

*Full Length Research Paper*

## Service delivery and customer satisfaction in hospitality industry: A study of the Divine Fountain Hotels Limited, Lagos, Nigeria

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This paper investigates the relationship between service delivery and customer satisfaction at the Divine Fountain Hotels Limited in Lagos Nigeria. The study made use of questionnaires and key informant interview method to gather relevant data for the study. Convenience sampling method was used to select 400 respondents which comprise 50 males and 50 females from each of the four branches of the hotel. A total of 100 questionnaires were administered in each branch of the hotel, thereby summing up 400 questionnaires in all the four branches of the hotel. The questionnaire was administered to every "third" guest that lodged at each of the branches of the hotel during their check-out time for a period of two weeks. Data collected were analyzed using frequency counts, percentage and chart. Findings reveal that the hotel offers a variety of customer centric services which are satisfactory to their customers and this has helped the hotel retain loyal customers over significant period of time. The study concludes that, the two variables (service delivery and customer satisfaction) examined are significantly related and could predict the growth, improve the quality of services offered, increase the patronage and consequently the revenue generated at Divine Fountain Hotels, Lagos.

**Key words:** Service delivery, customer satisfaction, hotel industry.

### INTRODUCTION

#### Background to the study

Customer satisfaction is the "holy grail" of success for business in the customer service industry. The goal of every successful business is to maintain a high level of customer satisfaction by providing their client with value

added transaction through positive customer interaction. In turn, the customer's expectation is to feel important and assisted during the interactions that ultimately lead to fulfillment of their desire and positive end result (Leon and Lestlie, 2000). Customer service representatives are often trained to know the basic elements of providing

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excellent customer service. They are taught to listen, to be patient, tolerant and above all helpful. Organization, especially hotels often monitor their employees to make sure they consistently abide by and apply all of the rules and customer service practices.

Hotel is an establishment that provides paid lodging and feeding on a short term basis. The provision of a basic accommodation in time past consisted of only rooms, with modern facilities including a bedroom suit and air conditioning or climate control. Additional common features found in hotel room are a telephone, an alarm clock, a television and internet connectivity. Snacks, food and drinks are supplied in a mini bar and facilities for making hot drink available.

Divine Fountain Hotels Limited was incorporated on the 31<sup>st</sup> of December, 1998 to provide unique and professional hospitality that can be of immense benefit to mankind in several ways. The objective of the hotel is to implement operational strategies that will create a seamless guest experience at any period. The Divine Fountain Hotels Limited, Lagos is one of the foremost hotels that were established with commitment to ensure that customers' needs are satisfactorily met and for customers to get real value for money spent. Divine Fountain Hotels Limited started in 1998 with only one branch but now, the hotel has four branches with all its branches strategically located in the busy parts of Lagos. The operational head office is located at about one kilometer away from the Nigeria's busiest airport (Murtala Mohammed International Airport) in Lagos. The latest branch which was recently opened in December, 2014 is also located very close to the Nigeria's busiest sea port (Apapa Sea Port) in Lagos. The remaining two branches are also located at the hub of Nigeria's commercial nerve centre and the centre of excellence (Ikeja and Victoria Island). All the branches of this hotel receive both business and leisure travelers regularly from within and outside Nigeria.

Considering the enormous advantages associated with establishing a hotel. Customer requirements for quality products and service in the hotel industry have become increasingly evident to professionals in the industry. In this context, positive relationship can create customer's higher commitment and increase their return rate. In order to achieve customer satisfaction, service delivery is considered paramount in today's hospitality business and also in the promotion of tourism activities within a destination. This is because tourists are visitors who require a hotel accommodation for their stay. In other words, for customers to continue to patronize any hotel, they must be satisfied with the service offered.

The aim of this study is to evaluate the service delivery and customer satisfaction at Divine Fountain hotels in Lagos. The aim would be achieved through the following specific objectives:

To identify the various services offered by Divine

Fountain hotels in Lagos.

To assess the quality of service delivery provided by the hotel.

To determine if the services provided by the hotel meet the needs and wants of their customers.

To suggest measures and strategies to improve the quality of service offered in hotel.

### **Statement of the problem**

Despite the relatively harsh business environment that businesses are run in Nigeria, the Divine Fountain Hotels Limited has a sustained growth and proven track record of providing superior hospitality services to its customer. It is rather worrisome that there is no existing research report that has evaluated the extent at which the service delivery at this hotel has influenced customers' satisfaction since it was established. The need to do this constitutes the focus of this study and the findings of this research work would be useful to all stakeholders in the hospitality and tourism industry.

