

**A STUDY ON THE LEVEL OF CUSTOMER SATISFACTION
AT ABIRAMI HOTELS, COIMBATORE**

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A PROJECT REPORT

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of*

MASTER OF BUSINESS ADMINISTRATION

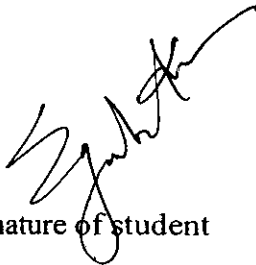


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July, 2009

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Certified that the Project report titled *A Study on the Level of Customer Satisfaction At Abirami Hotels, Coimbatore* is the Bonafide work of Mr./Ms. E.Ganesh Kumar who carried out the work under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

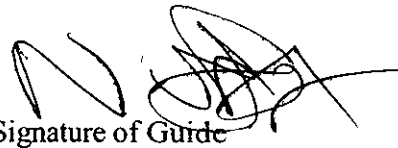


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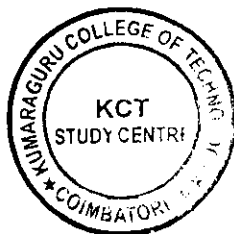
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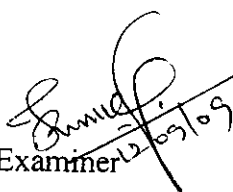
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TO WHOMSOEVER IT MAY CONCERN

This is to certify that *Mr.E.Ganesh Kumar* has successfully completed his project titled *A Study on the Level of Customer Satisfaction at Abirami Hotels, Coimbatore*, under my Guidance. During the course of project his conduct was found good. We wish him all the best in all his future endeavours.

For Abirami Hotels,

Mr. Krishnan

Managing Partner

Abirami Hotels

ABSTRACT

In the business arena the customer is the “king”. It may not be possible to get a new customer, but a successful businessman should not lose a customer by any chance. It is very expensive to get a new customer than maintaining the old customers. As the lifestyle keeps changing the buying behaviour of the customer also varies accordingly. It has always been a challenge to the marketers to study the buying behaviour of the customer.

Taking into account the hotel industry has been in much greater challenge to meet the changing needs of the customer. Hence a thorough study of the customer satisfaction with various influencing factors would help the marketers to build in customer loyalty. It is always worth spending effort to measure the extent of satisfaction through suitable research.

Ever since its inception 18 years ago, Abirami Hotel continued to be popular in the minds of the customers. The recent mushroom growth of restaurants in and around Abirami Hotels locality poses themselves as competitors to the hotel under study.

The study was conducted by using exploratory research. Since all the customers cannot be studied, the researcher along with peer team in the management helped to identify the source of regular customers, i.e. business people visiting regularly, staffs working in the near by locality working in banks, schools and family in the near by locality.



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CHAPTER 1

INTRODUCTION

1.1 THEORETICAL BACKGROUND OF THE PROBLEM UNDER STUDY

Introduction to the Catering Industry

The hotel industry in India is going through an interesting phase. One of the major reasons for the increase in demand for hotel rooms in the country is the boom in the overall economy and high growth in sectors like information technology, telecom, retail and real estate. Rising stock market and new business opportunities are also attracting hordes of foreign investors and international corporate travellers to look for business opportunities in the country.

The Government of India's Incredible India destination campaign and the Atithi Devo Bhavah campaign have also helped the growth of domestic and international tourism and consequently the hotel industry.

In recent years the government has taken several steps to boost travel and tourism, which have benefited the hotel industry in the country. These include the abolishment of the inland air travel tax by 15%, reduction in excise duty on aviation turbine fuel to 8% and removal of a number of restrictions in excise on outbound chartered flights including those relating to frequency and size of aircraft. The government's decision to treat convention centres as part of core infrastructure has also fuelled the demand for hotel rooms.

There are some 1,980 hotels approved and classified by the Ministry of Tourism, Government of India, with a total capacity of about 110,000 hotel rooms. Revenues of the hotel and restaurant industry in India during the financial... year 2006-07 was Rs 604.32 billion, a growth of 21.27% over the previous year, primarily driven by foreign tourist arrivals, which increased by 14.17%. The hospitality industry is poised to grow at a faster rate and is expected to reach Rs 826.76 billion by 2010.

While the potential of hotel industry is great, there are several constraints for the industry to grow. High cost of land in the country often discourages an investor to put in money in construction of new hotels. Construction of hotels is highly capital intensive and it is estimated that to construct a single five-star room it costs around Rs 1.25 crore. As a result there is no incentive to construct new hotel properties and there is a mismatch between demand and supply leading to higher occupancy rates

and increasing prices. In fact, average rate of hotel rooms in five-stars has gone up from Rs 4,000 five years ago to Rs 16,000 now. Though this rate can be affordable for business travellers, it is very difficult for leisure travellers to pay such exorbitant rates.

Across the country there is no rationalisation of taxes as states charge different rates. Secondly, multiplicity of taxes like value added tax and service tax further compound the problem. Tax holidays are available only to hotels at heritage sites and so this measure is restrictive for the growth of the hotel industry.

In order to increase the stock of hotel rooms, the Federation of Hotel and Restaurant Associations of India suggested to the government that the floor area ration of the existing hotels should be increased. This was a couple of years before and will help create additional rooms in the existing properties and ease the burden of shortage of hotel rooms in the country. The proposal is yet to be implemented.

Type of Catering Establishments

The economic health of the nation is reflected by the food served in the home and the restaurants and hotels of the country. Therefore we can realize the social and economic importance of the catering industry. Hotels and Restaurants come under commercial Catering. The great variety of Hotels and Restaurants can be demonstrated by comparing the palatial, firstclass luxury Hotels with the small hotel owned and run as a family concern. With Restaurants a similar comparison may be made between the top exclusive class Restaurant and the small one which may just serve a few lunches.

Hotels are residential and most of them provide breakfast, lunch, dinner and snacks. In some Hotels conferences and banquets will be an important part of the business. Restaurants will vary with the kind of meal they serve. Some serve all type of meals while others serve only Lunch or Dinner. Again banquetting may form an important part of the restaurant's service.

1.2 PROBLEM STATEMENT AND ITS SIGNIFICANCE

In the business arena the customer is the “king”. To loose a customer is to loose the business. It may not be possible to get a new customer, but a successful businessman should not loose a customer by any chance. It is very expensive to get a new customer than maintaining the old customers. As the lifestyle keeps changing the buying behavior of the customer also varies accordingly. It has always been a challenge to the marketers to study the buying behavior of the customer.

Taking into account the hotel industry has been in much greater challenge to meet the changing needs of the customer. Hence a thorough study of the customer satisfaction with various influencing factors would help the marketers to build in customer loyalty. It is always worth spending effort to measure the extent of satisfaction through suitable research.

Ever since the foundation over 18 years, Abirami Hotel continued to be popular in the minds of the customers. The recent mushroom growth of restaurants in and around the 100 feet locality poses themselves as competitors to the hotel under study. The study is intended to find the

- The extent of satisfaction derived by the individual under the sample
- The influencing factors for satisfaction derived

1.3 OBJECTIVE OF THE STUDY

The objective of the study is to determine the level of customer satisfaction derived by the customers visiting Abirami Hotels, Coimbatore.

- 1 Study the extent of satisfaction derived by the customers
- 2 To Measure and identify the factors that influence the Customer Satisfaction
- 3 To present the facts and findings to the Hotel Management which would help in their Business Development

1.4 SCOPE OF THE STUDY

The study aims at discovering the existence of relationship between customer satisfaction and certain given factors and probing the satisfaction derived by the customers of Abirami Hotels. The study would help the Hotel management to improve the satisfaction levels by concentrating on the significant factors.

HISTORY OF ABIRAMI HOTELS

Abirami Hotels is a family owned hotel run in the Coimbatore city with a reputation. The Hotel has been started 18 years ago by three brothers in the hundred feet Road. The dedication and the hard work of the brothers and their interest for the customers had earned them a lot of respect among the customers. They have earned reputation in the customers mind.

Modernized equipments add to the quality and standardization of food at the Hotel. They have a well organized store and the management handles the inventory level well within the limits. Since established they have been providing the best service to the customers and they believe in the Mantra of *Customer is the King*. This has helped them to grow up to this level, as the catering industry is growing up the management is keen in improving their business. They are re thinking their strategy and hope this study would help them in expanding their business growth.

