

ANALYSIS OF SERVICE ENCOUNTER: CUSTOMER'S VIEWPOINT REGARDING HOTEL SERVICES IN COX'S BAZAR CITY, BANGLADESH

MOHAMMAD TOUFIQUR RAHMAN

Lecturer, Department of Business Administration, International Islamic University, Chittagong, Bangladesh

ABSTRACT

The purpose of this study is to analyze the pleasure and displeasure of customers regarding service encounters provided by the hotels in Cox's Bazaar city, Bangladesh. Having the world's longest (120 kilometers) beach, miles of golden sands, surfing waves, rare conch shells, delightful sea-food makes Cox's Bazar the tourist capital of Bangladesh. From the study it has found that, about 62.66% of customers are satisfied in the sector of Recovery and 53.91% of customers in Adaptability that is provided by the hotels. But in the sector of Spontaneity, about 49% and 45.67% of customers are not satisfied with the aims of the employees helping and interacting with the customers. In the sector of Coping about 56.9 % of customers told that, hotel owners are very much cooperative to handle the problem customers. But 57.25 % of customers think that, hotel owners have a lack of abilities and efficiencies to handle any conflict or to retain the good image of those customers.

KEYWORDS: Adaptability, Coping, Recovery, Service Encounter, Spontaneity

INTRODUCTION

Quality movement has swept the manufacturing sector over the last decade is beginning to take shape in the service sector worldwide (Business Week 1991; Crosby 1991, Bitner et.al, 1994). According to some, the shift to a quality focus is essential to the competitive survival of service business, just as it has become essential in manufacturing (Heskett *et al.*, 1994; Schlesinger and Heskett 1991, Bitner *et al.*, 1994).

For the customer, the observable symptom is decreasing quality in what has been termed the "service encounter," or the moment of interaction between the customer and the firm (Czepiel, Solomon, and Surprenant 1985; Lovelock 1983; Shostack 1985; Solomon et al. 1985; Surprenant and Solomon 1987). Many times that interaction is the service from the customer's point of view, yet front-line employees are not trained to understand customers and do not have the freedom and discretion needed to relate to customers in ways that ensure effective service and ultimately dissatisfied customers. The study has conducted on service encounters provided by the Hotels in Cox's Bazar city (Bangladesh) to gain understanding of the particular events and related behaviors of employees that cause customers satisfaction and dissatisfaction.

Cox's Bazar is really a great place to visit for a tourist in Bangladesh. Every year a huge number of tourists come here from across the world. That's why so many high class hotels are driving their business in the Cox's Bazar. Though Cox's Bazar city is not so big but having the world's longest (120 kilometers) beach, miles of golden sands, towering cliffs, surfing waves, rare conch shells, colorful pagodas, Buddhist temples and tribes, delightful sea-food makes Cox's Bazar the tourist capital of Bangladesh There are no official figures on the numbers of visitors to Cox's Bazar this winter (October 2012 to January 2013), but hotel owners said the 10,000 rooms available were full almost seven days a week in November and December, 2012 and a second rush is expected for the Eid-al Fitr festival in 2013. The winter season helps the Hotel industries to go through the rest of the year.

Although more firms are realizing the importance of service quality and customer satisfaction, it is not always clear how to achieve this goal (Bitner et al., 1994). In the situation where service quality is low by the encounters, the problem may be arise from the disagreement of both the customer and the employee. In service encounters such disagreements, sure to diminish customer satisfaction. Thus the Hotel industry should understand the encounters to retain their customers as well as to attract new customers. In this regard the purpose of this study is to analyze and understand the service encounters from the customer's perspective to find out their satisfaction and dissatisfaction levels and to take some necessary measures.

LITERATURE REVIEW

The term "service encounter" has attained widespread use in marketing speeches, articles, and research in a few short years. Surprenant and Solomon (1987) define the service encounter as "the dyadic interaction between a customer and service provider." This definition draws on their earlier work suggesting that "service encounters are role performances" (Solomon et al. 1985) in which both customers and service providers have roles to enact. This use of the term "service encounter" focuses on the interpersonal element of service firm performance. Shostack (1985) defines the service encounter somewhat more broadly as "a period of time during which a consumer directly interacts with a service." Her definition encompasses all aspects of the service firm with which the consumer may interact, including its personnel, its physical facilities, and other visible elements. Shostack's definition does not limit the encounter to the interpersonal interactions between the customer and the firm, and in fact suggests that service encounters can occur without any human interaction element. (Bitner 1990)

Several survey-based studied of service satisfaction also suggest that the human interaction component of service delivery is essential to the determination of satisfaction/dissatisfaction. A study of relationship marketing in the life insurance industry found clients' satisfaction with their contact person (or agent) to be a significant predictor of overall satisfaction with the service (Crosby and Stephens 1987). Other researchers have found the human interaction component to be of importance in evaluating professional services (Day and Bodur 1978; Quelch and Ash 1981), medical services (Brown and Swartz 1989), and retail outlets (Westbrook 1981). Similarly, experimental studies of service satisfaction also have uncovered the importance of particular contact employee behaviors (Bitner 1990; Surprenant and Solomon 1987). This study focus on the personal interactions between customers and employees in service encounters. It also identifies the specific events and behaviors through customer survey which shows their satisfaction and dissatisfaction level that influenced by the service encounters provided by the Hotels.

