer who is more satisfied, even delighted, than if they had been served right the first time (Etzel and Silverman, 1981; Hart et al., 1990). Even small gains in customer retention facilitated by service recovery can lead to significant gains in profitability (Reichheld, 1996).

An amount of literature has now emerged identifying the actions required for the service recovery for customers. Bell and Zemke (1987) are firstly proposed the five “ingredients”: apology, urgent reinstatement, empathy, symbolic atonement and follow-up. Bitner et al. (1990) in a study of 700 critical incidents suggested that for a successful recovery an organization’s response should include the following four key elements: acknowledgement, explanation, apology and compensation. Kellery et al. (1993), Johnston (1995) and Boshoff (1997) added other ingredients: the provision of discounts, management intervention, replacement and refund, the provision of information and fast response. Johnston and Fern (1999) investigated the use of different sets of ingredients to deal with customers who were simply annoyed following a service failure and those who may have felt victimized following the second failure of the service. His study identified the different ingredients appropriate to these different levels of failure and also the outcomes of satisfaction or delight.

Bowen and Johnston (1998) combined these ingredients it would appear into four types of activities necessary for recovering customers:
--Response: acknowledgement that a problem occurred; apology; empathy; speedy response; management involvement. --Information: explanation for the failure; hearing from the customer their views on a solution; agreeing to a solution; assurance that it will not happen again; written apology.

--Action: correction of the failure; taking steps such as changing procedures to avoid failures in the future; follow-up action to check the after-effects.

--Compensation: token compensation, equivalent compensation or refund or "big gesture" compensation.

**Figure 2.2 An Effective Service Recovery System**

Source: Lovelock, Wirtz & Keh (2004), Service Marketing in Asia, New York: Prentice-Hall
Lovelock developed a model (illustrated in Figure 2.2) of the components of an effective service recovery system.
CHAPTER 3

Methodology

3.1 Scope of the Study

In order to evaluate the effectiveness of customer feedback systems in China’s hotels, it is important to examine what methods the hotels in China are using to obtain customer feedback, which of the methods customer perceive effective, and understand what action customers intend to take when they are delighted or dissatisfied, which way they like to choose to communicate with the hotel, for what purpose customers complain mostly and it is also needed to find out whether their actions are related to their demographic characteristics. In this study, a descriptive research method was applied which adopted a quantitative research design so as to collect such data.

3.2 Research Design

This study began with an extensive review of literature on customer satisfaction measurement and customer complaint management. A survey using a questionnaire was conducted to collect primary data from a sample of those guests staying in the hotels in China. The purpose was to obtain demographic characteristics of these guests, their past feedback experiences and future feedback intentions at hotels, and their opinions on effectiveness of feedback channels and their complaint motives.
Primary data was important in this survey as the content could be designed to serve our purpose with up-to-date basis.

3.3 The Instrument

The data-collecting instrument consists of a survey questionnaire. A structured questionnaire in English and Chinese was developed based on the relevant literature and survey instruments developed by past researchers (See Appendix 1 on page 56 and Appendix 2 on page 59).

The questionnaire comprised three sections. The first section gathered data about respondents’ demographic and traveling characteristics such as age, gender, nationality, education, occupation, and the purpose of visit. The second section contains 8 customer feedback channels that are practically used in hospitality industry. The respondents were asked to tick their choice according to their experience at the hotel and rate the effectiveness of the channels on a 4-point Likert scale, ranging from “1 = Not effective at all” to “4 = Very effective”. This section aimed to examine what channels are used by the hotels to obtain customer feedback and which channel the guest perceived effective. The third section contains different actions the guests may intend to take when they are delighted or dissatisfied with the product or service provided by the hotel, and several methods guests may use when they want to talk to the hotel as well as guest complaint motives which most hotels practically regard as ingredients for service failure recovery activities. The actions, methods and complaint motives were developed based on previous empirical studies.
The respondents were asked to provide their intended behavior and rate the importance of complaint motives on a 4-point Likert scale (1 = Not important at all and 4 = very important).

The instrument was pre-tested with 40 hotel customers to ensure its content validity. Several adjustments were made to the wording of the questionnaire based on the results of the pilot study.

3.4 The Sample

In this study, six hotels were chosen with two in Shanghai, the biggest commercial city and two in Nanjing, the middle-scale-city destination both for tourists and business travelers and two in Xian, the key destination for tourists so as to get the information both from tourists and business travelers. Three star categories of hotels ranging from five-star to three-star were chosen to investigate both domestic and international guests at different levels. The target sample were 480 guests who stayed at the hotels during the period of March 15 to April 30, 2006 (45 days). Using a convenience sampling approach, guests checking out at the cashier’s desk were invited to complete the questionnaires. A small key ring was given to each guest who completed the questionnaire as an incentive. The Guest Relation Officers or Assistant Managers of the hotels were designated in charge of the administration of the sampling process. Two hundred and sixty completed questionnaires were returned with a response rate of 54.2%.
3.5 Data analysis

