Original Research Article

Performance of State Tourism Hotels in Contradiction of Customer Anticipations

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ABSTRACT

In India, the state- owned enterprises have been serving people for a long time. To promote tourism in state and cater to the needs of people, Government of Gujarat had launched Gujarat State Tourism Development Corporation (GSTDC). The corporation started with hotels at various tourist spots in the state. The state Government launched new tourism policy to serve customers with adds- on benefits. In this series, the corporation introduced air- conditioned buses, restaurants, package tours, city visit tours, cultural tourism, wildlife and adventure tourism, pilgrim tourism phase. The restaurants were opened at convenient locations along the major roads to serve the travelers. People gave warm response to these restaurants. One such restaurant 'Toran Hotel' was opened at Saputara, mt.Abusasan, mid-way between Junagadh and Rajkot, two cities of the state. It was launched with an objective to serve customers with high level of hygiene and state. The restaurant has achieved the objective to a large extent. The research is an attempt to determine the performance of Gujarat tourism managed restaurant against customer expectations. A comparison between GSTDC- managed restaurant and was done to measure their performance.

Keywords: Gujarat Tourism, Hotels, customer anticipations, service, performance.

INTRODUCTION

Gujarat, the Incredible of India, was formed on May 1, 1960. With a population of more than 6 crores, the state is rich in cultural heritage and tourism attractions. Gujarat State Tourism Development Corporation (GSTDC) was set up by state Government to promote tourism in state and attract tourists from the country and abroad. The new tourism policy aimed at improving the performance of corporation. In a decade, professional approach was adopted by Corporation to revamp the image of state tourism. The Government allocated more budgets to the Corporation and repositioning of Corporation was done. The 'Heart of India' campaign by Incredible India also promoted tourism. More tourist sites were identified and developed; water

sports were added to increase revenues from tourists. All these efforts have been largely successful in attracting tourists in the state. According to a latest report, Gujarat Moved up and has been ranked in terms of tourists' choice in 2008.

The Corporation which started with hotels and resorts later on added restaurants, heritage hotels, package tours, city guided tours, tie-up with allied partners, cultural tourism, and wildlife and adventure tourism and luxury bus services. The restaurants were meant for travelers across various destinations. These were opened at various places in Gujarat like: village Sasangir, Ambaji, Somnath, Vadodara, Dwarka, Saputara, Dakor. These restaurants serve breakfast, lunch and dinner to customers with a blend of taste and hygiene. Out of all

the restaurants, Hotel Toran at Saputara, is more popular and attracts large crowd.

GSTDC received mixed response initially Later on; it revised the policy and changed the structure of Hotels. There was more focus on taste, cleanliness, hygiene and ambience; though prices of most of the items were increased. The customers welcomed the changes gradually and the restaurant becomes first choice of the travelers. Being located midway between Junagadh and Rajkot, this is a favorite place for a travel break. With taste and hygiene, ambience, TV and FM radio for entertainment, tourist information display, play zone for Kids, ample parking facility, this is the preferred choice of people since last ten years.

Customer Relationship Management (CRM) refers to business strategy aimed at gaining long term competitive advantage by delivering customer value and extracting business value simultaneously. CRM becomes necessary to study the dynamic business environment. The aim of CRM is to gain a win- win equation for all. Factors like; service quality, delivery, responsiveness, reliability, accessibility, and empathy together constitute CRM practices. This is considered as the benchmark of success of an enterprise. According to marketing gurus, CRM is central to the task of making an organization customer-focused. When it comes to CRM in food joints, service quality along with reliability and responsiveness hold significant contribution in making it success. The current research work studies the performance of Gujarat Tourism managed restaurants in terms of Customer Relationship Management on various parameters.

Literature Review

Selected study is presented in this section. Researchers have analyzed various aspects of service performance and CRM. Gummerson (1996) explored the extent of application of relationship marketing in service sector. Service users hold good image of the organization if it provides effective CRM service. Jain and Dhar (2003) studied determinants of CRM effectiveness in India. CRM has emerged as a core business process for maintaining and enhancing the competitive edge in modern business affairs. Gaur and Waheed (2003) studied the factors influencing usage of interactive technologies in service business to determine the implications. Service sector business emphasizes the use of technologies to build and maintain relations, with the customers in long run. Jain and Gupta (2004) determined the magnitude of customer defined Service quality gaps. They found that the customers gave utmost importance to expectations followed by perceptions and importance rating.