CHAPTER 2

REVIEW OF LITREATURE

2.1 CUSTOMER SATISFACTION SURVEYS CAN KEEP YOUR CUSTOMERS COMING BACK ¹

Restaurant customer satisfaction surveys gives quantitative insight into the opinions and attitudes of your customers. We will obtain facts about what they want, what they expect, and if they plan to return to your restaurant again. If results show that restaurant does not meet customers expectations, we will know exactly what areas to target for improvement. Restaurant customer satisfaction surveys can tell about the demographics of customers as well as give you insight into what they really think about:

- Food quality
- Menu selection
- Menu pricing and value
- Waiting times
- Promptness of service
- Professionalism and friendliness of server(s)
- Server's knowledge of menu
- Decor
- Restaurant location
- Overall restaurant experience

2.2 CUSTOMER SATISFACTION ²

It's a well known fact that no business can exist without customers. In the business of Website design, it's important to work closely with customers to make sure the site or system we create for them is as close to their requirements as you can manage. Because it's critical that we form a close working relationship with your client, customer service is of vital importance. What follows are a selection of tips that will making clients feel valued, wanted and loved.

The Customer Satisfaction Model

Management and marketing technique can be used for measuring client happiness. Kano's model of customer satisfaction distinguishes **six categories of quality attributes**, from which the first three actually influence customer satisfaction:

Basic Factors (Dissatisfiers. Must have) - The minimum requirements which will cause dissatisfaction if they are not fulfilled, but do not cause customer satisfaction if they are fulfilled (or are exceeded). The customer regards these as prerequisites and takes these for granted. Basic factors establish a market entry 'threshold'.

Excitement Factors (Satisfiers. Attractive) - The factors that increase customer satisfaction if delivered but do not cause dissatisfaction if they are not delivered. These factors surprise the customer and generate 'delight'. Using these factors, a company can really distinguish itself from its competitors in a positive way.

Performance Factors - The factors that cause satisfaction if the performance is high and they cause dissatisfaction if the performance is low. Here, the attribute performance-overall satisfaction is linear and symmetric. Typically these factors are directly connected to customers' explicit needs and desires and a company should try to be competitive here.

2.3 MODELS OF CONSUMER BEHAVIOUR ³

In order to design the best product, it is necessary to understand not just the physics and chemistry of the product, but also the psychology of consumers and the sociology of consumer groups or networks. Goal is to have a model of the marketplace that describes certain aspects of consumer buying behaviour. There are two main parts to such a model:

A description of a population of "consumers", which each choose (buy) repeatedly one of a number of competing "brands" (we can ignore the difference between product and brand in this case). This subdivides into a description of the behaviour of a single consumer ("consumer psychology model"), and of the collective behaviour of a group, in other words of the interactions between consumers ("consumer sociology model").

A description of "brand management": agents ("brand managers") change the attributes of a brand such as price or quality in response to events in the marketplace.

2.4 THE ATTITUDE - TOWARD – BEHAVIOR MODEL – FISH BEIN’S MODEL ⁴

The focus on of Fish Bein’s attitude toward behavior model is the individual’s attitude toward behaving or acting with respect to an object, rather than the attitude toward the object itself.

The appeal of the attitude- toward behavior model is that it seems to correspond more closely to the actual behavior than does the attitude toward –Object model.

$$\text{Attitude} = n \sum_{i=1} b_i e_i$$

Attitude₀ → Overall Measure of affect for or against the attitude towards the service

b_i → Strength of the belief that attitude contains the i th attribute

e_i → evaluative dimension associated with the i th attribute

The questionnaire should be made to assess these two factors:

To assess the Evaluative Component (e_i):

The Ambience in Restaurant

Very Important [+3][+2][+1][0][−1][−2][−3] Not Important

To assess the beliefs (b_i) Component:

How likely is the Ambience @ Abirami Hotels

Very Good [+3][+2][+1][0][−1][−2][−3] Very Bad

The summation of b_i and e_i for all the attributes would give us the Attitude- towards- Object Analysis scores.

2.5 CHI – SQUARE TEST ⁵

The chi square test is one of the simplest and most widely used non-parametric test in statistical work. It makes no assumptions about the population being sampled. The quantity chi square describes the magnitude of discrepancy theory and observation. Ie with the help of chi square we can know whether a given discrepancy between theory and observation can be attributed to chance or whether it results from inadequacy of the theory to fit the observed facts. If chi square is zero, it means the observed and expected frequencies completely coincide. The greater the value of the Chi square, greater would be the discrepancy between the observed and expected frequencies. The formula for calculating the Chi- Square is :

$$\text{Chi - Square} \rightarrow \frac{(O-E)^2}{E}$$

Where,

O = Observed frequency

E = Expected Frequency

The calculated chi square value is compared with the table value of chi square for given degrees of freedom at specified level of significance. If the calculated value is greater than the table value, the difference between theory and observation is considered to be significant, ie, it could not have raised due to fluctuations of simple sampling. On the other hand, if the calculated chi square value is less than the table value, the difference between the theory and observation is not considered significant, ie, it could have arisen due to fluctuations of sampling.

2.6 DIFFERENT TYPES OF QUESTIONS IN QUESTIONNAIRE DESIGN ⁶

Outsource marketing questionnaire design to Outsoure2india and get access to proficient and professional services within a fast turnaround time. If your organization wishes to collect data from a large audience; well-formatted questionnaires can be your means to collect data. Outsoure2india, a pioneer in outsourcing has years of experience in designing effective questionnaires.

We have a team of qualified marketing questionnaire design experts who are skilled in designing ideal questionnaires. Apart from designing questionnaires, we also have expertise in devising questions that can help you get the answers that you require.

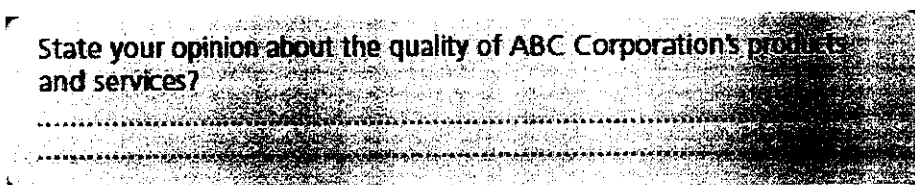
There are different types of questions that can be put forth to a large audience. The key to getting the right data depends on the questions that are asked. We have knowledge and expertise in the different types of questions in questionnaire design.

The following is a list of the different types of questions in questionnaire design:

Open Format Questions

Open format questions are those questions that give your audience an opportunity to express their opinions. In these types of questions, there are no predetermined set of responses and the person is free to answer however he/she chooses. By including open format questions in your questionnaire, you can get true, insightful and even unexpected suggestions. Qualitative questions fall under the category of open format questions. An ideal questionnaire would include an open format question at the end of the questionnaire that would ask the respondent about suggestions for changes or improvements.

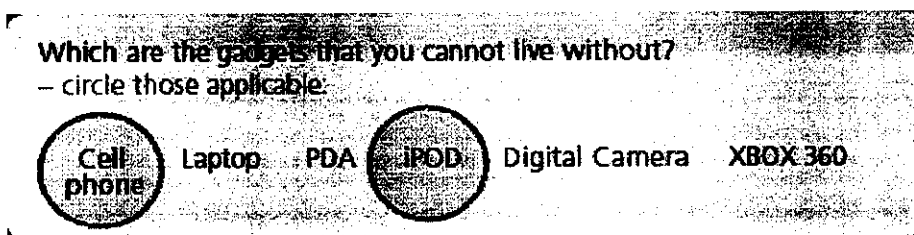
Example



Closed Format Questions

Closed format questions are questions that include multiple choice answers. Multiple choice questions fall under the category of closed format questions. These multiple choices could either be in even numbers or in odd numbers. By including closed format questions in your questionnaire design, you can easily calculate statistical data and percentages. Preliminary analysis can also be performed with ease. Closed format questions can be asked to different groups at different intervals. This can enable you to efficiently track opinion over time.

Example



Leading Questions

Leading questions are questions that force your audience for a particular type of answer. In a leading question, all the answers would be equally likely. An example of a leading question would be a question that would have choices such as, fair, good, great, poor, superb, excellent etc. By asking a question and then giving answers such as these, you will be able to get an opinion from your audience.

Example

How would you rate the products of XYZ Corporation?

<input checked="" type="radio"/> 1 Fair	<input type="radio"/> 2 Good	<input type="radio"/> 3 Excellent	<input type="radio"/> 4 Superb
--	---------------------------------	--------------------------------------	-----------------------------------

Importance Questions

In importance questions, the respondents are usually asked to rate the importance of a particular issue, on a rating scale of 1-5. These questions can help you grasp what are the things that hold importance to your respondents. Importance questions can also help you make business critical decisions.

