EFFECT OF EXTERNAL HOTEL DESIGN FEATURES ON CUSTOMER ATTRACTION AND RETENTION

Rachel Kirito Kirima
Hospitality Management, Kenya Utalii College, Kenya

Prof. Richard Makopondo
Hospitality and Tourism Management, Technical University of Kenya, Kenya

Dr. Mary Mutungi
Hospitality and Tourism Management, Kenyatta University, Kenya

Full Length Research

Available Online at:

http://www.iajournals.org/articles/iajhrba_v2_i3_282_289.pdf

Citation: Kirima, R. K., Makopondo, R. & Mutungi, M. (2017). Effect of external hotel design features on customer attraction and retention. *International Academic Journal of Human Resource and Business Administration, 2*(3), 282-289

ABSTRACT

Hotel design brings competitiveness, reviewing literature according to objectives focus on factors as well as processes through which design influence customer taste and choice of a hotel. The focus is on design features from a diverse category of hotels in the world, mainly the town hotel designs. This diversity assisted in defining the role the hotel design plays in customer attraction and retention. The purpose of this study is to explore how hotel design features may influence customer attraction and retention. A cross- sectional, descriptive survey design, utilizing both quantitative and qualitative research method was chosen. Stratified sample procedure was used for preliminary sampling of hotels in 3-5 star rating. Purposive sampling was used for the hotel managers and marketing managers and convenience sampling for the guests. This study was confined to hotels located within Nairobi County. The main instruments that were used in the collection of data for the study were questionnaires and interview guides. Data analysis involved the use of Statistical Package for Social Sciences (SPSS) in the analysis of quantitative data. Analysis of Variance (ANOVA) which generated results of correlation and the magnitude of each individual independent variable and determines if one variance was larger than the other. Multiple regressions were conducted both for individual independent variables versus dependent variables and an overall involvement of all the independent variables versus the dependent variables. The three independent variables that were studied explain 74.2% of the factors affecting customer attraction and retention as represented by R Squared (Coefficient of determinant). This therefore means that other factors not studied in this research contribute 25.8% of the factors affecting facility competitiveness. It is recommended that the hotel operators should have a say in the development of their property designs, to date, contemporary research has dealt very little with the design dimension and its importance among small-size hospitality and tourism operations, including knowledge.

Key Words: *hotel design, customer attraction, customer retention, Nairobi County*

INTRODUCTION

Hotel design brings competitiveness, reviewing literature according to objectives focus on factors as well as processes through which design influence customer taste and choice of a hotel. The focus is on design features from a diverse category of hotels in the world, mainly the town hotel designs. This diversity assisted in defining the role the hotel design plays in customer attraction and retention.

PURPOSE

The purpose of this study is to explore how hotel design features may influence customer attraction and retention.

LITERATURE REVIEW

There is paucity of research that takes a broader view on the influence of hotel designs on customer satisfaction in a service setting. However researchers have argued that design is a tangible element a guest can use to make a choice on a hotel (Mehmetoglue, 2009). These tangible elements create an image in customers' minds that in turn can influence their overall evaluation of the physical environment and generate considerable excitement (Thapa, 2007). The elements of design both tangible (Architectural Layout, Lobby Design) and intangible (Ambience) can lead to a guests' overall experience at the hotel of their choice and subsequently potential business implications through positive word of mouth (Alonso & Ogle, 2008).

Slatten (2008) supports the importance of design in a hotel by arguing that it can be a determinant on whether a customer will stay or leave the hotel, likewise Bigne, Andreu and Gnoth (2005) assert that design is of paramount importance to customers experience as their aim of visiting a hotel is to enjoy and have a lasting memory about it, However, Parasuraman et al (1996) holds that design has a minimal effect on customer experience and retention. Cronin and Tylor (1992) supports this arguement and ascertains that design has a low impact on customers' perception about the hotel and especially in such services like fastfood restaurants. This indicates that studies in this area has provided inadequate knowledge on whether a hotel design is significant to the overall customer satisfaction.