This gave rise to the purpose of this research work which is to examine in its entirety hotel service delivery which can influence the level of customer's satisfaction.

### **CONCEPT OF QUALITY SERVICE DELIVERY**

Use of quality by customers as one of the most important dimensions to evaluate the service provided to them in hotels is relatively common. Therefore it is one of the most important portals that service institutions have to introduce to achieve the satisfaction of these clients. This gives these institutions a competitive advantages and the ability to continue and survive and thus make profits. Quality is a long- term commitment by the institutions providing services to satisfy the needs and desire of customers continuously; that responsibility falls on both the management of enterprise service and its employee. To achieve these needs and desire, it is important to achieve high level of quality in the multiplicity of economic benefits. The idea of the overall quality means excellence, clear standards and high performance. Quality as a factor can be measured. It falls in the eyes and minds of customers who have multiple needs and who evaluate them when you use the service as a comparison between the values they get compared to the costs spent.

Service defines a commodity as intangible and it includes the performance of certain work or effort, but cannot be owned; and usually services are offered through the effort of persons or through a mechanical effort towards certain people (Pride and Ferrell, 2006).

The quality of services in its concept statues is identical; therefore the goal of making the many functions of the institution quality is matching these functions fully

with the specifications and requirements specified by the institution.

Customer service representatives are the quintessential front line greeter and hand shakers at the core of every business. They keep the customers informed and happy since a business cannot sustain without a healthy clientele. A good experience means a happy customer and a happy customer is every business best asset.

In today's world of intense competition, the key to sustainable competitive advantage lies in delivering high service that will in turn satisfied customer. The customer's overall satisfaction is a function of all the encounters/experiences of the customers with that organization. Similar to service quality, customer satisfaction can occur at multiple levels in an organization, for example, satisfaction with the contact person, satisfaction with the core service and satisfaction with organization as a whole (Shemwell, 2001).

### **Customers' satisfaction**

Customers' satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customers' expectation. Customer's satisfaction is defined as, "The number of customer, or percentage of total customer, whose reported experience with a firm, its products, or its services (ratings) exceeds specific satisfactions".

In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their business. Within organizations, customer satisfaction rating can have powerful effects. They focus employees on the importance of fulfilling customer expectations. Furthermore, when these rating dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic. When a brand has loyal customer, it gains positive word – of – mouth marketing, which is both free and highly effective. Therefore, it is essential for business to effectively manage customer satisfaction. To be able to this, firms need reliable and representative measures of satisfaction (Allen et al., 1998).

Customer satisfaction is measured at the individual level, but is almost always reported at an aggregate level. It can be, and often is, measured along various dimensions. A hotel for example, might ask customer to rate their experience with its front desk and check- in service, with the room, with the amenities in the room, with the restaurants, and so on. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behavior such as return and recommend rate.

The level of satisfaction can also vary depending on other options the customer may have and other product against which the customer can improve the organization product (Asubanteng and Ngahu, 1996).

The importance of customer is apparent when you realize, that without customers, you do not have business. Single unsatisfied customer can move business away from your company; therefore it is imperative to satisfy customers. The more you focus on customer retention and customer support, the more long- term business you will get. It is worthwhile to focus on customer satisfaction strategies, no matter how large or small your company is (Zeithaml et al., 2006). Understanding the needs of customer is critical. A business relationship just like any other relationship relies on both people getting their need meet. No matter what type of business you are doing, in all, customers want the same thing. They want to feel welcome and appreciated by you and your staff. They do not want to get an impression that they are just being used by you for money. Small interaction like "Thank you" and a nice smile can go a long way toward customer satisfaction (Alex and Berry, 1998).

Make sure your employees operate with the same principle. A big part of customer satisfaction is reliability. If customers come to expect a certain mode of behaviour from you and your employees, you should deliver it to be able to make them rely on you; they expect consistent delivery times (if applicable) and support. By training your employees to treat all customers with the same respect, your customers will all have same experience with your company, which will increase customers' satisfaction.

Be honest if you do not meet expectation. Customer satisfaction is at its most when something goes wrong in the chain of delivery, whether a customer was double charged or did not receive what is expected. The employee should apologize and take steps to rectify the situation. The phrase "the customer is always right" is at the core of a good customer satisfaction strategy. It does not matter whether or not the customer missed the instruction or made the mistake, your employee should take steps to make the customer happy (Daaboul and Mohammed, 2003).