Example

Which of the following services are:

<input type="radio"/> 1 Extremely Important	<input checked="" type="radio"/> 2 Very Important	<input type="radio"/> 3 Somewhat Important	<input type="radio"/> 4 Not very Important	<input type="radio"/> 5 Not at all Important
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Likert Questions

Likert questions can help you ascertain how strongly your respondent agrees with a particular statement. Likert questions can also help you assess how your customers feel towards a certain issue, product or service.

Example

ABC Corporation's products have to improve on quality

<input type="radio"/> 1 Strongly Agree	<input checked="" type="radio"/> 2 Agree	<input type="radio"/> 3 Neither Agree or Disagree	<input type="radio"/> 4 Disagree	<input type="radio"/> 5 Strongly Disagree
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Dichotomous Questions

Dichotomous questions are simple questions that ask respondents to just answer yes or no. One major drawback of a dichotomous question is that it cannot analyze any of the answers between yes and no.

Example

Do you like the products of ABC Corporation?

Yes No

Bipolar Questions

Bipolar questions are questions that have two extreme answers. The respondent is asked to mark his/her responses between the two opposite ends of the scale.

Example

How would you describe the services of XYZ Corporation?

Efficient X Inefficient
 Fast Slow
 Reliable Unreliable

Rating Scale Questions

In rating scale questions, the respondent is asked to rate a particular issue on a scale that ranges from poor to good. Rating scale questions usually have an even number of choices, so that respondents are not given the choice of a middle option.

Example

How would you rate the services of ABC Corporation?

1 Good 2 Fair 3 Poor 4 Very Poor

Buying Propensity Questions

Buying propensity questions are questions that try to assess the future intentions of customers. These questions ask respondents if they want to buy a particular product, what requirements they want to be addressed and whether they would buy such a product in the future.

Example

How would you rate the services of ABC Corporation?

1 Good	2 Fair	3 Poor	4 Very Poor
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Questions to be avoided in a questionnaire

The following is a list of questionnaires to be avoided when preparing a questionnaire.

Embarrassing Questions

Embarrassing questions are questions that ask respondents details about personal and private matters. Embarrassing questions are mostly avoided because you would lose the trust of your respondents. Your respondents might also feel uncomfortable to answer such questions and might refuse to answer your questionnaire.

Positive/ Negative Connotation Questions

Since most verbs, adjectives and nouns in the English language have either a positive or negative connotations, questions are bound to taken on a positive or negative question. While defining a question, strong negative or positive overtones must be avoided. Depending on the positive or negative connotation of your question, you will get different data. Ideal questions should have neutral or subtle overtones.

Hypothetical Questions

Hypothetical questions are questions that are based on speculation and fantasy. An example of a hypothetical question would be "If you were the CEO of ABC organization what would be the changes that you would bring?" Questions such as theses, forces the respondent to give his or her ideas on a particular subject. However, these kinds of questions will not give you consistent or clear data. Hypothetical questions are mostly avoided in questionnaires.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 TYPE OF RESEARCH

The study was conducted by using exploratory research.

3.2 IDENTIFICATION OF THE DATA NEEDS

The data has been collected from customers of Abirami hotel, 100 feet road, Coimbatore, who form the source of primary data.

3.3 SAMPLING DESIGN

3.3.1 Population under study

All the customers who visit the hotel during the period constitute the population.

3.3.2 Sample frame

Since all the customers cannot be studied, the researcher along with peer team in the management helped to identify the source of regular customers, i.e. business people visiting regularly, staffs working in the near by locality working in banks, schools and family in the near by locality

3.3.3 Sampling Method

Simple Random Sampling

3.3.4 Sample size

The sample size was decided after discussion with the Hotel management and with the faculty guide, the sample size chosen for the study was 150.

3.4 DATA COLLECTION METHOD

The primary data is collected using the questionnaire as a tool. The researcher has developed a structured questionnaire for this purpose. A pilot stubby was conducted to assess the compatibility of the questionnaire and the ability to elucidate all necessary information from the respondents.

3.5 PLAN OF FIELD WORK AND PLAN OF ANALYSIS

The questionnaire was administered to the regular customers who visited the hotel on different days per schedule in different hours.

3.6 DATA ANALYSIS TOOL

- Simple descriptive statistics
- Fish Bein's Model
- Chi-square test

DEFINITION OF CONCEPTS

- Customer – the person who gives a regular support to the restaurant by buying the products.
- Customer Satisfaction – Satisfaction derived by the customer using a product or service His feeling of pleasure, a product and service experienced by him during and after the purchase or use of it
- Hotel – A restuarant which provides breakfast , lunch , tea, dinner etc....
- Primary Data – Data which is collected originally for the current investigation. ie through a questionnaire to the customers.
- Survey – Method of collecting primary data. In survey method data is gathered from the sample with the help of a questionnaire. The data may be gathered personally.
- Questionnaire - An organized and written format which contains all the relevant questions for gathering data from the sample for the study.
- Respondent – An individual in his personal capacity or representing an institution who fulfils all the requirements of a sampling unit and is used for collecting data. He is known as respondent to the questionnaire.

The questionnaire was designed basically into four major subdivisions for the study.

- Ambience and Decor
- Service Delivery
- Food Attributes
- Consumer Perception
- Service Extension and Value Addition

Various factors that influence the satisfaction levels like the Furniture facility, Toilet facility, Cleanliness, Parking facility, Supplier (How he receives you), parcel assistants, Taste of the food items, Quality of the food items, Hygiene level , how do they feel about the price of the food items, the quantity, the service extensions like do they prefer an A/c restaurant or the Roof top service and the new varieties of food items to be introduced etc... were included in the questionnaire to collect the response from the customers for the study. The rating scale used was a four point rating scale and the maximum weightage for a response **Good** was **4** and the minimum value for the response **Poor** was **0** .

CHAPTER – 4
DATA ANALYSIS AND INTERPRETATION

TABLE -4.1
Table showing Sex of the Respondents

Sex	No of Respondants	Percentage
Male	93	62.00%
Female	57	38.00%
Total	150	100 %

The table shows nearly 2/3 of the respondent's are Male.

CHART – 4.1

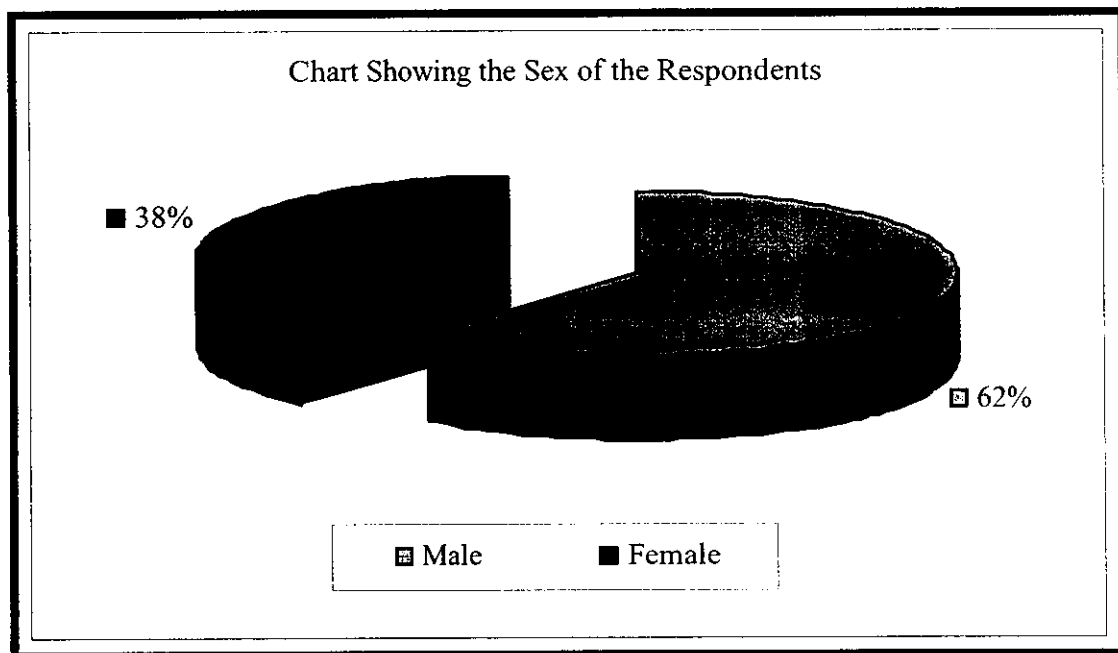


TABLE – 4.2

Table showing age group of the respondents

Age Group	No of Respondents'	Percentage
Below 20	4	2.67%
21-30	54	36.00%
31-40	22	14.67%
41-50	40	26.67%
51-60	26	17.33%
Above 60	4	2.67%
Total	150	100.00%

The Majority of the respondents are from the age Group of 21-30 which represents nearly 36% of the total sample.