After data collection and selection, the data were coded, computed and analyzed using SPSS software. Descriptive statistics was used to identify the nature of all responses. Statistical analysis e.g. frequency, mean, standard deviation etc. was applied to find out what channels for obtaining feedback are available and effective from guest point of view, what actions and methods most guests choose to take to express their satisfaction or dissatisfaction, and what motives most guests perceive important in complaint. In order to check for any relationships exist between complaint motives and demographic and traveling variables, independent T-tests and analysis of variance (Anova) were used to check for significant differences between demographic and traveling characteristics and feedback motivation factors.
CHAPTER 4

Results and Discussion

4.1 Results

4.1.1 Demographic Profiles of Respondents

The six hotels with two for each star category were equally got 80 questionnaires. Of the 260 questionnaires returned, 248 found usable in this study. The other 12 were discarded due to the incompleteness of the questionnaires. The demographic profile of the respondents is shown in Table 4.1, which indicates that of the 248 respondents, 67.7 percent were male, most of them were in the age group of 35-44 (38.3%), followed by 25-34 (28.6%), and 45-59 (21%). A big majority of the respondents were of China origin (75.3 per cent), of which 67.7 per cent were from mainland China, 4.4 per cent were from Hong Kong and 3.2 per cent were from Taiwan. 5.3 percent were of U.S.A origin, 4 per cent were of Japan origin and the rest (15.3 per cent) were from other places. Over half of the respondents (53.6 per cent) had university or above level education, 35.9 per cent had got post-secondary college level, 8.5 per cent had senior high school level and 2 per cent had junior high school level education. Most of the respondents were managers (30.6 per cent), followed by technicians or supervisors (21.4 per cent), and then engineers (18.1 percent) and employers (9.3 per cent).
Table 4. 1 Demographic Profile of Respondents

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>N</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>173</td>
<td>68.8</td>
</tr>
<tr>
<td>Female</td>
<td>75</td>
<td>30.2</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16-24</td>
<td>9</td>
<td>3.6</td>
</tr>
<tr>
<td>25-34</td>
<td>71</td>
<td>28.6</td>
</tr>
<tr>
<td>35-44</td>
<td>95</td>
<td>38.3</td>
</tr>
<tr>
<td>45-59</td>
<td>52</td>
<td>21.0</td>
</tr>
<tr>
<td>60 and above</td>
<td>14</td>
<td>5.6</td>
</tr>
<tr>
<td>Missing</td>
<td>7</td>
<td>2.8</td>
</tr>
<tr>
<td>Origin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mainland China</td>
<td>168</td>
<td>67.7</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>13</td>
<td>5.2</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>11</td>
<td>4.4</td>
</tr>
<tr>
<td>Japan</td>
<td>10</td>
<td>4.0</td>
</tr>
<tr>
<td>Taiwan</td>
<td>8</td>
<td>3.2</td>
</tr>
<tr>
<td>Other Asia</td>
<td>10</td>
<td>4.0</td>
</tr>
<tr>
<td>Europe</td>
<td>23</td>
<td>9.3</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
<td>2.0</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Junior high school</td>
<td>5</td>
<td>2.0</td>
</tr>
<tr>
<td>Senior high school</td>
<td>21</td>
<td>8.5</td>
</tr>
<tr>
<td>Post-secondary college</td>
<td>89</td>
<td>35.9</td>
</tr>
<tr>
<td>University or above</td>
<td>133</td>
<td>53.6</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td>23</td>
<td>9.3</td>
</tr>
<tr>
<td>Engineer</td>
<td>45</td>
<td>18.1</td>
</tr>
<tr>
<td>Manager</td>
<td>76</td>
<td>30.6</td>
</tr>
<tr>
<td>Technician/Supervisor</td>
<td>53</td>
<td>21.4</td>
</tr>
<tr>
<td>Teacher</td>
<td>10</td>
<td>4.0</td>
</tr>
<tr>
<td>Student</td>
<td>3</td>
<td>1.2</td>
</tr>
<tr>
<td>Unemployed</td>
<td>10</td>
<td>4.0</td>
</tr>
<tr>
<td>Retired</td>
<td>6</td>
<td>2.4</td>
</tr>
<tr>
<td>Others</td>
<td>22</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Notes: N=248
4.1.2 Traveling Profiles of Respondents

Among the usable questionnaires, 89 (35.9 per cent) were from the five-star hotels, 80 (32.3 per cent) from the four-star hotels and 79 (31.9 per cent) from three-star hotels. Over half (53.6 per cent) of the respondents were traveling on business, 18.5 per cent were attending conferences or meetings, 18.1 per cent were on leisure or holiday trip and 9.7 per cent were for visiting friends and relatives. Of the 248 respondents 52 per cent were first time visitors and the rest were repeat guests (See Table 4.2 below).