Pathak and Modi (2004) studied quality of services provided by the companies in India with respect to issues and challenges. When service quality is measured on various parameters, all the parameters are equally given weight age by the customers. Jain and Jain (2006) studied CRM practices of hotels in central India to measure the effectiveness against factors like- value proposition, recognition, customer orientation, reliability, relationship orientation, credibility, customization, personalization. Vijayadurai (2010) identified service quality factors in hospitality industry. The significantly influencing perception of service quality factors on the customers' satisfaction and their behavioral intention are service delivery, reliability, assurance and responsiveness.

METHODOLOGY

It was an exploratory study to determine the factors that constitute the performance of Gujarat tourism managed Hotels. The research was conducted on 160 customers using the services of Gujarat Tourism restaurant. The respondents included students, businessmen, servicemen, family group as well as tourists. More than 70 percent of them were frequent visitors to the restaurant.

GSTDC opened restaurants for catering to the needs of travelers. These food joints got support from customers due to many factors. The major objective of this research was to determine the factors that constitute the performance of Gujarat tourism managed restaurants against customer expectations. Another objective was to compare the service of GSTDC - managed restaurant and other restaurants to measure their performance. The customers' point of view was received and effectiveness of Gujarat Tourism restaurants in terms of customer relationship management was determined on various parameters.

Tools for data collection and analysis

Secondary data were collected from various sources like- Internet, Newspapers, Journals, Business magazines etc. For collecting primary data, a self- developed and non- disguised five- point Liker scale questionnaire containing 13 statements was used. The data was tabulated in the form of rows and columns in Excel sheet and analyzed by using SPSS (Statistical Package for Social Sciences) and z- test. Item to total correlation was applied before factor analysis to check the significance of items in the questionnaire.

Hypotheses

For the research, certain null hypotheses were formulated and tested for significance to prove the objectives in scientific manner. The null hypotheses were as follows:

H_{01}-There is no significant difference in level of hygiene and taste in taste tourism- managed Hotels and other Hotels.

H_{02}.There is no significant difference in amenities provided by state- managed Hotels and other Hotels.

H_{03}-There is no significant difference in the speed of services offered by state- managed Hotels and other Hotels.

H_{04}- There is no significant difference in the staff cooperativeness in state- managed Hotels and other Hotels.

The above null hypotheses were tested and results were drawn.

RESULTS AND DISCUSSIONS

The collected data was arranged in rows and columns in MS Excel sheet. Item to total correlation was applied to check the significance of items in the questionnaire. There were 13 item (statements) in the questionnaire. Principal component analysis was applied and sorting was done by size. Factor analysis through SPSS identified five factors that represented the study of performance of Gujarat tourism restaurants against customer expectations. Table 1 indicates factor analysis showing constituent factors with factor loads. Descriptions of factors:

Factor 1: Hygiene & Taste

This factor constituted cleanliness (factor load of 0.828), taste (factor load of 0.728), food variety (factor load of 0.653), user-friendliness (factor load of 0.548), and the total factor load was 20757 with 8.64 percent of variance. Taste and hygiene are the primary factor deciding the performance of a restaurant. Cleanliness of food joint was another significant factor where significant difference was observed when compared with other places. The Key to competitive advantage is the ability to create differences (Vyas and Patel, 2002).

Factor 2: Amenities

This factor constituted of ambience (factor load of 0. 835), comfortable seating (factor load of 0.753), ample space for Kids (factor load of 0.692), and the total factor load was 2.280 with 7.18 percent of variance. These components together constitute the amenities factor. The basic facilities the along with add-on benefits provide delight to customer. The customers prefer to follow the parameter of expectations in items of service (Jain and Gupta, 2004).

Factor 3: Speedy Services

This factor constituted waiting time (factor load of 0.857), order booking time (factor load of 0.624), and the total factor load was 1.481 with 6.56 percent of variance. In a food joint located mid-way between two major cities, the time of booking the order and delivery period holds

significant difference for customers. Such expectations are more with state corporation managed restaurants. Punctuality and service quality matter significantly in building long-lasting relationships with customers (Goyal and Singh, 2007).