CHART – 4.2

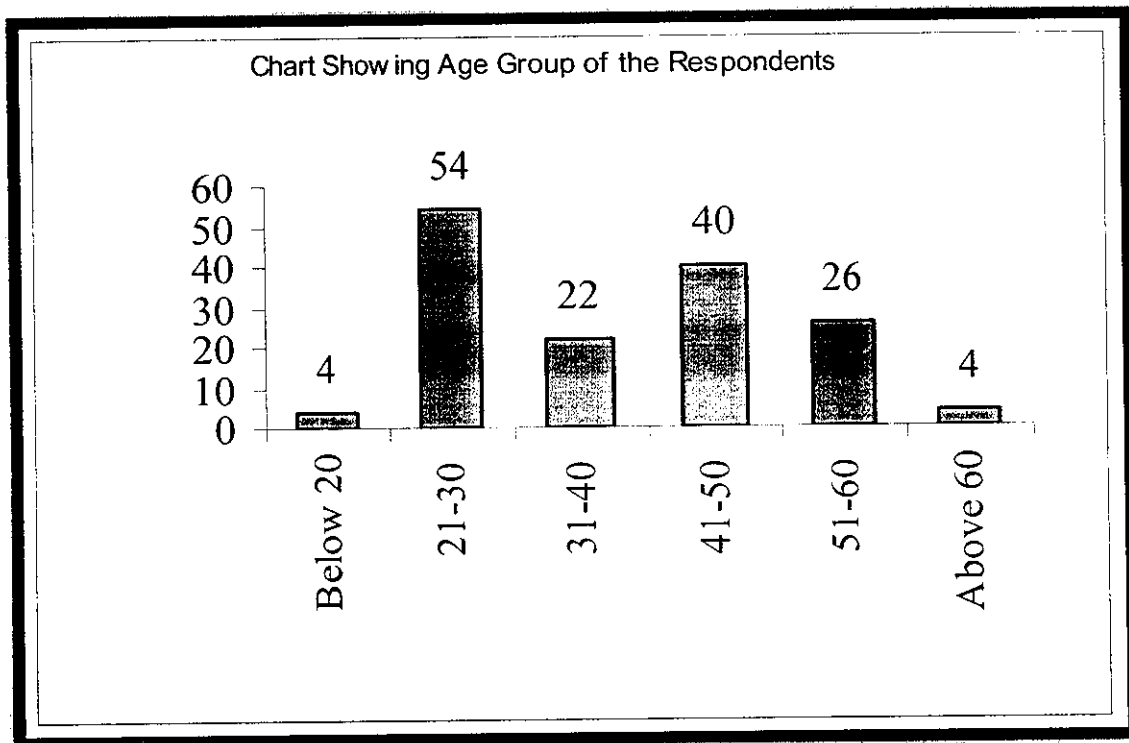


TABLE – 4.3**Table showing Marital Status of the Respondents**

Marital Status	No of Respondents	Percentage
Married	92	61.33%
Un Married	58	38.67%
Total	150	100.00%

The majority of the customers visiting the Hotel are married, constituting 61.33 % of the total sample.

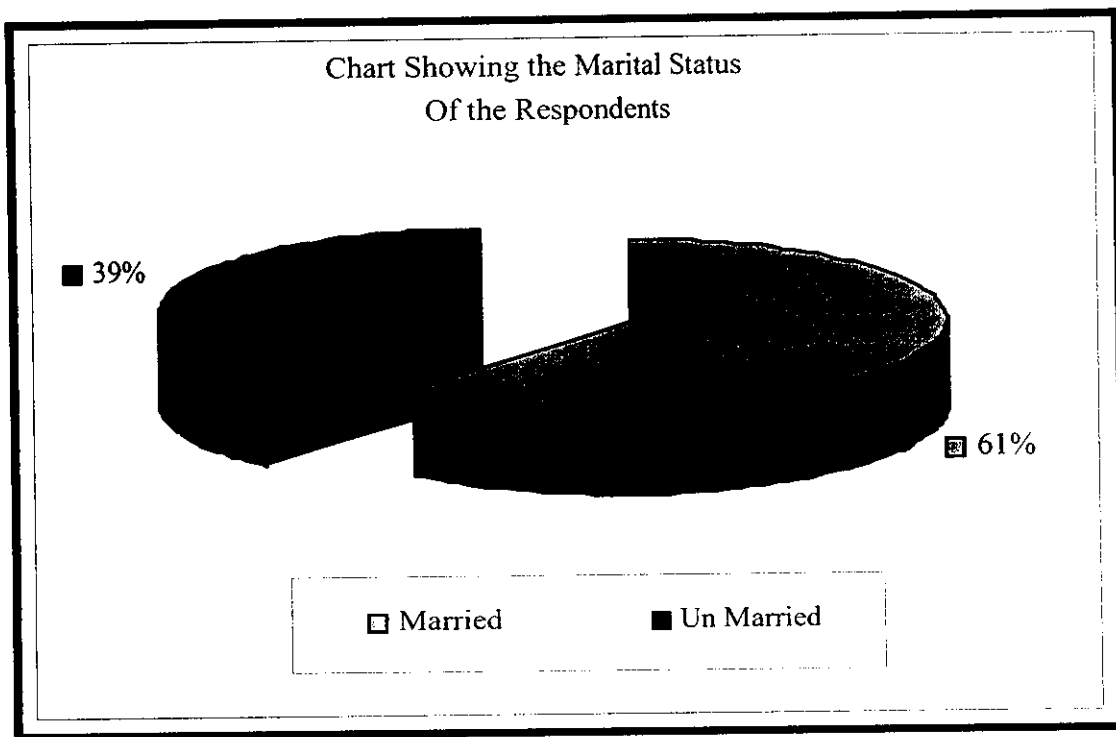
CHART – 4.3

TABLE – 4.4

Table Showing Educational Level of the Respondents

Educational Level	No of Respondents	Percentage
Graduates	119	79.33%
SSLC +2	21	14.00%
Others	10	6.67%
Total	150	100.00%

The major respondents were Graduates constituting to 79.33% of the total sample.

CHART – 4.4

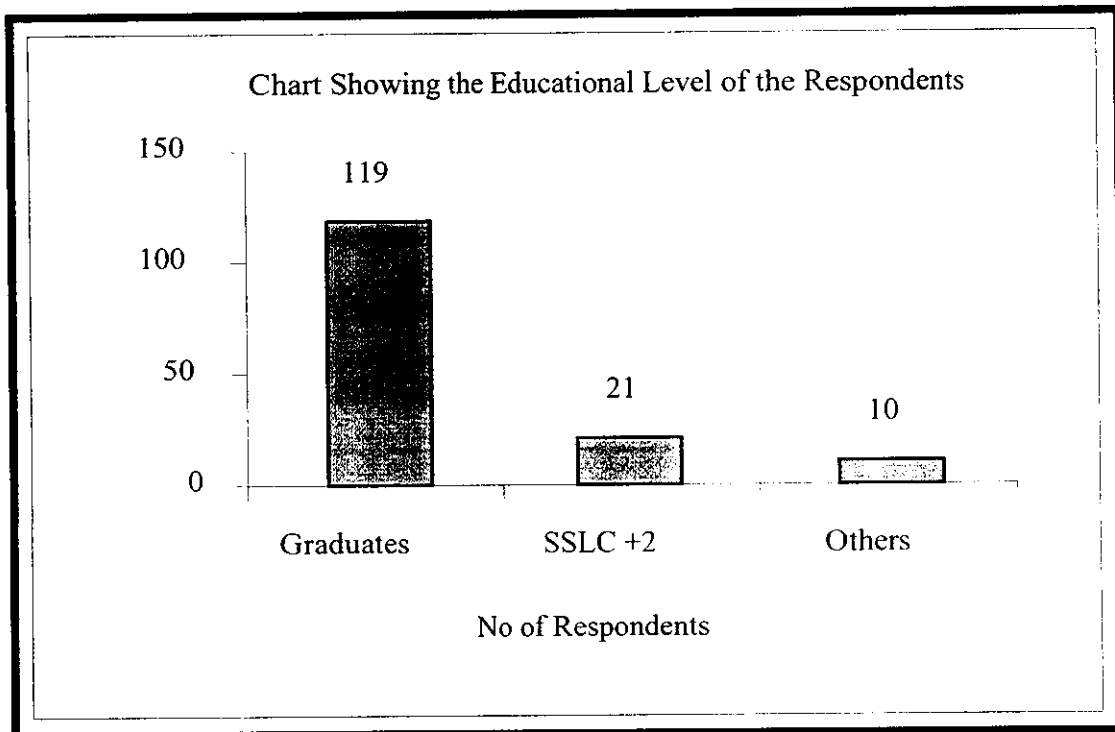


TABLE – 4.5**Table Showing the Monthly Income of the Respondents**

Monthly Income	No of Respondents	Percentage
Below 5000	38	25.33%
5001-10000	71	47.33%
10001-20000	28	18.67%
Above 20000	13	8.67%
Total	150	100.00%

Almost 48% of the customers visiting the hotel are having the Salary range below Rs.10, 000. 8.67% population is in the salary range of above Rs. 20,000.