<table>
<thead>
<tr>
<th>Traveling Characteristic</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trip Purpose</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On business</td>
<td>133</td>
<td>53.6</td>
</tr>
<tr>
<td>Leisure/Holiday</td>
<td>45</td>
<td>18.1</td>
</tr>
<tr>
<td>Conference/Meeting</td>
<td>46</td>
<td>18.5</td>
</tr>
<tr>
<td>Visiting friends/relatives</td>
<td>24</td>
<td>9.7</td>
</tr>
<tr>
<td><strong>First/Repeat Visit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First</td>
<td>130</td>
<td>52.4</td>
</tr>
<tr>
<td>Repeat</td>
<td>118</td>
<td>47.6</td>
</tr>
<tr>
<td><strong>Hotel Stars</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-star</td>
<td>79</td>
<td>31.9</td>
</tr>
<tr>
<td>4-star</td>
<td>80</td>
<td>32.3</td>
</tr>
<tr>
<td>5-star</td>
<td>89</td>
<td>35.8</td>
</tr>
</tbody>
</table>

Notes: N=248

4.1.3 Frequency of Guest Feedback Channels Available

Table 4.3 presents the frequency of the respondents' experiences of the feedback channels. The results show that the most common guest feedback channels available at the hotels are "Guest Comment Card" (47.2 per cent), followed by
“Questionnaire inside the room” (34.3 per cent), and “Guest Contact Staff” (27.4 per cent). “Phone Survey” (12.9 percent) is much less used than the previous three channels and followed by “Internet Survey” (7.3 per cent). The least common guest feedback channels used by the hotels are “Personal Visit”, “Mail Survey” and “Focus Group”, the two with 2.4 per cent and the last with 2 percent. There is no respondent specify “Others” as instructed, so “Others” was discarded.

Table 4.3 Frequency of Guest Feedback Channels Available

<table>
<thead>
<tr>
<th>Rank</th>
<th>Feedback Channels Available</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Guest Comment Card</td>
<td>117</td>
<td>47.2</td>
</tr>
<tr>
<td>2</td>
<td>In-room Questionnaire</td>
<td>85</td>
<td>34.3</td>
</tr>
<tr>
<td>3</td>
<td>Guest Contact Staff</td>
<td>68</td>
<td>27.4</td>
</tr>
<tr>
<td>4</td>
<td>Telephone Survey</td>
<td>32</td>
<td>12.9</td>
</tr>
<tr>
<td>5</td>
<td>Internet Survey</td>
<td>18</td>
<td>7.3</td>
</tr>
<tr>
<td>6</td>
<td>Personal Visit</td>
<td>6</td>
<td>2.4</td>
</tr>
<tr>
<td>7</td>
<td>Mail Survey</td>
<td>6</td>
<td>2.4</td>
</tr>
<tr>
<td>8</td>
<td>Focus Group</td>
<td>5</td>
<td>2.0</td>
</tr>
</tbody>
</table>

4.1.4 Guest Perceived Effective Feedback Channels

The results appear in Table 4.4 show that from guest point of view, the most effective feedback channels include “Guest Contact Staff” (mean score=3.24), followed by “Guest Comment Card” (mean score=3.08) and then “In-room Questionnaire” (mean score=2.85). Much less effective channels are “Internet survey” (mean score = 2.29), “Telephone Survey” (mean score=2.28), “Personal Visit” (mean score=2.06) and “Mail Survey” (mean score=1.97). The guest perceived
least effective feedback channel was “Focus Group” (mean score=1.73). Since no respondents ticked “Others”, the variable was not included in this analysis.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Feedback Channels</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Guest Contact Staff</td>
<td>3.24</td>
<td>0.880</td>
</tr>
<tr>
<td>2</td>
<td>Guest Comment Card</td>
<td>3.08</td>
<td>0.793</td>
</tr>
<tr>
<td>3</td>
<td>In-room Questionnaire</td>
<td>2.85</td>
<td>0.767</td>
</tr>
<tr>
<td>4</td>
<td>Internet Survey</td>
<td>2.29</td>
<td>0.949</td>
</tr>
<tr>
<td>5</td>
<td>Phone Survey</td>
<td>2.28</td>
<td>0.881</td>
</tr>
<tr>
<td>6</td>
<td>Personal Visit</td>
<td>2.06</td>
<td>0.998</td>
</tr>
<tr>
<td>7</td>
<td>Mail Survey</td>
<td>1.97</td>
<td>0.876</td>
</tr>
<tr>
<td>8</td>
<td>Focus Group</td>
<td>1.73</td>
<td>0.836</td>
</tr>
</tbody>
</table>

Notes: Mean Scale: 1-4 (1=Not effective at all, 4=very effective); N=248

4.1.5 Types of Guest Feedback Behavior

The descriptive results in Table 4.5 show that when delighted or not satisfied with the products and services provided by the hotels, a large majority (73.8 per cent) of the respondents would choose “Talk to the hotel”, 14.1 per cent of the respondents would take “No action, stop patronizing the hotel”, followed by “Talk to relatives and friends”(10.9 per cent), much fewer of the respondents (6.9 per cent) chose “Talk to authorities” and least respondents would “Keep silent” (2.8 per cent).