OBJECTIVES

The main objective of this study is to analyze the pleasure and displeasure of customers regarding service encounters provided by the hotels in Cox's Bazaar city, Bangladesh. Specifically the objectives can be recognizes as:

- To find out customer satisfaction regarding service encounters provided by the hotels.
- To recommend some necessary measures to attract new customers and to retain current customers.

METHODOLOGY

The research is mainly based on the survey through questionnaire. About 121 Hotels are available in Cox's Bazar and out of 25-30 Hotels has a good reputation and quality. Most of the budget hotels are in the area surrounding the designated 'Hotel Motel Zone' in the main town area. The massive star hotels are closer to the beach, which has higher tariff. Hotel Sea Gull, Hotel Media International, Hotel Sea Palace, Long Beach Hotel etc are the decent choices in the

center of town. There are a few hotels/motels such as Hotel Probal and Saikat operated by the Parjatan Corporation, a government tourism organization.

Data were collected by the post-graduate marketing students in the month of November and December, 2012 by visiting around 30 famous hotels in Cox's Bazar city. The survey was conducted over 200 customers whose age was 18 years and above from those hotels, like- Hotel Sea Gull, Hotel Media International, Hotel Sea Palace, Long Beach Hotel, Hotel Cox Inn, Hotel -The Cox Today, Prasad Paradise, Hotel Sea Crown, Hotel Coral Reef etc. The selected determinants of service encounter by Zeithaml, A.V. and J.M . Bitner, (2003), which has been formulated to survey the customers, has defined as: -

Recovery – Employee Response to Service Delivery System Failures

It includes all incidents in which there has been a failure of the service delivery system and an employee is required to respond in some way to consumer complaints and disappointments.

Adaptability – Employee Response to Customer Needs and Requests

It underlying satisfaction/dissatisfaction in service encounters is how adaptable the service delivery system is when the customer has special needs or requests.

Spontaneity – Unprompted and Unsolicited Employee Actions

Employee spontaneity in delivering memorably good or poor service is the theme. Satisfying incidents in this group represent very pleasant surprises for the customer (special attention, being treated royalty, receiving something nice but not requested) whereas dissatisfying incidents in this group represent negative and unacceptable employee behaviors (rudeness, stealing, discrimination, ignoring the customer).

Coping – Employee Response to Problem Customers

It describes the incidents in which customers were the cause of their own dissatisfaction. Such customers were basically uncooperative and thus the term “coping “is used to describe this incidents because this is the behavior generally required of employees to handle problem customer encounters.

The questionnaire consisted of 13 questions to find out the customer satisfaction regarding service encounters from the above mentioned determinants where 4 questions is from both Recovery& Adaptability, 3 questions from Spontaneity and 2 questions from Coping. The customers were asked to fill in a structured questionnaire by indicating their degree of agreement on a five-point Likert scale (strongly agree to strongly disagree).

FINDINGS AND ANALYSIS

Age and Gender of Respondents

Table 1: Age and Gender of Respondents

Gender	Range of Age	No of Respondents	Percent
Male	19-67	138	69%
Female	18-59	62	31%
Total	18-67	200	100%

From the above table -1, we see that the entire respondents are between 18 to 67 years of age where male respondent was 69% and female respondent was 31%. It indicates that they are mature and capable enough to understand and judge the encounters provided by the hotels.