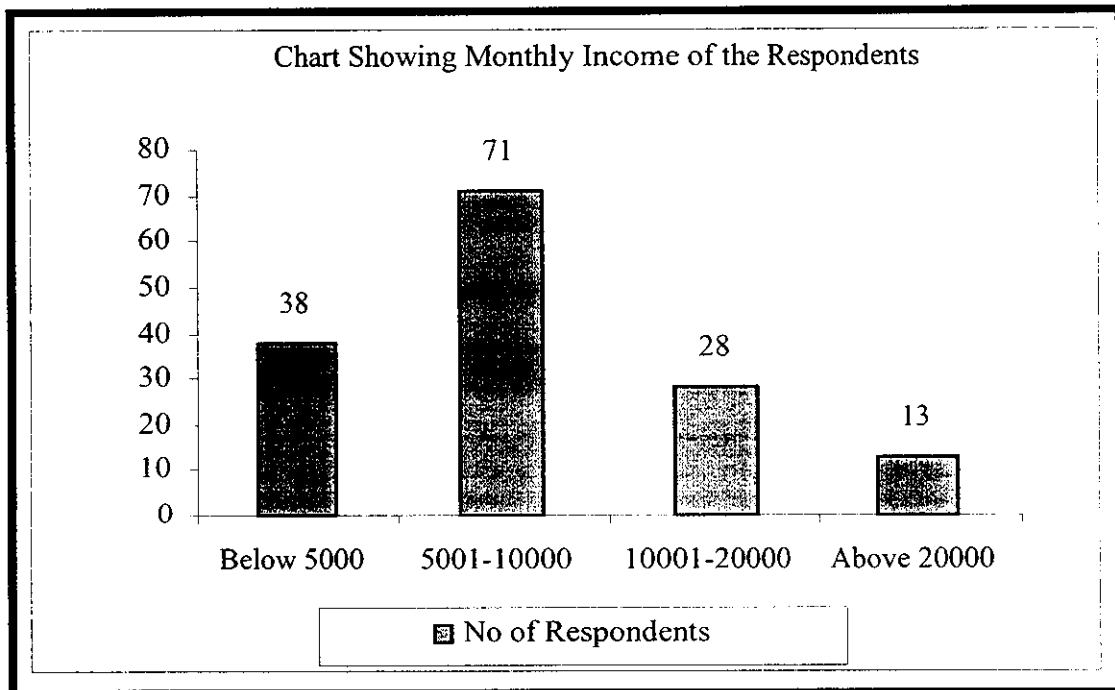
CHART – 4.5

TABLE – 4.6

Table Showing the Association of the Respondents with the Hotel

Years	No of Respondents	Percentage
1-5	38	25.33%
6-10	34	22.67%
11-15	34	22.67%
16-18	44	29.33%
Total	150	100.00%

30 % of the respondents are the hotels customers for more than 15 years and close to 45% are having more than 6 years of association with the hotel.

CHART - 4.6

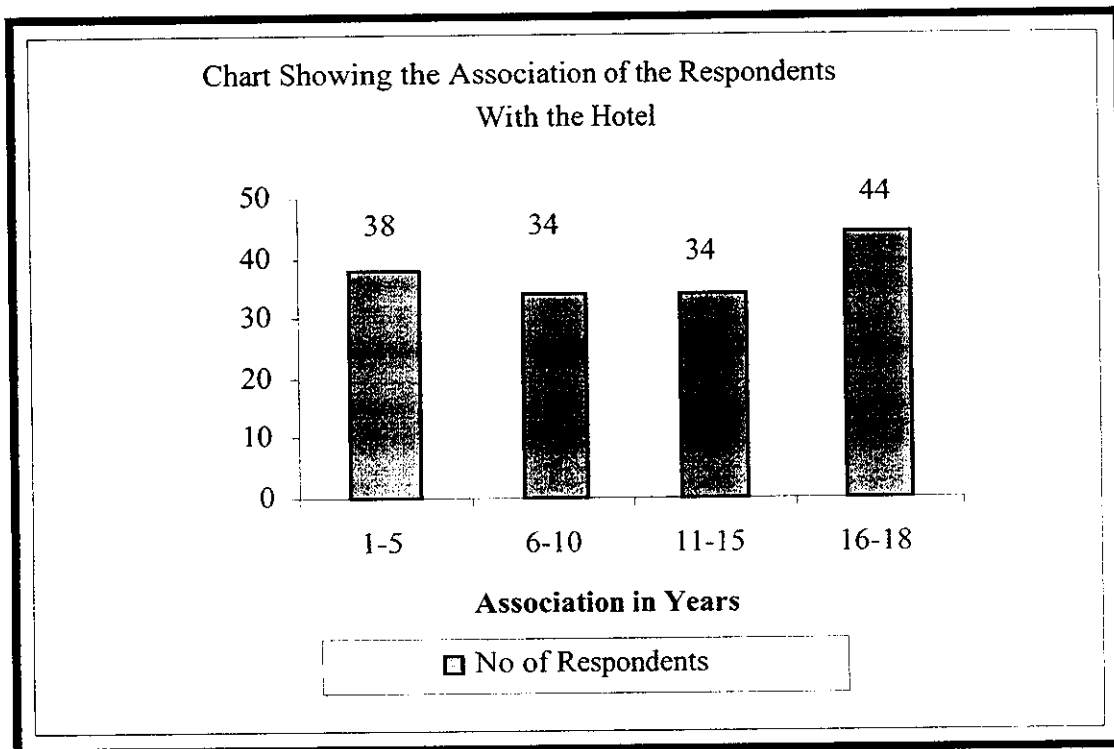


TABLE – 4.7

Table showing with whom the Respondents Visit the Hotel

With Whom	No of Respondents	Percentage
With Family	78	52.00%
With Friends	57	38.00%
Alone	15	10.00%
Total	150	100.00%

People visiting with their friends and Family constitute to 90% and only 10% of the people visit the Hotel alone.

CHART - 4.7

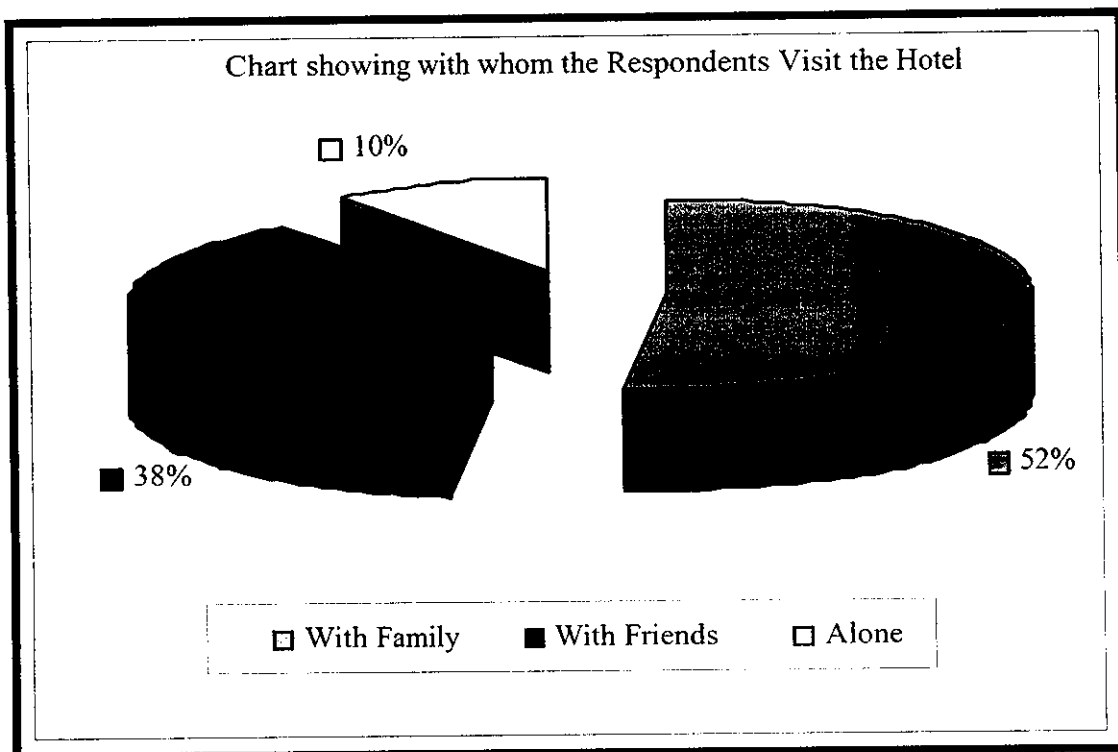


TABLE – 4.8

Table Showing the Mode of Conveyance of the Respondents to the Hotel

Mode of Conveyance	No of Respondents	Percentage
By Walk	54	36.00%
By Cycle	4	2.67%
By Two wheeler	70	46.67%
By Car	22	14.67%
Total	150	100.00%

Close to 47% customers commute by two wheeler to the Hotel. Only 15% of the customers commute by Car.