<table>
<thead>
<tr>
<th>Rank</th>
<th>Types of Behavior</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Talk to the hotel</td>
<td>183</td>
<td>73.8</td>
</tr>
<tr>
<td>2</td>
<td>No action, stop patronizing</td>
<td>35</td>
<td>14.1</td>
</tr>
<tr>
<td>3</td>
<td>Talk to relatives &amp; friends</td>
<td>27</td>
<td>10.9</td>
</tr>
<tr>
<td>4</td>
<td>Talk to authorities</td>
<td>17</td>
<td>6.9</td>
</tr>
<tr>
<td>5</td>
<td>Keep Silent</td>
<td>7</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Notes: N=248
Such a large feedback intention rate could offer hotel managers good opportunities to get real-time feedback from customers and to recover failures occurred, thus to increase customer satisfaction and loyalty. This may indicate that hotel guests are more knowledgeable about their rights as a consumer. Another possible reason may be that the hotel industry in China has a more open and responsive culture where customer complaints are openly invited and handled more professionally and effectively.

4.1.6 Guest Intended Feedback Channels

Table 4.6 show that when the respondents have the intention to talk to the hotel, half of them would choose “Talk verbally to the management”, 27.4 per cent of them would “Fill out comment card”, 20.6 per cent of them would “Talk Verbally to staff” and 13.7 per cent of the respondents would “Write to the management”. Very few do not know how to talk to the hotel. Most of them prefer verbal communication and do not like to write their incidents. This inclines with the findings in the study done Tax and Brown (1998) that oral communication is better suited to conveying compassion and empathy to irate customers than written communication.

Table 4.6 Frequency of Guest Intended Feedback Channels \( (N=248) \)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Feedback Channels</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Talk verbally to the management</td>
<td>124</td>
<td>50.0</td>
</tr>
<tr>
<td>2</td>
<td>Fill out comment card</td>
<td>68</td>
<td>27.4</td>
</tr>
<tr>
<td>3</td>
<td>Talk verbally to staff</td>
<td>51</td>
<td>20.6</td>
</tr>
<tr>
<td>4</td>
<td>Write to the management</td>
<td>34</td>
<td>13.7</td>
</tr>
<tr>
<td>5</td>
<td>Do not know how to do</td>
<td>5</td>
<td>2.0</td>
</tr>
</tbody>
</table>
4.1.7 Guest Complaint Motives

Ranked the first motive in Table 4.7 that most respondents would complain was to “Seek assurance from company same mistake will not occur” at a mean score of 3.59. Of the other 6 motives, three have an over 3.00 mean score rating: “Seek apology”(3.49), “Seek for company improvement”(3.48) and “Seek for corrective action”(3.31) and the motives of “Seek apology and compensation” (2.75) and “Seek for explanation” (2.68) rated relatively lower. The lowest mean score of the motive was “Seek compensation” (2.48). It appears that guests do not focus on compensation but do expect hotels to have a sincere attitude toward guest complaint, take action and make real improvement.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Complain Motives</th>
<th>Mean</th>
<th>Std.Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Seek assurance same mistake not occur</td>
<td>3.59</td>
<td>0.629</td>
</tr>
<tr>
<td>2</td>
<td>Seek appology</td>
<td>3.49</td>
<td>0.858</td>
</tr>
<tr>
<td>3</td>
<td>Seek for company improvement</td>
<td>3.48</td>
<td>0.655</td>
</tr>
<tr>
<td>4</td>
<td>Seek for corrective action</td>
<td>3.31</td>
<td>0.814</td>
</tr>
<tr>
<td>5</td>
<td>Seek appology and compensation</td>
<td>2.75</td>
<td>0.948</td>
</tr>
<tr>
<td>6</td>
<td>Seek for explanation</td>
<td>2.68</td>
<td>0.970</td>
</tr>
<tr>
<td>7</td>
<td>Seek compensation</td>
<td>2.48</td>
<td>0.863</td>
</tr>
</tbody>
</table>

Notes: Mean Scale: 1-4 (1=Not important at all, 4=Very important); N=248

4.1.8 Complaint Motives and Gender

The result in Table 4.8 show that female guests’ mean scores of complaint motives were higher than male guests. These results concur with the findings of similar previous studies that female customers are more inclined to complain. Independent sample T-Test show that the relationship between respondents’ gender characteristic and complaint motives was significant on the motives of seeking
"apology", "compensation" and "apology and compensation" at the level of 0.05. It indicated that female guests are more interested in seeking apology and compensation.

**Table 4.8 Guests' Gender and Complaint Motives**

*Independent Samples T-Test Results - Testing for Significant Differences between Guests' Gender towards Factors that Influence Complaint Motives*

