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Customer Satisfaction in Hospitality Industry

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ABSTRACT: The hospitality industry has various service sectors under its umbrella like lodging, food, beverage, tourism, recreation, and event management. Rooted in centuries-old traditions of serving guests, the industry today focuses on creating enjoyable and memorable experiences for customers, thus transforming hospitality venues into destinations. From luxurious hotels and fine dining to entertainment and travel services, the unifying goal remains to deliver satisfaction, comfort, and convenience to every guest.

New age hospitality also emphasizes important aspects, such as sustainability and safety. Businesses adopt eco-friendly practices such as energy conservation and waste reduction, to appeal to environmentally conscious consumers. At the same time, maintaining high hygiene and safety standards has become paramount, particularly in the post pandemic era. Each segment, be it food and beverage, lodging, or tourism, contributes uniquely to crafting fulfilling and secure guest experiences.

KEYWORDS: Customer, Customer Satisfaction, Hospitality Industry.

I. INTRODUCTION

The hospitality industry is a broad category of fields within the service industry that includes lodging, food and drink service, event planning, theme parks, travel, and tourism. It includes hotels, tourism agencies, restaurants, and bars. While the hospitality industry does not have one globally-accepted start date, its history dates back thousands of years and spans across the globe.

Although our modern-day version of hospitality looks different than it did thousands of years ago, it still follows one main theme: To provide guests with services. And guests do more than just make a pitstop at hospitality businesses these days. Many hospitality businesses are now seen as destinations themselves!

All these industries are connected by their drive to provide an enjoyable experience for all who participate. The atmosphere is welcoming and warm, the facilities sometimes offer convenient amenities such as showers or complimentary valet parking, and their revenue typically relies on whether people enjoy being there.

What is the goal of the hospitality industry?

The goal of the hospitality industry is to provide customers with an enjoyable experience. Whether that enjoyment comes from eating a good meal, relaxing in a luxurious spa, or getting a good night's rest away from home, making sure each individual guest is taken care of is paramount.

Another way to better understand hospitality is by looking at these goals: -

Food and beverage: The food and beverage sector which is professionally known by its initials as F&B is the largest segment of the hospitality industry. It can symbiotically function as part of other businesses, such as in bowling alleys or movie theatres.

Travel and tourism: Travel and tourism deal with services related to moving people from place to place. Buses, cabs, planes, ships, trains and so on are all part of the travel industry. The major function of the tourism is to encourage people



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to travel. When people travel, either for business or pleasure, they spend money on hospitality.

Lodging: Lodging means accommodation for a period or a place to sleep for one or more nights. Fancy hotels, youth hostels, elder hostels, campgrounds, motels and other businesses that provide a place for people to sleep overnight are all in the lodging industry.

Recreation: Recreation is any activity that people do for rest, relaxation, and enjoyment. Entertainment businesses which provide shows such as movie or theatre, attractions which are places of special interest of visits such as zoos and museums, spectator sports and participatory sports are all parts of the recreation business.

Sustainability: Implement eco-friendly initiatives such as energy conservation, waste reduction, and sustainable sourcing to minimize environmental impact and attract eco-conscious customers.

Safety & Hygiene: Maintain strict hygiene and safety protocols, ensuring a secure and clean environment for guests and employees, particularly in the post-pandemic landscape.

II. REVIEW OF LITERATURE

Pierce and Robinson (2011) mentioned that a customer is most likely to praise and become loyal to a product, brand or service if it satisfies them greatly. And inversely switch brands and talk bad about the hotel and its services if they are disappointed in the services anytime. The brand of the hotel is an essential factor that emphatically or contrarily influences advertising exercises and the image is the main thing that creates a good impression of the hotel.

Mathews (2008) observed that most organizations today face the problem of consistency, i.e., there is a dip in the quality of customer service that is offered by the organizations in the industry. This leads to dissatisfaction among customers. Moreover, competitions put an immense amount of pressure on certain hotel services to excel in their field. Plus, the innovations brought about enhance customer satisfaction and it is important for hotel services to keep up with such rampant changes while meeting customer demands and making a fair number of profits at the same time.