Recovery – Employee Response to Service Delivery System Failures

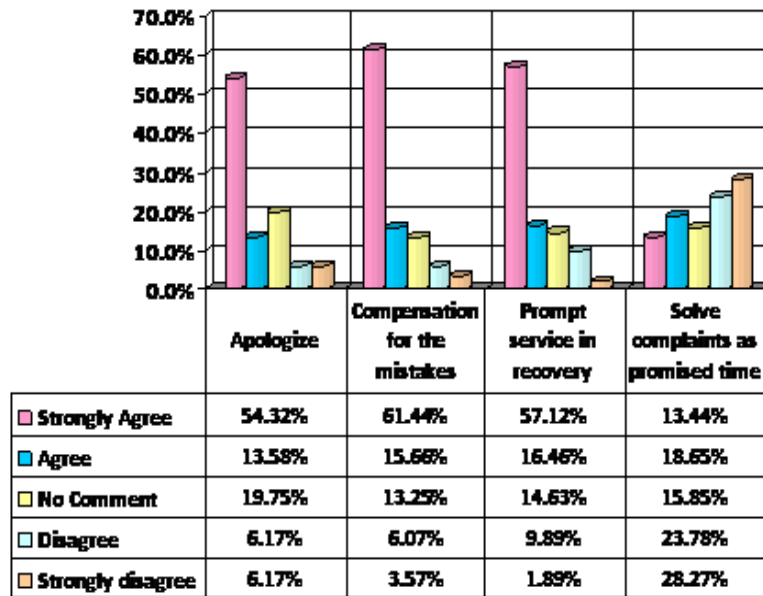


Figure 1: Employee Response to Service Delivery System Failures

From the figure-1 we see that, most of the customers are satisfied with the service encounters provided by the hotels in the sector of recovery. We also see that, customers get pleasure by the way they get recovery. When the customers face promised service failures then -about 67.9% of customers are satisfied by their apologies, about 77.1% get satisfied by their way of compensation for the mistakes, 73.58% get satisfied by their prompt services in recovery process. But 52.05% of customers are not satisfied with the recovery system by which employee cannot solve the complaints within their committed time though they try with their full effort.

Adaptability – Employee Response to Customer Needs and Requests

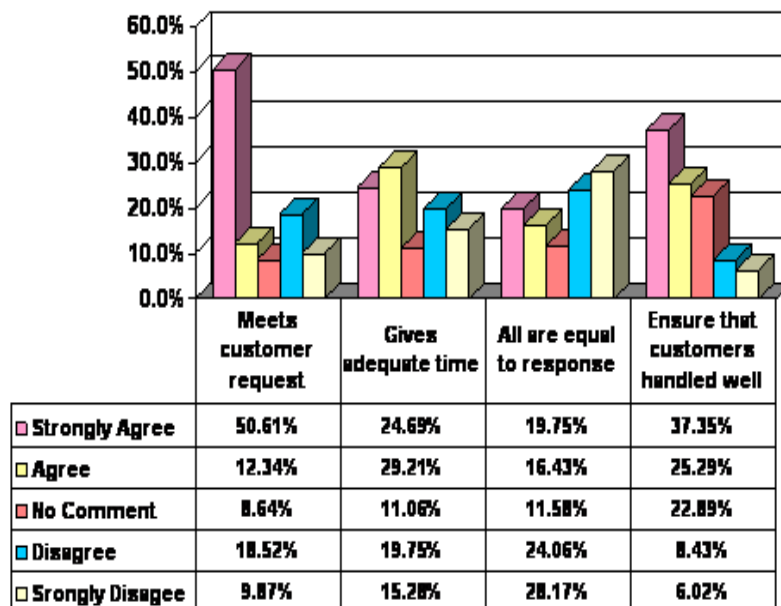


Figure 2: Employee Response to Customer Needs and Requests

From the above figure-2, we see that most of the customers are satisfied with the service encounters provided by the hotels in the sector of adaptability. We also see that when the customers seek employee response for their needs and requests, about 62.95% of customers are satisfied by their (Service Provider) responses to meet their request; about 53.9%

is satisfied by getting adequate time from the service providers and 62.64% is satisfied by the way they get handled by them (service provider). But 52.23% of customers are not satisfied where they think that, they don’t get equal responses from the service providers while the hotel owners give preferences to those customers who have a good relation with them.