<table>
<thead>
<tr>
<th>Factors</th>
<th>Male (Mean)</th>
<th>Female (Mean)</th>
<th>t - value</th>
<th>2-tail Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apology</td>
<td>3.34</td>
<td>3.83</td>
<td>-4.230</td>
<td>0.000*</td>
</tr>
<tr>
<td>Compensation</td>
<td>2.15</td>
<td>3.24</td>
<td>-11.203</td>
<td>0.000*</td>
</tr>
<tr>
<td>Apology and compensation</td>
<td>2.50</td>
<td>3.33</td>
<td>-7.179</td>
<td>0.000*</td>
</tr>
<tr>
<td>Explanation</td>
<td>2.63</td>
<td>2.79</td>
<td>-1.214</td>
<td>0.227</td>
</tr>
<tr>
<td>Corrective action</td>
<td>3.29</td>
<td>3.36</td>
<td>-0.615</td>
<td>0.539</td>
</tr>
<tr>
<td>Company improvement</td>
<td>3.47</td>
<td>3.51</td>
<td>-0.386</td>
<td>0.700</td>
</tr>
<tr>
<td>Same mistake not occur</td>
<td>3.57</td>
<td>3.65</td>
<td>1.021</td>
<td>0.309</td>
</tr>
</tbody>
</table>

* 2-tail probability ≤0.05 that show statistically significant differences

**4.1.9 Complaint Motives and First/Repeat Visits**

The results in Table 4.8 show that the mean scores of repeat visit with complaint motives were a bit higher than first visit except that with motive "Seek assurance same mistake not occur". The result of independent samples T-Test shows that the relationship between visits of the first time and the repeat and guest complaint motives was not significant at the level of 0.05 (Table 4.8) except the complaint motive "Seek apology and compensation" (2-tailed Significant 0.031). It indicated that the repeat guests were more interested than first time visitors in seeking apology and compensation. For other motives of Seeking "assurance same mistake not occur", "apology", "company improvement", "corrective action" and "explanation", there
were not much differences between first time visitor and repeat guests. The possible reason for this may be that most of the repeat guests were not loyal to the hotels yet. A loyal customer would care more about the improvement of the hotel and be more demanding in the service recovery activities of the hotel he or she is loyal to.

Table 4.9 First and Repeat Visits and Complaint Motives

Independent Samples T-Test Results - Testing for Significant Differences between First and Repeat Visit Guests towards Factors that Influence Complaint Motives

<table>
<thead>
<tr>
<th>Factors</th>
<th>First Visit (Mean)</th>
<th>Repeat Visit (Mean)</th>
<th>t - value</th>
<th>2-tail Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apology</td>
<td>3.45</td>
<td>3.53</td>
<td>-0.655</td>
<td>0.513</td>
</tr>
<tr>
<td>Compensation</td>
<td>2.46</td>
<td>2.50</td>
<td>-0.350</td>
<td>0.727</td>
</tr>
<tr>
<td><strong>Apology and compensation</strong></td>
<td>2.63</td>
<td>2.89</td>
<td>-2.169</td>
<td><strong>0.031</strong>*</td>
</tr>
<tr>
<td>Explanation</td>
<td>2.68</td>
<td>2.68</td>
<td>-0.008</td>
<td>0.993</td>
</tr>
<tr>
<td>Corrective action</td>
<td>3.28</td>
<td>3.35</td>
<td>-0.607</td>
<td>0.545</td>
</tr>
<tr>
<td>Company improvement</td>
<td>3.45</td>
<td>3.53</td>
<td>-0.952</td>
<td>0.342</td>
</tr>
<tr>
<td>Same mistake not occur</td>
<td>3.62</td>
<td>3.57</td>
<td>0.594</td>
<td>0.553</td>
</tr>
</tbody>
</table>

* 2-tail probability ≤0.05 that show statistically significant difference

4.1.10 Complaint Motives and Education Levels

The analysis result of one-way Anova appeared in Table 4.10 show that respondents of Junior high school and senior high school education level were more interested than that of post-secondary education level and above in seeking compensation while the respondents of senior high school education level and above were more demanding than those of junior high school education in seeking for explanation. The relationship between guest complaint motives of seeking “apology”, “apology and compensation”, “corrective action”, “company improvement” and “assurance same mistake not occur” and education level was not significant.
Table 4.10 Guests’ Education Levels and Complaint Motives

One-way Anova: A Comparison of Difference between Complaint Motives and Respondents' Education Levels

<table>
<thead>
<tr>
<th>Complaint Motives</th>
<th>Junior High School</th>
<th>Senior High School</th>
<th>Post Secondary College</th>
<th>University and above</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N=5</td>
<td>N=21</td>
<td>N=89</td>
<td>N=133</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
</tr>
<tr>
<td>Apology</td>
<td>3.60</td>
<td>3.48</td>
<td>3.61</td>
<td>3.41</td>
</tr>
<tr>
<td>Compensation</td>
<td>3.60</td>
<td>2.76</td>
<td>2.52*</td>
<td>2.37*</td>
</tr>
<tr>
<td>Apology and compensation</td>
<td>3.60</td>
<td>2.95</td>
<td>2.87</td>
<td>2.62</td>
</tr>
<tr>
<td>Explanation</td>
<td>2.40</td>
<td>3.24*</td>
<td>2.85*</td>
<td>2.48*</td>
</tr>
<tr>
<td>Corrective action</td>
<td>3.40</td>
<td>3.24</td>
<td>3.31</td>
<td>3.32</td>
</tr>
<tr>
<td>Company improvement</td>
<td>3.60</td>
<td>3.29</td>
<td>3.43</td>
<td>3.55</td>
</tr>
<tr>
<td>Same mistake not occur</td>
<td>4.00</td>
<td>3.67</td>
<td>3.56</td>
<td>3.59</td>
</tr>
</tbody>
</table>