Customer satisfaction is the foundation of good business; satisfied customers will make a great foundation for return business, and they may also bring their business associates and friends. Keep them satisfied, and encourage them to tell their friend about their experience with your business.

### **METHOD OF DATA ANALYSIS**

Data were collected from the respondents with the use of questionnaires and interviews were grouped into categories A, B and C data with the hedoni-scale ranging from "Scale 1 = Dislike Strongly" to "Scale 5 = Like Strongly". Data analysis was done through statistical frequency counts and percentages in a tabular

**Table 1.** Summary of the data collected.

	Dislike strongly		Dislike		Neutral		Like		Like strongly		
	Freq.	Percent.	Freq.	Percent.	Freq.	Percent.	Freq.	Percent.	Freq.	Percent.	
Category A	Staff Focused Data										
A <sub>1</sub>	4	1%	13	3%	11	3%	209	52%	138	35%	
A <sub>2</sub>	6	2%	15	4%	13	3%	206	52%	141	35%	
A <sub>3</sub>	3	1%	17	4%	9	2%	210	52%	136	34%	
A <sub>4</sub>	7	2%	9	2%	11	3%	214	54%	129	32%	
Category B	Facility Focused Data										
B <sub>1</sub>	3	1%	6	2%	17	4%	227	57%	110	28%	
B <sub>2</sub>	5	1%	7	2%	14	4%	235	59%	137	34%	
B <sub>3</sub>	3	1%	7	2%	19	5%	213	53%	118	30%	
B <sub>4</sub>	2	1%	9	2%	12	3%	222	56%	123	31%	
Category C	Service Focused Data										
C <sub>1</sub>	3	1%	9	2%	13	3%	256	64%	121	30%	
C <sub>2</sub>	6	2%	12	3%	18	5%	242	61%	113	28%	
C <sub>3</sub>	8	2%	16	4%	12	3%	233	58%	125	31%	
C <sub>4</sub>	4	1%	11	3%	8	2%	240	60%	128	32%	

form and then presented in a graphical form for easy interpretation.

## RESULTS AND DISCUSSION

Table 1 reveals the summary of the data collected for this research study. The result presented shows that the data collected are categorized into three, namely staff focused data, facility focused data and service delivery focused data.

The table shows that 87% of the respondents like the appearance of the workers at Divine Fountain Hotel as well as their communication skills. Also 86% of the respondents like the workers' courteousness and efficiency at work as well as their willingness to assist guests at all times. It therefore means that the staff members of the hotel are well trained and they understand how to behave at work.

More so, 85% of the respondents like the location of the hotel. This means that they find it very accessible to them. 93% like the facilities in place at the hotel and so prefer to lodge at the hotel at all times they are in Lagos. 83% of the respondents like the variety of meal served, so also 87% of them like the food service system of the hotel and the taste of the food.

Nonetheless, 94% of the respondent like the manner at which customer information and the terms of contract of the hotel service is being communicated. So also, 89% of them like the way customer complaints are being handled. On the final note, 89% of the respondents like the value they get for money spent at Divine Fountain Hotel and 92% like the hotel's overall service delivery.

The information gathered in an exclusive interview with some of the hotel guests most especially the ones who

said that they are not based in Lagos but visit Lagos regularly. Many claimed that they are regular users of the hotel and that they hardly lodge in any other hotel in Lagos because they get attracted to the hotel because of the experience they get each time they visit it as a result of the quality of service offered by the hotel.

In another exclusive interview with the Managing Director of the Hotel, it was revealed that the hotel offers various customer centric services which include but not limited to, tastefully furnished guest rooms of varying categories, exquisite restaurant and bar, courtyard swimming pool and gym, airport shuttle, free Wi-Fi internet connection, banquet hall for various kind of events, daily complimentary newspaper, 24 h guaranteed power supply and a very tight security network.