Spontaneity – Unprompted and Unsolicited Employee Actions

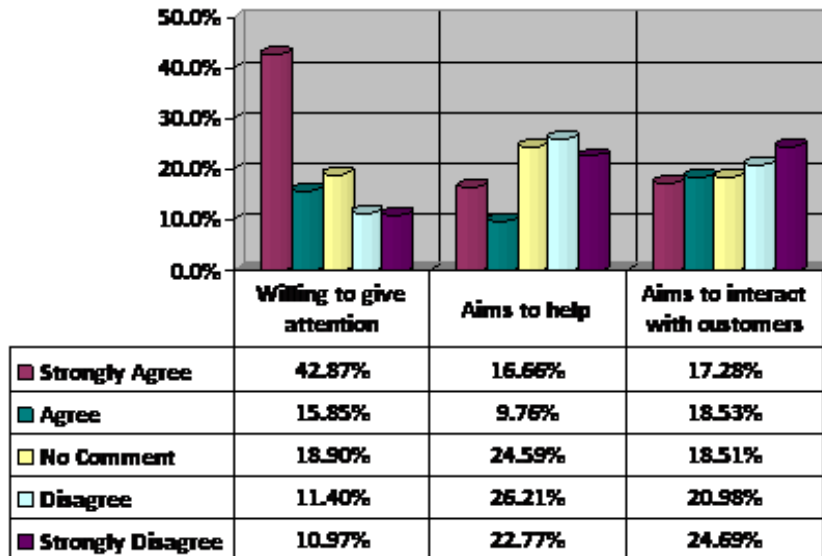


Figure 3: Unprompted and Unsolicited Employee Actions

From the above figure-3, we see that most of the customers are dissatisfied with the service encounters provided by the hotels in the sector of spontaneity. Though 58.72% of customers are satisfied with the attention they have received from the service providers but in the rest of the factors (aims to help and interact with the customers) they are not satisfied. About 49% of customers are not satisfied with the aims of the employees helping and 45.67% of customers are dissatisfied with the aims of the employees interacting with the customers.

Coping – Employee Response to Problem Customers

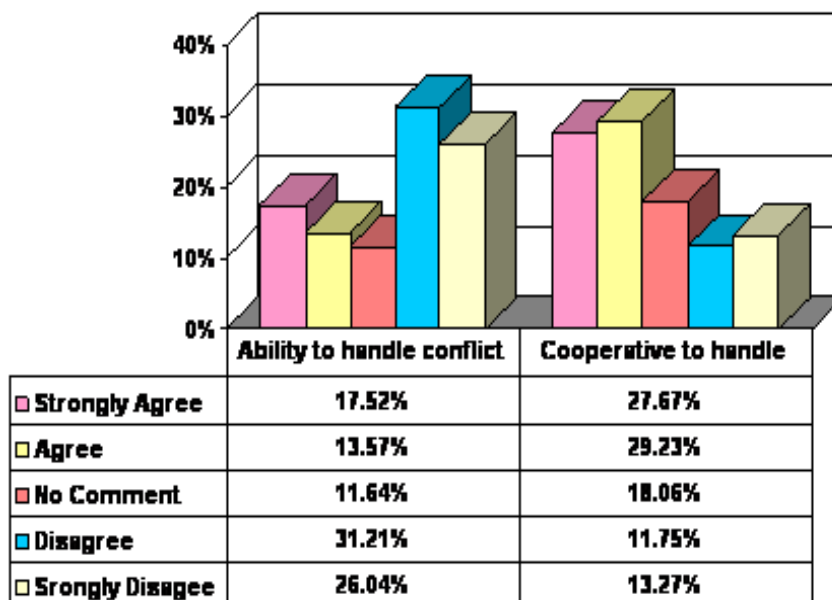


Figure 4: Employee Response to Problem Customers

From the customer’s point of view (who observe the employees behavior to the problem customers) in figure-4 about 56.9 % of customers told that, hotel owners are very much cooperative to handle the problem customers. But 57.25

% of customers think that, hotel owners have a lack of abilities and efficiencies to handle any conflict or to retain the good image of those customers.

RECOMMENDATIONS

Hotel owners should overcome the lackings as soon as possible. Here is some recommendations which may help them to retain current customers and as well as to attract new customers.

- Hotel owners should promise the specific time only when they are really capable to solve the complaints within the assigned time. It will help to create value in the heart of the customers.
- They should treat and give importance equally to those customers who are seeking for needs and requests. It will help to retain them and will do as a good promotional policy also.
- They should aim to help and interact with those customers who are not requesting though they need help. This will help to attract the new customers.
- Hotel owners should give proper and regular training to the employees to handle or to manage any conflict, recovery, adaptability and spontaneity.
- They should concentrate on every single encounter provided by them which has a great impact on customer's satisfaction and dissatisfaction.
- Hotel owner should ensure smart remuneration, bonus, and designation according to qualifications etc to its employees which will help to motivate them to give their best effort to provide superior services to the customers.

CONCLUSIONS

The purpose of this study is to analyze the pleasure and displeasure of customers regarding service encounters provided by the hotels in Cox's Bazaar city, Bangladesh. Having the world's longest (120 kilometers) beach, miles of golden sands, surfing waves, rare conch shells, delightful sea-food makes Cox's Bazar the tourist capital of Bangladesh. That's why so many high class hotels are driving their business in the Cox's Bazar.

The service encounters that are provided by the hotels in Cox's Bazar, most customers are satisfied with the factor of recovery and adaptability but dissatisfied in the sector of spontaneity and coping. Hotel owners should overcome those lackings as soon as possible to stay in the competitive market. The given recommendations may help them to retain current customers and as well as to attract new customers by overcoming those lackings. The study was developed keeping in mind the hotel industry and therefore care should be taken in using it any other service sector. Future researchers will expand and improve upon this and attempt to replicate the findings in other service industries.

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