Nurminen (2007) understood that price level changes are not the reason customers get dissatisfied, but the mismatch in quality to the price level causes the dissatisfaction. The quality of products or services offered are what impact the satisfaction levels or dissatisfaction among the customers. It is vital for an organisation, that the dissatisfaction among customers is quantified. This also serves as a key purpose of separation that helps draw in new clients in focused business situations.

Abraham Pizam, Valeriya Shapoval and Taylor Ellis in their paper Customer satisfaction and its measurement in hospitality enterprises: a revisit and update (2016), The paper will analyse and discuss consumer satisfaction and its use in the hotel and tourist sectors. Following a description of the dimensions and qualities of satisfaction, the primary techniques of measuring satisfaction are outlined, and cross-cultural factors influencing satisfaction are discussed. Finally, the article provides a thorough evaluation of the current online tools and approaches available for assessing consumer happiness.

Hyekyung Park, Minwoo Lee, Ki-Joon Back in their paper Exploring the roles of hotel wellness attributes in customer satisfaction and dissatisfaction: application of Kano model through mixed methods (2020), aims to explore the underlying structure of wellness in upper-upscale and luxury hotels and the roles wellness attributes play in customer satisfaction and dissatisfaction. This study describes the fundamental structure of wellness in upper-upscale and luxury hotels. The findings show a substantial association between wellness qualities and client satisfaction/dissatisfaction. Using the Kano model, this study examines the precise roles of each wellness trait in consumer happiness and discontent.

Jiseon Ahn, Shiwen Lu in their paper Examining the relative role of CSR activity and service experience on cruise customers' behavior (2021), aims to examine the potential antecedents of cruise customers' positive responses toward cruise company. Hypothesis testing indicates that among cruise customers, perceived physical quality and staff behavior is more relevant for creating satisfaction and revisit intention than environmental and philanthropic CSR support.

Ha Thu Nguyen, Anh Thi Tu Le, Anh Chi Phan et al in their paper, A multi-perspective approach of international tourist satisfaction in tourism service: from big data perspective (2022), This paper aims to discover the key driver of international tourist satisfaction in the hospitality service and the way to effectively improve this factor, starting with



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the abundant online customer reviews. The research findings have defined the key characteristics of the staff, which is the most significant service component among the seven hotel service factors studied from the customer's perspective. On the other side, the study highlighted the disparity between customers' perceptions of employees and the enterprise's efforts and execution of this component. These findings enabled us to identify parts of our team that may be improved to better please clients and give a greater experience.

Sreejesh S., Juhi Gahlot Sarkar, Abhigyan Sarkar, et al in their paper, The impact of other customer perception on consumer-brand relationships (2017), aim to fill this gap in the literature in scholarly research on the impact of OCP on brand love and the moderating influence of customers' attachment styles in the context of hospitality industry. The data analysis shows that OCP predicts brand love through the mediation of satisfaction. Individual's anxious attachment style positively moderates "other customer perception-satisfaction" relationship, and avoidant attachment style negatively moderates the same relationship. Thus, the effect of OCP is positively moderated by anxious attachment style, and negatively moderated by avoidant attachment style.

Yi-An Chen, Chun Liang Chen in their paper, Case study of sustainable service design in the hospitality industry (2021), aim to explore how creative-cultural hotels can achieve sustainable service design through the development of a holistic conceptual framework. This study's findings demonstrate that incorporating local arts and culture into sustainable service design may provide consumers with unique value and experiences. In terms of sustainable growth, these hotels strive to create value by utilizing local creative and cultural resources, ensuring that they have a solid economic foundation from which to display their cultural elements. As a result, this research advises that the hotel sector adopt a paradigm that gives a strategic and sustainable vision for creating value for society while safeguarding local natural and cultural resources.

III. STATEMENT OF THE PROBLEM

Every business organization must strive to have a great customer relation. More so if it is an organization in the hospitality industry as it is directly related to the customer's personal comfort. This also instils confidence in the customer and enhances loyalty, increasing the organization's profitability in turn.

However, this is not always the case. Hospitality staff may find it hard to provide good service, either due to faults in the organization, customer or even circumstances that may be out of control. This leads to dissatisfaction among the customers and a distasteful experience among them.