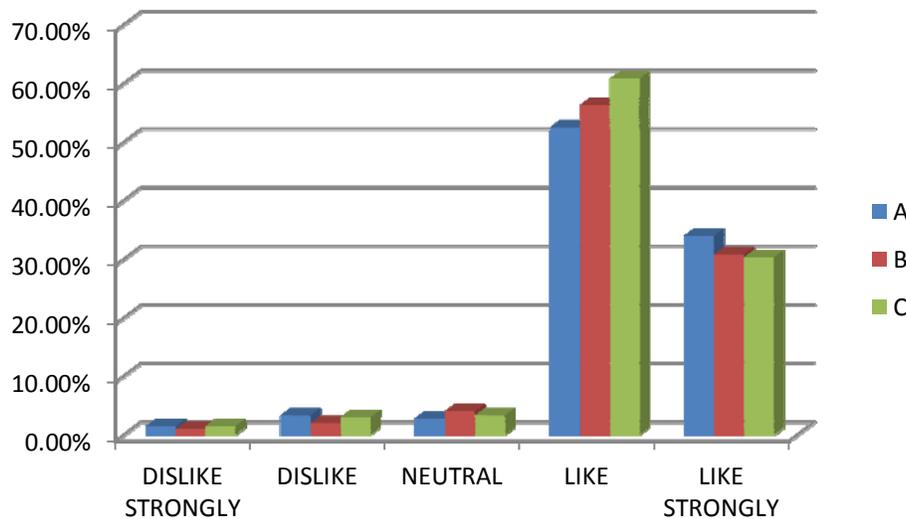
## Conclusion

The service delivery and customer satisfaction at the Divine Fountain Hotel Limited was investigated. The study made use of questionnaire and key informant interview method to gather relevant information for the study. Convenience sampling method was used to select 400 respondents which comprise 200 males and 200 females. Data collected were analyzed using frequency counts, percentage and graph.

From Table 2, the finding reveals that on the average 86% of the respondents like the workers of Divine Fountain Hotel and their attitude at work. Also 87.1% opine that the location of the hotel is very good and all the branches are very accessible. Finally, 91.1% of the respondents like the overall service delivery of the hotel (Figure 1).

**Table 2.** Average of the summary of the data collected.

	Dislike strongly		Dislike		Neutral		Like		Like strongly	
	Freq.	Percent.	Freq.	Percent.	Freq.	Percent.	Freq.	Percent.	Freq.	Percent.
A	5	1.5%	13.5	3.3%	11	2.8%	209.8	52.5%	136	34.0%
B	3.3	1.0%	7.3	2.0%	15.5	4.0%	224.3	56.3%	122	30.8%
C	5.3	1.5%	12	3.0%	12.8	3.3%	242.8	60.8%	121.8	30.3%



**Figure 1.** Graphical presentation of Table 2.

Findings from the interview reveals that majority of the regular customers of the hotel are attracted for repeat business simply because of the good experience they get each time they lodge and the variety of the customer centric services offered by the hotel. It therefore means that each time the guests are satisfied becomes a passport for the hotel to receive them and additional customer they might share the experience with another time.

The study assesses the service delivery and customer satisfaction at Divine Fountain Hotel. The findings of the study shows that the two variables “service delivery” and “customer satisfaction” examined are significantly related and could predict the growth, improve the quality of services offered and increase the patronage and revenue generated at Divine Fountain Hotel. Divine Fountain Hotels Limited is truly a growing company and the reason for the growth has been revealed from the data gathered.

From the findings, it can be deduced that Divine Fountain Hotels provides quality services to her customers and this has resulted in good customer experience and satisfactory services being enjoyed by the hotel customers. Hence for any hotel to satisfy its customer, gain good customer patronage, quality service delivery must not be compromised.

**RECOMMENDATIONS**

From the findings of this study, the following salient recommendations are made:

In order to keep the good performance of the hotel, the hotel should always get feedback from her customers. The management should maintain the quality service delivery which has contributed immensely to the growth of the hotel.

**Conflict of Interest**

The author has not declared any conflict of interests.

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## Appendix

Category	Questions
A <sub>1</sub>	How would you rate Staffs' appearance on duty?
A <sub>2</sub>	How would you rate Staffs' communication skill?
A <sub>3</sub>	How would you rate Staffs' courteousness and efficiency?
A <sub>4</sub>	How would you rate Staffs' willingness to assist guest at all times?
B <sub>1</sub>	Indicate your view as regard the location and the accessibility of this hotel.
B <sub>2</sub>	Indicate your view as regard the facilities put in place for use in this hotel.
B <sub>3</sub>	Indicate your view as regard the cost and the varieties of meal that are offered in this hotel.
B <sub>4</sub>	Indicate your view as regard the food service system and the taste of food offered in this hotel.
C <sub>1</sub>	Indicate your level of likeness for how well customers are informed about the contract terms of the hotel.
C <sub>2</sub>	Indicate your level of likeness for how well customers complaints are been addressed.
C <sub>3</sub>	Indicate your level of likeness for how well customers get value for money spent.
C <sub>4</sub>	Indicate your level of likeness for the overall customer service delivery.