METHODOLOGY

Research Design

A cross- sectional, descriptive survey design, utilizing both quantitative and qualitative research method was chosen. Stratified sample procedure was used for preliminary sampling of hotels in 3-5 star rating. Purposive sampling was used for the hotel managers and marketing managers and convenience sampling for the guests. This study was confined to hotels located within Nairobi County. The choice was due to the fact that Nairobi hosts both the new and the old types of hotels. The area of study was selected because Nairobi as a city has witnessed changes in hotel designs and many new hotels being established since the new millennium (Payne & Perret, 2012) therefore the study was assured of variety and numbers in the guest population.

Data Collection Techniques

The main instruments that were used in the collection of data for the study were questionnaires and interview guides. Questionnaires were used for the guests of the hotel and interview guides were used to solicit data from hotel managers and marketing managers. The open-ended questions allowed respondents to give answers in their own way. The questionnaires acted as primary sources of data and therefore, provide both qualitative and quantitative information.

Data Analysis

Data analysis involved the use of Statistical Package for Social Sciences (SPSS) in the analysis of quantitative data. Analysis of Variance (ANOVA) which generated results of correlation and the magnitude of each individual independent variable and determines if one variance was larger than the other. Multiple regressions were conducted both for individual independent variables versus dependent variables and an overall involvement of all the independent variables versus the dependent variables. Regression (R) predicts the unknown variable using a known variable. Content analysis was done on qualitative data, where behavior trends or similar responses was coded, then subjected to quantitative data analysis.

A multivariate regression model was applied to determine the relative importance of each of the variables with respect to customer attraction and retention. The regression model will show how each of the independent variables affect the dependent variable.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.843	0. 742	0.724	0.4216

    a) Predictors: (Constant), Exterior design.
   b) Dependent variable: Customer attraction and retention

The R Square is the coefficient of determination and tells the variations in customer attraction and retention and external design of the hotel.

The three independent variables that were studied explain 74.2% of the factors affecting customer attraction and retention as represented by R Squared (Coefficient of determinant). This therefore means that other factors not studied in this research contribute 25.8% of the factors affecting facility competitiveness.

RESULTS

Hotel External Design Influence on the Hotel Choice

External hotel design features greatly influence hotel choice as indicated by an overwhelming majority (80%). Majority of the respondents (28%) pointed out that hotel external design influence on the hotel choice to a very great extent. 3% of the surveyed guests pointed out to a little extent hotel external design influenced their hotel choice. This shows that the physical property of the hotel is very significant when it comes to driving the hotel client's hotel choice. Hotel external design creates a value for the clients during their stay, thus it is of special importance for people involved in designing the hotel, to pay a closer attention on the effects that certain physical settings are having on customers.
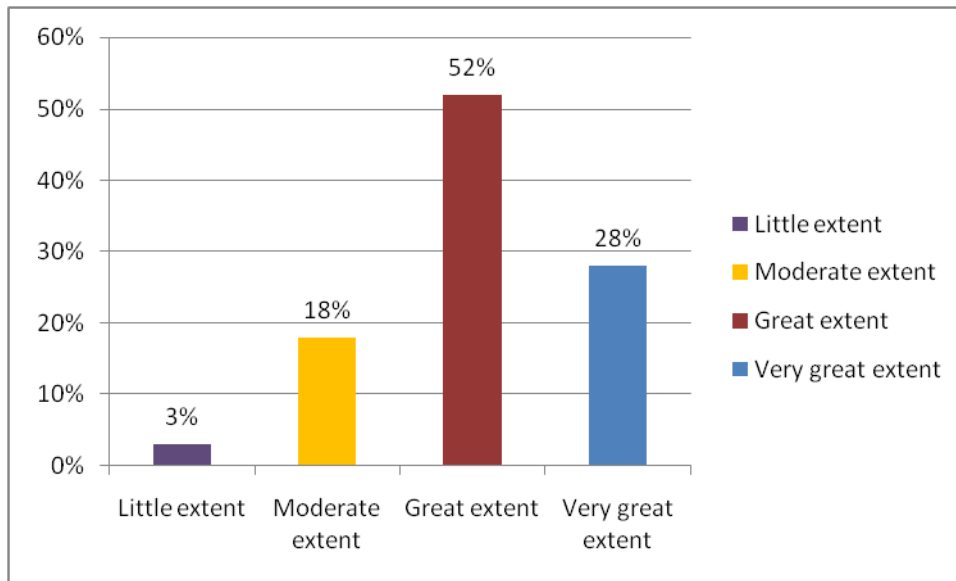
Figure 1: Hotel external design influence on the hotel choice