* Significant difference ≤@ 0.05 level

4.2 Discussion

4.2.1 Summary

According to this study, the most common guest feedback channels used by the hotels investigated were Guest Comment Card, followed by In-room Questionnaire and Guest Contact Staff. Surveys, personal visit and focus groups were not common at the hotels. The most effective feedback channel from guests’ point of view was Guest Contact Staff, followed by Guest Comment Card and In-room Questionnaire. When guests want to communicate with the hotels, most of them would rather talk verbally to the management than to guest contact staff which they perceived the most effective channel for feedback. The possible reason may be only in this way can they be assured that their complaint efforts of seeking insurance from company same mistake not occur can be fruitful. An interesting finding of this study is that a large...
majority of respondents would choose “talk to the hotel” when they were delighted or dissatisfied. This made hotel managers luckier than those in other industries that they have opportunities to recover their service failures and turn dissatisfied customers into satisfied or even loyal customers. The relationship between respondents’ demographic and traveling characteristic and complaint motives was found not so significant at the level of 0.05 except on the motives of seeking “apology”, “compensation” and “explanation”.

4.2.2 Implications for Managers

Based on the findings of this study, a number of implications can be drawn:

First, guest contact staff should be empowered to fix the problem on the spot. It can be put into the policies and procedures of the hotel that every employee should handle and resolve the query or complaint of customer whenever and wherever he or she encounters and can not forward an unsolved problem to others in case the problem can be resolved on the spot even if it is not within his or her work responsibility. Employees should have both permission to take time out from their regular duties and have certain amount of money spending authority to fix problems. So that forwards of customer problems due to "outside my reference" employee reactions, which are time consuming for both customers and companies, can be prevented. This one-stop fix-it feedback mechanism can save customer’s time and effort to explain his issue again to the management. When customers find that employees treat their problems seriously and resolve them immediately and
effectively, they do not have to switch to the management for their issues and their satisfaction can be increased.

Second, recognition should be given to employees who are able to detect upset customers and anticipate and correct mistakes. Those employees who can turn dissatisfied customers into good-will ambassadors or make customers delighted should be publicly appreciated and rewarded immediately. A company pin or a certain amount of rewarding money or a subsidy for education fees for an outside developing program can be offered to the winners. This recognition practice can help develop a customer orientation culture.

Third, training is important for developing customer contact staff’s skills of customer problem solving and complaint handling. Case studies, role plays and video shows of problem solving and complaint handling should be included in the training sessions, which help employees to consolidate the proper concepts and develop professional behavior towards customer complaints. When customers’ problems or complaints have been resolved effectively, their upset or dissatisfaction may turn into satisfaction, trust, and confidence.

Fourth, the management should let all the staff understand the benefits a satisfied customer and a loyal customer can bring to the hotel, the consequences of negative word of mouth advertisements and switching to other supplier from a dissatisfied customer and the advantages of proper service recovery by which customer relationships can be reinforced and the failure can be compounded. The managers should emphasize the concept of “complaint is a gift” at every training
and/or briefing occasion for employees and diminish or abolish the existing punishment policies related to customer complaint, so that employees could bear a positive attitude towards "criticism". Once the customer orientation permeates the organization, all the employees from the top management to the frontline staff will treat customer as king consciously and customer could have a feeling of welcome and encouragement for their feedbacks.

Fifth, since guest comment cards and in-room questionnaires are still very important guest feedback channels, the management are suggested to examine the content of the comment cards and questionnaires with the identified critical best practice recommendations made by Gilbert and Horsnell (1998) and redesign it if necessary to ensure that they can obtain needed information from their customers.

Sixth, the managers of hotels should take every customer interaction as an opportunity for feedback. Such activities as bi-weekly general manager’ cocktails with customers, calling and visiting customers frequently, welcoming and talking to customers in the lobby, etc. should be put into general managers’ routine schedules so that they can get real-time feedback and not always the last to hear about problems. Hotel managers should believe that customers possess good ideas and asking customers to participate in your problem-solving and idea generation is an act of courage, not of weakness.

Seventh, in order to get a higher percentage of customer feedback, besides the comment cards and questionnaires in the rooms, hotels can place a consumer service evaluation remote data entry terminal at the point of check-out to allow departing
guests to evaluate the performance of the hotel by simply pressing a series of keys in response to a set of structured questions. The evaluation task requires only 30 seconds to complete with simple, easy to understand and answer questions. The CSE terminal records and stores the data anonymously and efficiently, and allows periodic reporting to a central location for entry into a management information system. Consumers can be assured that their evaluation will be transmitted directly to the top management of the company and therefore, to the individual with authority to remedy any problem they may have experienced (Cadotte, 1978). Incentives such as free drinks, food or drink coupons can be given to those who submit the completed comment cards or questionnaires, or do the evaluation at the terminal.

