

IDENTIFYING POTENTIAL STRATEGIC DIRECTION USING PERCEIVED USER VALUE FOR FULL-SERVICE HOTELS



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INTRODUCTION

- Services Vs Products
- Challenges that the service industry pose in strategy formulation
- Challenging customers' perception and expectations measurement
- Perceived User Value (PUV) as a quality assessment criterion

LITERATURE REVIEW



RESEARCH METHODOLOGY

Design	:	Survey in two phases
Research Strategy	:	Survey from both the customers and management
Unit of analysis	:	Full Service Hotels
Source of information	:	Customers and Hotel management
Instruments	:	Questionnaire based on SERV-PERVAL
Sample size	:	30 responses from a Full Service Hotel at Trivandrum, Kerala

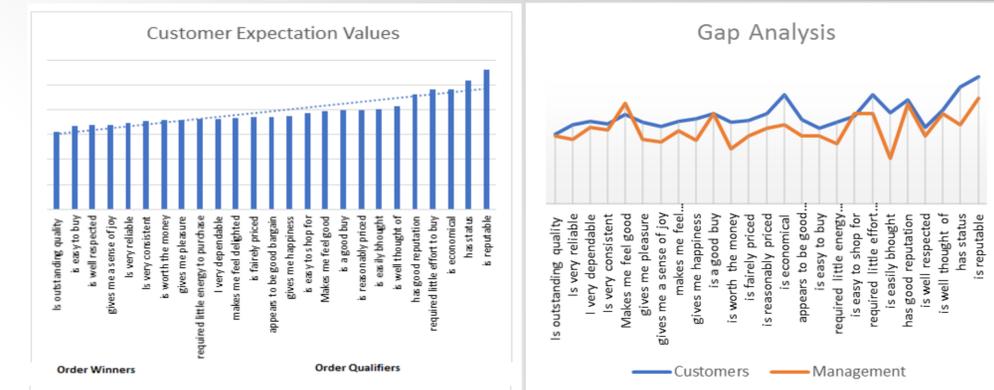


DATA ANALYSIS

Dimensions of Measure (SERV-PERVAL)	Customers Expectation (Mean)	Management Perception (Mean)	Gaps Identified
QUALITY	1.72	1.56	0.16
Is outstanding quality	1.55	1.5	0.05
Is very reliable	1.74	1.43	0.31
Is very dependable	1.82	1.7	0.12
Is very consistent	1.77	1.63	0.14
EMOTIONAL RESPONSE	1.84	1.61	0.23
Makes me feel good	1.97	2.22	-0.25
Gives me pleasure	1.80	1.43	0.38
Gives me a sense of joy	1.70	1.38	0.33
Makes me feel delighted	1.83	1.62	0.21
Gives me happiness	1.88	1.4	0.48
MONETARY PRICE	1.98	1.68	0.3
Is a good buy	2	2	0.00
Is worth the money	1.80	1.22	0.58
Is fairly priced	1.85	1.5	0.35
Is reasonably priced	2.00	1.67	0.33
Is economical	2.42	1.75	0.67
Appears to be good bargain	1.86	1.5	0.36
BEHAVIORAL PRICE	1.97	1.57	0.4
Is easy to buy	1.67	1.5	0.17
Required little energy to purchase	1.81	1.33	0.48
Is easy to shop for	1.93	2	-0.07
Required little effort to buy	2.42	2	0.42
Is easily bought	2.02	1	1.02
REPUTATION	2.29	1.96	0.33
Has good reputation	2.31	2.20	0.11
Is well respected	1.69	1.5	0.19
Is well thought of	2.07	2	0.07
Has status	2.58	1.75	0.83
Is reputable	2.81	2.33	0.48

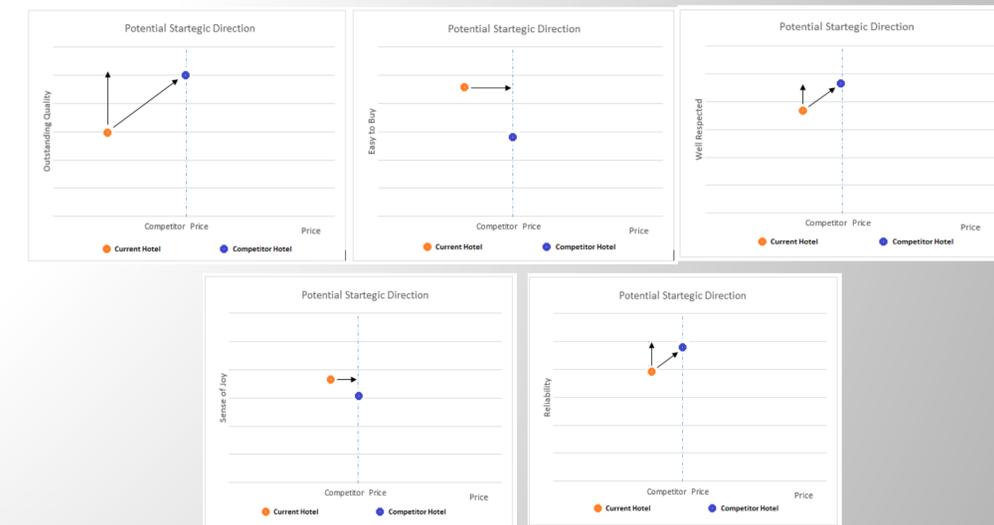
FINDINGS

- The top PUVs or the Order Winners identified are
 - Outstanding quality(Quality)
 - Easy to buy (Behavioral Price)
 - Well respected (Reputation)
 - Sense of joy (Emotional Response)
 - Reliability (Quality)
- The top five gap for the construct identified are
 - Is easily bought (Behavioral Price)
 - Has status (Reputation)
 - Is economical (Monetary Price)
 - Is worth the money (Monetary Price)
 - Gives me happiness (Emotional Response)



III. Possible Potential Strategic Directions: Considering X as the PUV of current hotel and Y as the PUV of the competitor hotel which is considered to be a market leader are given below.

Strategy Adopted	Firm's Position w.r.t Competitors Position		
	Case I X < Y	Case II X = Y	Case III X > Y
	Increase PUV keeping price constant	Increase PUV	Increase price keeping PUV constant
	Increase PUV and increase price up to competitor price	Decrease PUV (discount)	



RESEARCH OBJECTIVES

- The application of multidimensional SERV-PERVAL scale to a full-service hotel has to be investigated and the objective of this research paper would be:
- To identify the PUVs for full service hotel
 - To measure gap between customer expectation and management's perception of values
 - Assessment of possible potential strategic direction

MAJOR REFERENCES

- Berry, 1995
- Zeithaml, Parasuraman, 1988, James F Petrick, 2002
- Normann and Ramirez, 1993
- Future and Marketing of a Five Star Hotel, Amity University, 2012
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DISCUSSION

- It highlights the importance of strategy making using perceived value constructs.
- It discusses the relationship existing between several full-service hotel aspects including status, recreation, hospitality etc.
- This will pave way for a better understanding of the value perceptions and areas on where various strategies can be adopted with respect to the performance of the competitor.

LIMITATIONS

- Only one full-service hotel was studied for this research.