Factor 4: Supportive Staff

This factor constituted order booking process (factor load of 0.797), staff behaviour (factor load of 0.629), and the total factor load was 1.426 with 5.74 percent of variance. The corporation- managed restaurants in terms of staff cooperativeness.

Factor 5: Trust factor

This factor constituted reliability and trust (factor load of 0.673), loyalty factor (factor load of 0.514), and the total factor load was 1.187 with 4.36 percent of variance. Dependability and trust is another factor where this restaurant was liked by most of the travelers. Due to excellent services, many of them were loyal and used to visit more often. Reliability is a major driver of customer loyalty in services sector. Service quality depends on customer's perception of the overall service experience (Kolesar and Galbraith, 2000).

Results of z- test

On application of z- test, all null hypotheses H_{01}, H_{02}, H_{03} and H_{04} were rejected at 0.05 level of significance. It can be inferred that there were significant differences in hygiene and taste, speed of service, amenities, and cooperation managed Hotels and other Hotels of the same category. These differences were in favor of GSTDC Hotels.

In terms of taste and hygiene, this restaurant has been the favorite choice of travelers across the way. It meets the expectations of customers in terms of taste. The variety of food offered was enough to satisfy the taste buds. For such benefits, the customers were willing to pay extra, though many of them were not happy with high price of items. With more hygiene - consciousness across people, the restaurant seemed to be right in almost every front. Cleanliness of floor, seating and washrooms add to the customer delight. These are the

two prime factors deciding the popularity of a point.

It terms of amenities, the first impression was formed by nice ambience, comfortable seating, and ample play zone for kids and entertainment. There was air- conditioned hut facility for special occasion parties. Tourist information zone was made along with TV facility to have a glimpse of Gujarat tourism facilities. Spacious parking, complaint and suggestions box and facility management was proper. In terms of speed of services, the customers seemed to be satisfied with order booking time and waiting time. However, many of them felt inconvenience with self- service, where they had to stand for long time to get their order delivered. In rush hours, it becomes uncomfortable for people to delivered service. Despite such issues, they were quite satisfied when compared with other private restaurant services.

Further, behavior of restaurant staff was supportive and was appreciated by people. From order booking to delivery and post- delivery process, other restaurants were lagging behind in comparison with corporation - managed restaurant. Suggestions and complaints were handled properly by the staff. The overall facility management was better in state tourism restaurant. Due to all these factors, the corporation- managed restaurants were having an edge in terms of trust and loyalty of customers. Most of the respondents have used the services of other mind-way restaurants as well and they found clear Toran as a better place. On dependability and trust factors, the nature of association with state Government of restaurant customer friendly.

There were some respondents who seemed to be rather unhappy with price factor. They perceived that the charges were unnecessarily higher. Similarly, those traveling in Gujarat tourism buses had no other options but to choose this food joint. They suggested that since the charges were higher, self- service system should be abolished. As they have trust on state-

managed restaurants, it should be from both sides i.e. reciprocal in nature.

CONCLUSIONS AND IMPLICATIONS

The study determined five factors i.e. hygiene & taste, amenities, speedy services, supportive staff, and trust with reference to performance of Gujarat tourism restaurants against customer expectations. The corporation can feel pleased to note these findings. But this is not the end. The corporation should be concerned for further improvements on such fronts. Due to state managed services, many factors are under their control. There are some private players gearing up to make their services better, the corporation should constantly plan for making things superior. The matter of high price of service as reported by most of the respondents should be taken care of by the corporation. Services should be rationally priced so as to get sustained customer support. Quality and high price are not directly proportional in all the cases. The corporation can sustain service quality even with moderate price. They can also consider waiter system of food delivery in place of self- service. Except for these issues, Gujarat tourism managed restaurant was able to get good scores on performance evaluation. More of such restaurants should be opened in other locations as well.

The study was confined to GSTDC-managed Hotels. The results of this study should not be generalized for other GSTDC-managed Hotels. Similarly, there may be differences in performance in terms of Gujarat and other states. Further studies can be done on a large sample and comparison across tourism corporation-owned and managed restaurants can be done between various states. The study has wide implications for the state in particular. Much work can be done towards strengthening service quality in this regard.

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