CHART – 4.8

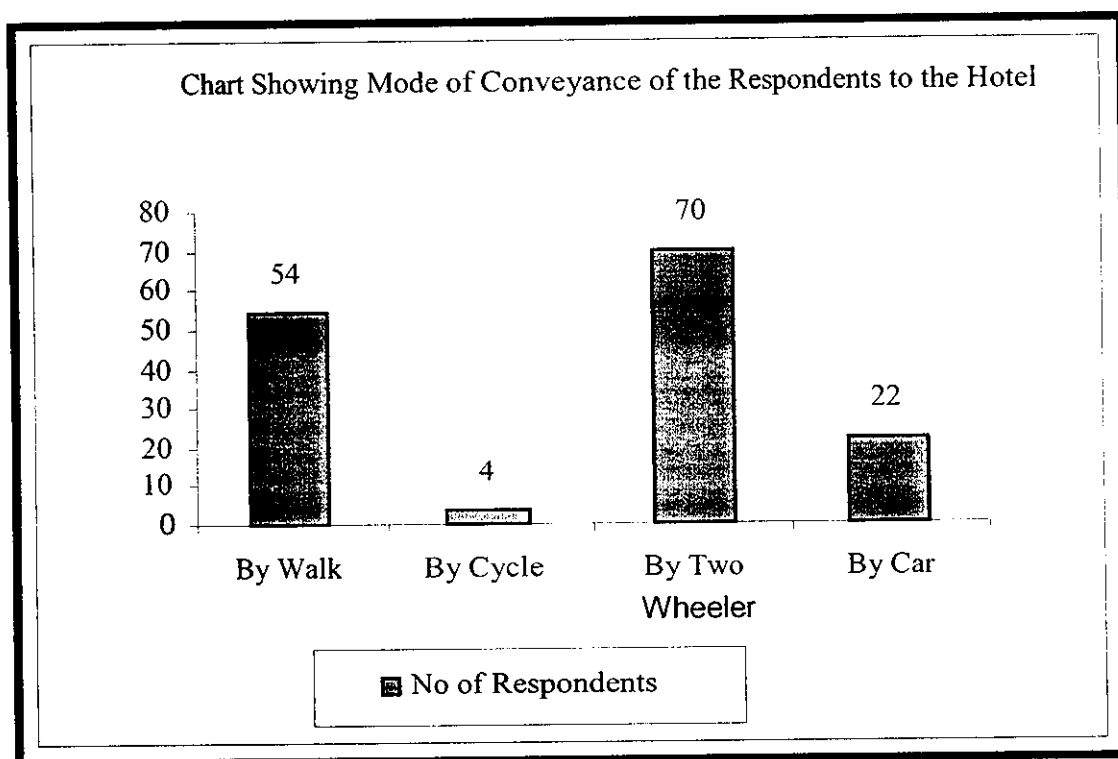


TABLE – 4.9

Table showing the reason for the Respondents in Choosing the Hotel

Reason For liking The Hotel	No of Respondents	Percentage
Quality	67	44.67%
Hygiene	32	21.33%
Famous Hotel	12	8.00%
Centrally Located	39	26.00%
Total	150	100.00%

Approximately 45% of the customers choose the hotel due to their Quality of the food served.