The above-mentioned problem can be understood better as we dive deeper into the expectations of the customer. Organizations can solve these gaps by learning the needs of the customers and using the knowledge to help increase the customer satisfaction

IV. RESEARCH OBJECTIVES

The objectives of this study are: -

- To determine the customer satisfaction levels.
- To learn the challenges faced by the customers.
- To understand the issues faced by the organizations in meeting the demands of the customers.
- To evaluate options and determine solutions that bridge the gap between customer expectations and organizational approaches.

V. RESEARCH METHODOLOGY

The study is conducted on the customer satisfaction of the hospitality industry. Due to certain unforeseen circumstances and market conditions, primary data collection was limited.

There was cooperation from some hotels like I.V Sanctum in Bengaluru. As I V Sanctum Hotel is a 3-star establishment located at No. 33, 5th Main Road, Seshadri Road, near Anand Rao Circle in Gandhinagar, Bangalore. The hotel offers 92 rooms equipped with modern amenities to ensure a comfortable stay. Guests can enjoy facilities such as a restaurant



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serving a variety of cuisines, a lounge bar for relaxation, and 24-hour room service. For business travelers, the hotel provides conference and banquet facilities suitable for meetings and events.

The hotel has received positive feedback from guests, with a rating of 4 out of 5 on Tripadvisor. Travelers have appreciated its central location, quality of service, and range of amenities.

Nevertheless, ROL were obtained and studied after an extensive scout. GAP Analysis was performed by evaluating and reviewing the data and information obtained. Through acquiring and studying the secondary data, the solution is ascertained.

VI. DATA ANALYSIS AND INTERPRETATION

Here is what we can infer from the responses from our questionnaire:

a. Key Factors Influencing Hotel Choice

The survey revealed that **price, location, cleanliness, and service quality** are the top factors guests consider when choosing a hotel. This indicates that while cost is important, the hygiene and service experience play a crucial role in decision-making.

b. Positive Experiences in Hotels

Respondents who had exceptional hotel stays highlighted **outstanding customer service, personalized experiences, and well-maintained facilities** as key reasons. This suggests that hotels focusing on guest engagement and high service standards tend to create memorable experiences.

c. Disappointing Hotel Experiences

For negative experiences, **poor customer service, cleanliness issues, and unmet expectations regarding amenities** were the most common complaints. The way hotels handled complaints—whether offering compensation or showing indifference—significantly impacted guests' satisfaction and likelihood of returning.

d. Booking Preferences

Most respondents preferred booking through **travel websites (e.g., Expedia, Booking.com) or hotel websites**, while a smaller segment still used phone reservations. This underscores the importance of online presence and user-friendly booking platforms for hotels.

e. Important Hotel Aspects

When asked about the most important elements of a hotel stay, **cleanliness, staff behavior, and comfort/amenities** emerged as the top three factors. This aligns with broader industry trends where guest expectations are centered around hygiene and service.

f. Preferred Amenities

The most valued hotel amenities included **free Wi-Fi, complimentary breakfast, gym/spa facilities, swimming pools, and room service**. These findings suggest that offering such facilities can enhance customer satisfaction and attract more bookings.

g. Guest Satisfaction Perception

A divided response emerged regarding whether hotels prioritize guest satisfaction. While some felt that **most hotels do focus on customer experience**, others believed that **profit was a bigger focus than guest needs**. This indicates a perception gap that hotel managers should address.

h. Feedback Methods

Guests typically provided feedback through **online reviews, surveys, and direct communication with hotel staff**. A small portion of respondents admitted they do not usually give feedback, highlighting an area where hotels could encourage more participation.

i. Impact of Online Reviews

The influence of online reviews was significant, with most respondents stating that they **always check reviews before**



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booking. This underscores the importance of maintaining a strong online reputation.

j. Pricing vs. Service

When asked to choose between **affordable pricing and premium service**, responses were split, showing that while cost is a crucial factor, many guests are also willing to pay for a higher level of comfort and experience.

k. Role of Staff Behavior

Hotel staff's attitude was considered **extremely important** in shaping the overall experience, reinforcing the need for customer service training in the hospitality industry.

l. Changes in Hotel Services

Most respondents noticed **improvements in hotel services in recent years**, particularly in technology and cleanliness standards. However, a minority felt that little had changed.