Eighth, the hotels should have an information retrieval process which includes analysis of problem solving information, collection and forwarding of complaint data. The guest contact staff should forward the problem solving information to the department which is held accountable for dealing with complaints after the problem is fixed. Also a company-wide informational transparency is vital for the information retrieval to be successful in general and for using information effectively in particular. However, especially for the collection and forwarding of complaint data, informational transparency is not always easy to achieve because the departments/employees involved could decide not to report problems as forwarding these information could lead to serious consequences for them. This is a big barrier for the company-wide dissemination of information. Risks linked to the forwarding of complaint data can be reduced by rewarding complaint reporting instead of
punishing the failure maker. This information retrieval function enables hotels to benefit from previous experiences and to use acquired knowledge to prevent similar or same mistake from occurring again and to be able to carry out corrective measures to fix problems and optimize internal processes. By using complaint information not only for solving a single case but in the long run, an institutionalized complaint management system, which has impact on increasing customer satisfaction, can be established.
CHAPTER 5

Conclusion

5.1 Conclusion and Suggestions

Customer feedback is crucial to customer satisfaction and loyalty, but there have been relatively few studies evaluating customer feedback systems at hotels from customer point of view. This study has provided some valuable information on customer feedback and will help hoteliers establish effective customer feedback systems at the hotels in China. Guest comment card was found most popularly used by hotels investigated according to guests’ experiences. Managers should optimize the design and content of Guest Comment Card so as to obtain needed information from customers. Other devices such as mail survey, telephone survey, personal visit, internet, focus group were much less used at these hotels.

The channel of Guest Contact Staff was perceived the most effective among all the feedback channels by guests in this study. The reason might be its convenience and responsiveness for guests who want to communicate with the hotel about their issues. This implies that it is important to the effectiveness of guest feedback that Guest Contact Staff bear positive attitudes toward guest feedback and possess priority and professional skills in handling guest feedback. Otherwise guests may not trust Guest Contact Staff to handle their problems and may hesitate whether to take time and effort to look for the right person who can solve their problems. In
this case the hotel may run the risk of missing an opportunity to recover the failure when dissatisfaction occurred. Another finding in this study that most respondents would choose "talk verbally to the management" if they wanted to talk to the hotel indicates that guests trusted the management more than Guest Contact Staff in resolving their problems and getting the expected results. Hotels should lay emphasis on developing the concept, knowledge and skills of guest contact staff in handling guest feedback and empowering them to do the job efficiently.

The high guest feedback intention rate exceeded much of the ratio found in previous studies. Hotel managers should take these good opportunities to make every feedback effective and efficient so as to know better about guests' needs and desires and offer proper products and services customers expect.

Complainers mostly seek assurance from company same mistake will not occur. This requires the hotels to have an effective complaint management system to ensure informational transparency within the organization and proper actions taken to make improvement and prevent same mistake from happening again.

Female guests were found have higher complaint motives in seeking apology and compensation than their counterparts in this study. More efforts can be put in the service recovery ingredients of apology and compensation when handling complaints from female guests.

The repeat visitors were found more interested in seeking apology and compensation than first time visitors (Independent Samples T-Test). Repeat guests might think they deserve more care and benefits due to their repeat patronage. The
relationship between first time and repeat visits and other complaint motives of seeking “apology”, “compensation”, “assurance same mistake not occur”, “company improvement”, “corrective action” and “explanation” was found not significant. Hotels should have incentive programs for repeat customers and establish special relationship with them to build up their loyalty to the hotel.

Guests with higher education level were found less interested in seeking compensation but were more demanding in seeking explanation (One-way Anova). Those guests want to be respected. Employees in hotels should explain and apologize whenever necessary to dissatisfied customers so as to build up trust and confidence with them.

5.2 Limitations and Further Research

As most researches, this study had limitations that the sample size is relatively small and international chain hotels were not included in the investigation and the results may not represent international chain hotels. Further studies are suggested with larger sample for confirmation of the findings. More and more international chain hotels appear in China now and their inclusion is suggested for relative study in the future to examine effectiveness of customer feedback system at those hotels.
REFERENCES


Dear guest,

We do appreciate it if you could spare a few minutes of your precious time to complete this questionnaire. Your precious comments will surely help us to better our service to you and other guests. Please tick your choice with √.

1. Your gender: A. Male     B. Female
2. Which of these age groups are you in?
   A. 16-24     B. 25-34     C. 35-44     D. 45-59     E. 60+
3. Your nationality _________________________
4. What is your education level?
   A. Junior high school    B. Senior high School    C. Post-secondary college
   D. University or above
5. What is your occupation?
   A. Employer    B. Engineer    C. Manager    D. Technician/Supervisor
   E. Teacher    F. Student    G. Unemployed    H. Retired    I. Others,
   please specify __________
6. The purpose of your trip today?
   A. On business    B. Leisure /Holiday    C. Conference/Meeting
   D. Visiting friends/relatives
7. Is this your first visit or have you been before? A. First visit    B. Repeat
8. How does this hotel collect your comments/opinions about the hotel service (you can choose more than one)?