CHART – 4.9

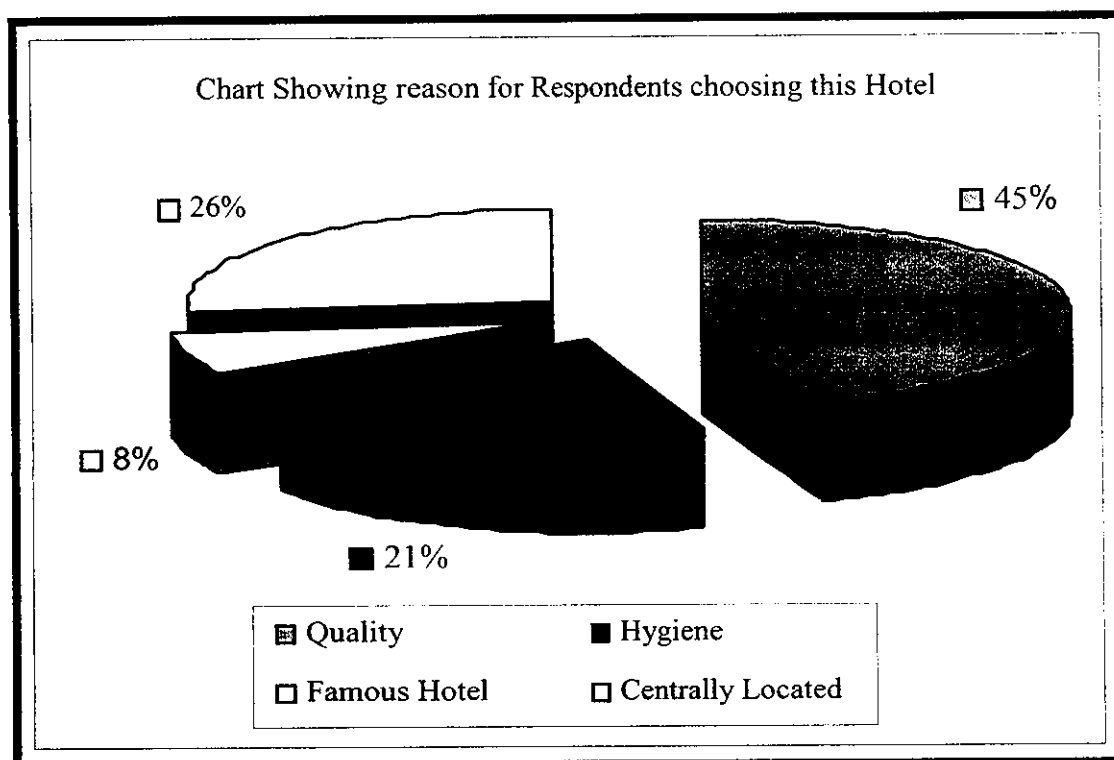


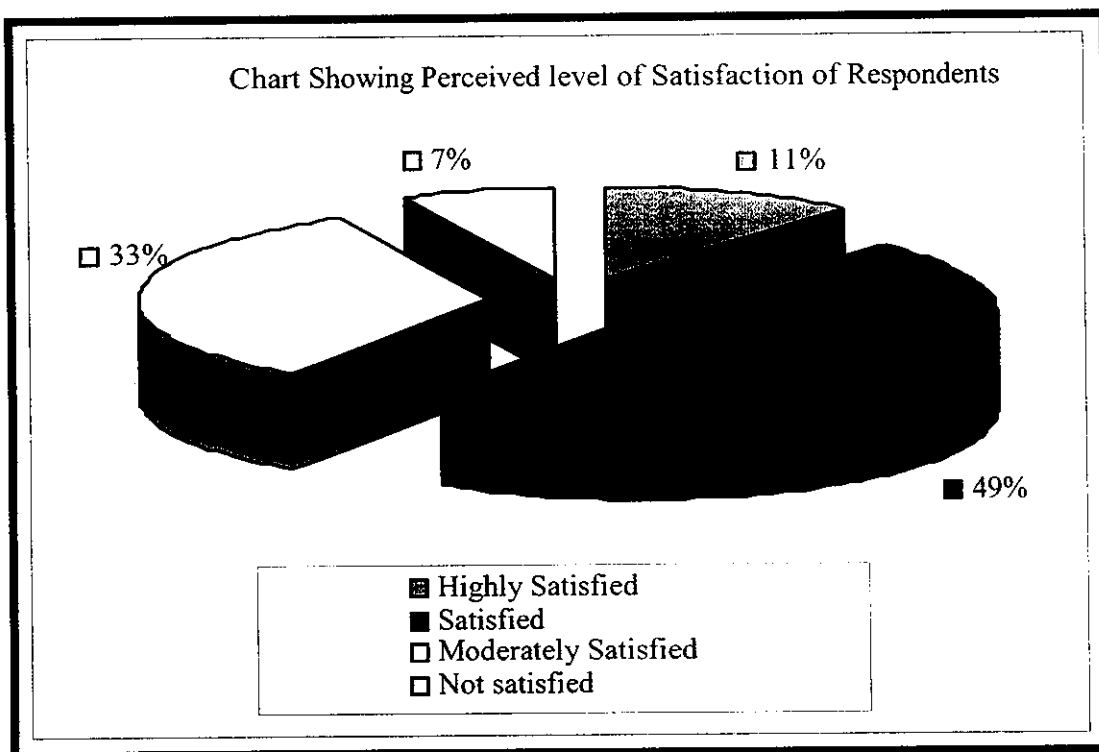
TABLE – 4.10

Table Showing the Perceived Level of satisfaction of the Respondents

Perceived Level Of Satisfaction	No of Respondents	Percentage
Highly Satisfied	17	11.33%
Satisfied	73	48.67%
Moderately Satisfied	49	32.67%
Not satisfied	11	7.33%
Total	150	100.00%

Approximately 49% of the customers perceive the Level of satisfaction as “Satisfied”.

CHART – 4.10



4.1 RELATIONSHIP BETWEEN MONTHLY INCOME AND PRICE PERCEPTION OF CUSTOMERS

The relationship between the Monthly income of the respondents and the influence of the income on the price perception is studied using a Chi – Square Test. The Monthly income of the respondents were grouped into two Groups, namely below Rs.10,000 and above Rs.10,000.

The table no 4.1.1 – a cross tabulation showing the Monthly income of the Respondents and the Price perception of the Customers. There are 109 respondents in the Income level below Rs.10,000 and 41 respondents with Income level greater than Rs.10,000. Also there are 74 respondents rating the price as **Very Reasonable** and 65 respondents rating the price as **Reasonable**.

Table – 4.1.1

Table Showing the Monthly Income and the Price Perception of the Customers

Monthly Income	Below 10000	Above 10000	Total
Price			
Very Reasonable	65	9	74
Reasonable	35	30	65
Expensive	7	2	9
Very Expensive	2	0	2
Total	109	41	150

To study the relationship between the Monthly income and the price perception of the customers using Chi – Square test the Null and the alternative Hypothesis is framed as :

Null Hypothesis (H₀): The Monthly Income of the respondents does not have a significant influence on the Price Perception of the food items.

Alternate Hypothesis (H₁): The Monthly Income of the respondents has a significant influence on the Price Perception of the food items.

TABLE – 4.1.2**Monthly Income and Price perception – Chi Square Test**

Cell	Observed (O)	Expected (E)	O-E	(O-E)²	(O-E)²/E
R1C1	65	53.77	11.23	126.04	2.34
R2C1	35	47.23	-12.23	149.65	3.17
R3C1	7	6.54	0.46	0.21	0.03
R4C1	2	1.45	0.55	0.30	0.21
R1C2	9	20.23	-11.23	126.04	6.23
R2C2	30	17.77	12.23	149.65	8.42
R3C2	2	2.46	-0.46	0.21	0.09
R4C2	0	0.55	-0.55	0.30	0.55
				Σ =	21.04

The table 4.1.2 shows the Chi – Square table for Monthly income and the Price perception of the Customers. The Observed Frequencies (O) and the Expected frequencies are tabulated and the Chi Square value is calculated as **21.04**

Degree of Freedom : (Row-1) (Column-1) = (4-1)(2-1) = 3

Table Chi Square Value as 5% Level of Sginificance : 7.81

Calculated Chi Square Value : 21.04

Since the Calcuated Chi Square Value is less than the table Chi Square Value, the Null Hypothesis gets rejected. Thus the Alternate Hypothesis is accepted. Hence The Monthly Income of the respondents has a significant influence on the Price Perception of the food items.

4.2 THE ATTITUDE - TOWARD – BEHAVIOR MODEL – FISH BEIN’S MODEL

The focus on of Fish Bein’s attitude toward behavior model is the individual’s attitude toward behaving or acting with respect to an object, rather than the attitude toward the object itself.

The appeal of the attitude- toward behavior model is that it seems to correspond more closely to the actual behavior than does the attitude toward –Object model.

$$\text{Attitude} = n \sum_{i=1} b_i e_i$$

Attitude → Overall Measure of affect for or against the attitude towards the service

b_i → Strength of the belief that attitude contains the i th attribute

e_i → evaluative dimension associated with the i th attribute

The questionnaire was designed to evaluate the Belief and the Evaluative dimensions. The questionnaire was basically designed to measure three basic attributes of the restaurant namely:

- Ambience and Décor
- Service Delivery
- Food Attributes

The Overall belief components of the attributes were measured form the questionnaire as:

- Ambience and Décor – 2.26
- Service Delivery – 3.10
- Food Attributes – 3.31

The overall evaluative dimensions of the attributes were also calculated from the questionnaire, the overall score is indicated in the table 4.2.1

TABLE 4.2.1**Table showing the Overall Evaluative dimension of the attributes**

Attributes	Average Score	Satisfaction Index (ei)
Ambience and Décor	43.65	0.4365
Service Delivery	37.19	0.3719
Food Attributes	19.16	0.1916
Total	100	1

Using the Weighted average and the satisfaction index the Restaurant satisfaction index is calculated. The Overall Satisfaction level is 2.77, which implies that the overall satisfaction level is 69%. The satisfaction level of the customers about the Ambience and the Décor is only 25% and the satisfaction level of the customers about the Food Attributes is only 16%. Table 4.3.4 shows the calculation of the Restaurant satisfaction index.

TABLE 4.2.2**Table showing the Restaurant Satisfaction index using Fish Bein's Model**

Attributes	Weighted Average (bi)	Evaluative Dimension (ei)	Satisfaction Index (bi)*(ei)	% Satisfaction Level
Ambience and Décor	2.27	0.4365	0.990855	25%
Service Delivery	3.10	0.3719	1.15289	29%
Food Attributes	3.31	0.1916	0.634196	16%
Overall Satisfaction			$\Sigma(\text{bi}) (\text{ei}) = 2.777941$	69%
Level				

From the Table 4.2.2 the weighted average of the Ambience and Décor is 2.27, on the other hand the Ambience and Décor has got the evaluative factor of 43% which has lead to an overall satisfaction level of 25%. The food attributes has got the highest average score of 3.31, but the evaluative factor of Food attributes is only 19 %. Although the Food attributes has scored the highest among the three attributes, the Evaluative h factor has rated the Ambience and the Décor among the top. Thus this model enables us to study the overall weightage of the attributes and the Weightage given by the customers to the attributes. This model helps in understanding the real satisfaction level of the customers.

CHAPTER 5

SUMMARY OF FINDINGS AND CONCLUSION

5.1 VIEWS OF THE SAMPLE MEMBERS REGARDING THEIR SATISFACTION LEVELS

Ambience and Decor

The Ambience and Decor of the restaurant had the lowest score from the customers. The overall average satisfaction level was only 2.26 which is only 57%. The table 15 indicated below shows the scores of the respondents for the attribute of Ambience and Decor. Fifty respondents have rated the Interior decorations as Poor, forty one respondents have rated the Furniture facility as Poor. The more concerning fact is that sixty respondents have rated the Parking facility as Poor.

TABLE 5.1.1

Table showing the Response for Ambience and Decor at the Hotel

Ambience and Décor	Good	Satisfactory	Average	Poor	Total	Weighted Average (bi)
How Much do you like the Interior Decoration of the Hotel	20	35	45	50	150	2.17
Furniture Facility	20	43	46	41	150	2.28
Toilet Facility	27	40	45	38	150	2.37
Cleanliness (Tables, Toilet, Wash)	25	45	60	10	140	2.43
Parking Facility	15	35	40	60	150	2.03
Overall Average for Ambience and Décor	107	198	236	209		2.26

Service Delivery

The Service delivery of the restaurant had got a score of 3.10, which is approximately 77%. The overall scores for the Supplier (How he receives you) is 3.22 (81%) and a score of 3.16 (79%) for the Supplier (How fast he serves food). In the service delivery attribute the lowest score is for the Parcel assistants which is only 2.84 (71%). This should be the focus area for the Hotel management to improve on the Parcel section so that the customers are satisfied.