m. Sustainability Efforts in Hotels

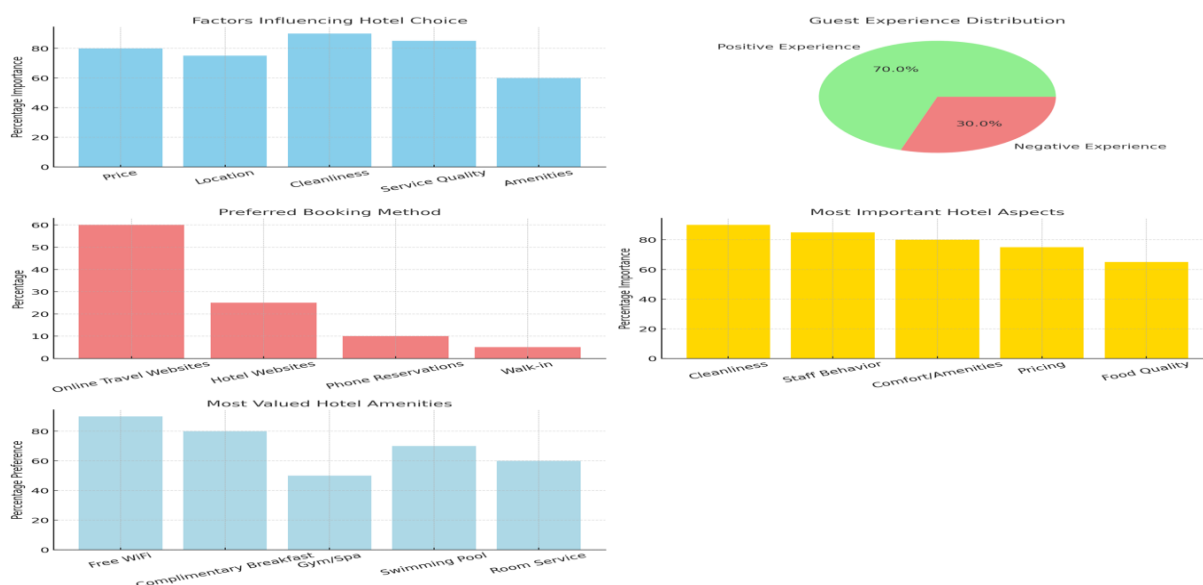
Eco-friendly practices such as **water conservation and sustainable products** were seen as **important but not always a deciding factor**. This suggests that while green initiatives are appreciated, they do not necessarily influence booking decisions significantly.

n. Willingness to Pay More for Better Service

A significant portion of respondents expressed **willingness to pay extra for superior services and experiences**, indicating that high-end service offerings can justify premium pricing.

o. What Makes a Hotel Stay Special? Common responses included **personalized services, comfortable rooms, exceptional customer service, and unique amenities**. This reinforces the idea that emotional connections and attention to detail contribute to a memorable stay.

Data Interpretation and analysis/Graphs and charts



VII. CONCLUSION

Customer satisfaction levels are a key indicator of success of a business in this specific industry. It is usually low when customers do not find a service, or the conduct of the staff. A solution to this could be to conduct a survey of majority of



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customer's main expectations and to fulfil them by offering those services. The organization should also employ and train their staff to meet the standard required by the industry.

As discussed, the hospitality industry is bifurcated into 4 sub-industries. Each complimenting the other. For example, Food and Beverage may not be profitable if it is not complemented with Lodging or Recreation. Hence it can also be said that the sub- industries co-exist symbiotically in the Hospitality industry.

External factors affect all kinds of business always. The main 5 of them being, S, L, E, P, and T: Social, Legal, Economic, Political and Technological. Apart from these another important factor would be Environmental. Any Act of God circumstances can almost uproot the survival of these industries in certain Geographical areas. A very good example of this would be, the complete standstill of Hospitality activities during the Novel Coronavirus Pandemic of 2020.

There are always some features that may be missed out on to offer all customers the highest levels of satisfaction. In such cases, it is important to compare the projected profits and expected losses over the investments.

If the profits are insufficient and the losses on forgoing the feature, are bearable, it may be wiser to avoid it, to maintain the feasibility of the industry in the long-run.

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