A. Guest Contact Staff   B. Guest Comment Card   C. Mail survey
D. Questionnaire inside the room   E. Telephone survey   F. Internet survey
G. Focus group   H. Personal visit   I. Others, please specify

9. Which of the following ways do you think are more effective to you to express your views/opinions about the hotel service? (1=not effective at all, 2=somewhat effective, 3=effective, 4=very effective)

<table>
<thead>
<tr>
<th></th>
<th>Not effective at all</th>
<th>Very effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Guest contact staff</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>B. Guest Comment Card</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>C. Mail survey</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>D. Questionnaire inside the room</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>E. Telephone survey</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>F. Personal visit</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>G. Internet</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>H. Focus group</td>
<td>1 2 3 4</td>
<td></td>
</tr>
<tr>
<td>I. Others, please specify</td>
<td>1 2 3 4</td>
<td></td>
</tr>
</tbody>
</table>

10. When you are delighted or not satisfied, what will you do?

A. Keep silent   B. Talk to relatives and friends   C. Talk to the hotel
D. Talk to authorities   E. No action, stop patronizing the hotel

11. If you want to talk to the hotel, which of the following will you choose?

A. Talk verbally to service staff   B. Talk verbally to the management
C. Write to the management   D. Fill out Guest Comment Card
E. Do not know how to do
12. Which do you think is more important when talking to the hotel about your dissatisfaction? Please range from important to not important: (1=not important at all, 2=somewhat important, 3=important, 4=very important):

<table>
<thead>
<tr>
<th></th>
<th>Not important at all</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Seek apology</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>B. Seek compensation</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>C. Seek apology and compensation</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>D. Seek for Explanation</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>E. Seek for corrective action</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>F. Seek for company improvement</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>G. Seek assurance from company same mistake will not occur</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>H. Others, please specify____________________</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Would you be so kind to hand in this questionnaire to our service people at the counter. Thank you very much!
Appendix 2: Questionnaire in Chinese used in the survey

问卷调查

亲爱的宾客：

若您能抽出您宝贵的时间填写下表，我们将非常感激。您的宝贵意见将帮助我们改进工作，更好地为您和其他客人提供服务。请在您的选项上打√。

1. 您的性别： A. 男 B. 女

2. 您的年龄为：
   A. 16-24岁 B. 25-34岁 C. 35-44岁 D. 45-59岁 E. 60岁以上

3. 您的国籍________________。

4. 您的受教育程度为： A. 初中 B. 高中 C. 大专 D. 大学或以上

5. 您的职业为：
   A. 雇主 B. 工程师 C. 经理 D. 技术员/主管 E. 教师 F. 学生
   G. 无业者 H. 退休人员 I. 其他，请列明：__________________

6. 您此行的目的是： A. 公差 B. 休闲度假 C. 参加会议 D. 探亲访友

7. 您是首次还是再次入住本店？ A. 首次 B. 再次

8. 酒店通常采用什么方式征询您的意见（可以选择多项）?
   A. 对客服务人员征询 B. 宾客意见书 C. 邮寄问卷 D. 客房宾客问卷
   E. 打电话 G. 网上征询 H. 召开小规模会议 I. 登门拜访
   J. 其他，请列明：__________________

9. 在表达您对酒店服务的意见时，您认为以下何种方式比较有效？（1 = 根本不有效；2 = 有些有效；3 = 有效；4 = 很有效）

<table>
<thead>
<tr>
<th></th>
<th>根本不有效</th>
<th>有效</th>
<th>很有效</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. 直接对客服务人员</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>B. 宾客意见卡</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>C. 邮件调查</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
D. 客房间问卷调查  1  2  3  4  
E. 电话调查            1  2  3  4  
F. 登门拜访            1  2  3  4  
G. 网上征询            1  2  3  4  
H. 小组访谈            1  2  3  4

10、在饭店遇到让您感动或不满意时，您通常如何做？
A. 保持沉默        B. 向亲属和朋友诉说    C. 向酒店反映
D. 向有关部门反映    E. 不采取行动，不再光顾

11、如果您想向酒店反映，您选择以下哪种？
A. 向酒店服务人员口头反映    B. 向酒店管理人员口头反映
C. 向酒店管理层书面反映    D. 填写宾客意见书    E. 不知向谁反映

12、您认为酒店处理您所反映的问题时哪个更重要，请按重要到不重要排序？（1 = 根本不重要; 2 = 有些重要; 3 = 重要; 4 = 很重要）

<table>
<thead>
<tr>
<th></th>
<th>不重要</th>
<th>有些重要</th>
<th>重要</th>
<th>很重要</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. 道歉</td>
<td>1  2  3  4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. 补偿</td>
<td>1  2  3  4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. 道歉并补偿</td>
<td>1  2  3  4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. 讨个说法</td>
<td>1  2  3  4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E. 要求改正</td>
<td>1  2  3  4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F. 希望改进</td>
<td>1  2  3  4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G. 同样错误不再出现</td>
<td>1  2  3  4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H. 其他，请列明：</td>
<td>1  2  3  4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

请将填好的表格交给服务人员。衷心感谢您的支持，祝您旅途愉快，身体健康！