TABLE 5.1.2

Table showing the Response for Service Delivery at the Hotel

Service Delivery	Good	Satisfactory	Average	Poor	Total	Weighted Average (bi)
Cleaner	63	51	33	3	150	3.16
Supplier (How he receives you)	62	60	27	1	150	3.22
Supplier (How fast he serves)	69	41	35	5	150	3.16
Parcel Assistants	43	56	35	16	150	2.84
Supervisors (How he assists your needs)	55	58	34	3	150	3.10
Overall Average for Service Delivery	292	266	164	28		3.10

Food Attributes

The Food attributes has got an average score of 3.31 (83%), this is indeed an encouraging factor for the Hotel management. The Taste attribute has got a score of 3.34 (84%), the Hygiene is also rated at 3.37 (84%).

TABLE 5.1.3

Table showing the Response for Food Attributes at the Hotel

Food Attributes	Good	Satisfactory	Average	Poor	Total	Weighted Average (bi)
Taste	76	55	13	6	150	3.34
Quality	69	65	12	4	150	3.33
Hygiene	71	65	13	1	150	3.37
Tiffin	65	67	13	5	150	3.28
Meals	62	60	27	1	150	3.22
Overall Average for Food Attributes	343	312	78	17		3.31

Customer Perception

The customer perception was measured with various attributes like Variety, price, Quantity, Why do they prefer Abirami Hotels, Are they are satisfied as a customer of Abirami Hotels. Fifty six respondents (37%) say that they have a Wide Variety of food items to choose from, Sixty Nine respondents (46%) say that the Quantity is more than sufficient at the hotel, Seventy four respondents

(49%) say that the Price of the food items is Very Reasonable at the Hotel. Fifty respondents (37%) say they choose Abirami Hotels for the Hygienic food, forty respondents (27%) say they choose the hotel for the Quality of the food served there.

TABLE 5.1.4

Table showing the Response for Customer Perception at the Hotel

Customer Perception	Wide Variety	Limited Choice	Adequate	Inadequate	Total
Variety	56	45	40	9	150
	More than Sufficient	Sufficient	Insufficient	Poor	Total
Quantity	69	41	35	5	150
	Very Reasonable	Reasonable	Expensive	Very Expensive	Total
Price	74	65	9	2	150
	Quality of the Food	Hygiene	Centrally located	Famous	Total
Why do you prefer Abirami Hotels	40	55	39	16	150
	Highly Satisfied	Satisfied	Moderately Satisfied	Not satisfied	Total
Are You satisfied as a Customer of Abirami Hotels	17	73	49	11	150

Seventy three respondents (49%) say they are Satisfied as a customer of the hotel, forty Nine (33%) say they are moderately satisfied as a customer of the hotel. Overall the Food attributes has got an highest score of 3.31(83%) which is a big plus point for the management, on the other hand the food attribute has got a weightage of only 19% as per the Fish Beins model which implies that although the food attributes are good the impact of this on the overall satisfaction levels are very less .The service delivery has been rated as 3.10 (77%) is a good sign for the management since the weightage for this attribute as per the fish beins model is 37%, so this will have a high impact on the overall satisfaction level. The Ambience and décor has got a score of 2.27 (57%) which is a poor sign and the weightage for this attribute as per the fish beins model is 43% which has a high impact on the overall satisfaction level. Thus the immediate focus should be to improve the factors relating to the Ambience and Décor of the Hotel which will improve the satisfaction levels of the customers visiting the Hotel.

CHAPTER 6

SUGGESTIONS AND RECOMMENDATIONS

The Findings of the study on Abirami Hotels were based on the following information:

- Opinion of the Customers
- Extent of Variation of customer satisfaction
- Factors Influencing the Customer Satisfaction

From the study based on the opinion of the respondents the following suggestions and recommendations have been made to the Hotel Management:

- One of the major complaints received from most of the customers is regarding the parking facility. The management has to take immediate action to provide adequate parking facility. Since the hotel is located on the busy 100feet road the customers often don't find adequate facility to park their vehicles. They can arrange for some space on the nearby cross roads for vehicle parking
- The Furniture facility of the hotel can be improved, the customers would prefer ergonomically designed chairs and tables so that they feel more comfortable.
- The overall aesthetic appeal of the Hotel interiors had to be improved to please the customers. It can be done by painting the walls with mild colours , designer lighting can be put to further improve the ambience, wall hangings like Oil paintings, Information about Indian Heritage sites or Tourist spots in and around Coimbatore can also be put up.
- Another complaint many customers posted was about the parcel service. The management has to take necessary action to speed up the parcel delivery process so that customers do not wait for long.

- As a considerable section of the customers feel that the quantity of the food item is less, the management may think of certain items in terms of volume or weight, fixing a unit price on an experimental basis.
- As the taste of the customers change from time to time, different varieties of food items may be introduced to cater to the need of the customers.
- As there is a massive welcome for the A/c Restaurant and the Roof top service the management may introduce those facilities.
- As the Hotel industry is growing more and more, there would be always competition and hence a periodical study about the competitors has to be conducted and based on the findings suitable steps to be taken to meet the raising demand.
- Menu for the day including the special items for the day can be displayed through digital system
- The management may think of a considerable reduction in price of food items, since most of the customers belong to the Middle Income group. The reduction may satisfy atleast one third of the customers who are cost conscious and on the other hand it may also attract new customers.

ANNEXURE

QUESTIONNAIRE

**CUSTOMER SATISFACTION SURVEY ON ABIRAMI HOTELS,
100FT ROAD COIMBATORE**

PERSONAL DATA

1. Name of the Customer :
2. Sex : Male Female
3. Age : Below 20 21-30 31-40 41-50 51-60 Above 60
4. Marital Status : Married Unmarried
5. Education : Graduate SSLC,+2 Others
6. Monthly Income : Below 5000 5001-10,000 10,001-20,000 Above 20,000
7. How long you have been a customer of this Hotel (In Years) : 1-5 6-10 11-15 16-18
8. How often you visit this Hotel in a Month : 1-5 6-10 11-15 16-20
9. With whom do you generally go to this hotel : With Family With Friends Alone
10. How do you go to this Hotel : Walk Two Wheeler Car

AMBIENCE AND DÉCOR

G- Good S- Satisfactory A- Average P- Poor

11. How much do you like the Interior decoration of the Hotel: G / S / A / P
12. Furniture Facility: G / S / A / P
13. Toilet Facility: G / S / A / P
14. Cleanliness (Tables, Toilet, Wash): G / S / A / P
15. Parking Facility: G / S / A / P

SERVICE DELIVERY

Please give your rating regarding the services rendered by the following personnel of Sree Abirami Hotels

- | | G- Good | S- Satisfactory | A- Average | P- Poor |
|--|---|-----------------|------------|---------|
| 16. Cleaner | | | | |
| | : <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> | | | |
| 17. Supplier (How he receives you) | | | | |
| | : <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> | | | |
| 18. Supplier (How fast he serves) | | | | |
| | : <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> | | | |
| 19. Parcel Assistants | | | | |
| | : <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> | | | |
| 20. Supervisors (How he assists to your needs) | | | | |
| | : <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> | | | |

FOOD ATTRIBUTES

- | | | |
|-------------|---|---|
| 21. Taste | : | <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> |
| 22. Quality | : | <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> |
| 23. Hygiene | : | <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> |
| 24. Tiffin | : | <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> |
| 25. Meals | : | <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> / <input type="checkbox"/> |

CONSUMER PERCEPTION

26. Variety : Wide Variety Limited choice Adequate Inadequate
27. Quantity : More than Sufficient Sufficient Insufficient Poor
28. What do feel about the Price of the Food?
Very reasonable Reasonable Expensive Very Expensive
29. Why do you prefer Abirami Hotels (tick any One):
- | | |
|----------------------------|--------------------------|
| 1. For the quality of food | <input type="checkbox"/> |
| 2. Hygiene | <input type="checkbox"/> |
| 3. Centrally Located | <input type="checkbox"/> |
| 4. Famous Hotel | <input type="checkbox"/> |
30. Are you satisfied as a customer of Abirami Hotels?
Highly Satisfied Satisfied Moderately Satisfied Not Satisfied

31. Rank the following Hotels according to your preference (1-4):

- Abirami Hotel
- Gayathri Bhavan
- Adyar Ananda Bhavan
- Royal Hindu Restaurant

32. Rank the following attributes of a Restaurant (Rating from 1-100):

- Ambience and Decor
- Service Delivery
- Food Attributes

SERVICE EXTENSION AND VALUE ADDITION

Will you like the following :

33. A/c Restaurant Yes No

34. Roof Top Service Yes No

35. If you wish new Varieties of food to be introduced please mention here -----

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