The study correlated with Thapa (2007) and Mehmetoglue and Slatten (2009) who argued that design is a tangible element a guest can use to make a choice on a hotel. These tangible elements create an image in customers' minds that in turn can influence their overall evaluation of the physical environment and generate considerable excitement. Using the theoretical concepts of environmental psychology, George and Lilian (2013) found out that if the physical environment has an effect on human behavior, which would also affect the behavior of individuals within the consumer settings. On contrary studies done by Harrington and Ottenbacher (2011), argues that design is not a major influence on guests' choice of the hotel, other aspects such as service quality and accessibility play a key role in hotel choice. This argument could be attributed to the reason why very great extent is at 28% and not the highest influence on guest choice, therefore key considerations should be given to design to bring it to the level of other factors influencing the hotel choice.

On evaluating the influence of external design features as perceived by the guests in relation to attractiveness, hotel shape (68%) was the highest influencer of hotel attractiveness, followed by material used (59%) and then color of the hotel (38%). Thus the findings show that a modern interior design of the hotel servicescape should reflect the rigor, simplicity, consistency and conciseness of its architectural forms and their functional justification. It should create an environmental, functional and aesthetic comfort, which determine a positive emotional state of the customers. This can be achieved by the means and techniques that integrate the individual elements of interior into a coherent balanced picture (Penner et al, 2013). However Parasuraman et al (1996) holds that design has a minimal effect on customer experience and retention and has a low impact on areas such as fast-food restaurants, but there are emerging trends in new hotels

that take design as a key area as a marketing strategy. Such hotels like the Burj Arab in Dubai and Pazhou in China is a clear indication that design is an emerging issue and should be taken into consideration when planning and developing hotels.

On the hotel shape or structural managers were asked how the same influenced attractiveness in their hotels 73% indicated that; this dependent highly by the taste of the client, they also indicated that good structural features contribute to the attraction of customers at the hotel. On the same 27% were of the contrary opinion and cited that shape did not have much effect on customer attraction what mattered to them was how the hotel functions.

On the effect of external colours managers; 81% indicated that attractive colours attract guests dull and unwelcoming colours put customers off. 19% stressed that bright and theme colours of an establishment were very appealing they went further and cited that colours express coolness, peacefulness, warmth and other emotions when used carefully they will affect customers feelings.

The material used to build the hotel was also evaluated and analysed on how the same influenced attractiveness of the hotel to guests. According to 66% of the managers materials used determined whether customers were attracted and retained. They pointed out that to ensure attractiveness high quality materials which are unique are used to ensure customers feel valued. A few (34%) indicated that material used did not have any effect. One of the managers pointed out that *'Excellent entourage is essential for the luxury and boutique hotels as it is a part of their uniqueness''* (HM1).

Table 2: External design features in relation to attractiveness

Feature	Highly Attractive		Attractive		Moderate		Not Attractive		Extremely not attractive	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Shape	157	68	57	25	16	7	1	1		
Color	72	31	87	38	63	27	9	4	3	1
Material Use	136	59	82	36	9	4	4	2	8	3

The above findings were similar to a study by Alonso and Ogle (2008) who assert that the elements of design both tangible (Architectural Layout, Lobby Design) and intangible (Ambience) can lead to a guests' overall experience at the hotel of their choice and subsequently potential business implications through positive word of mouth.

External Design Influence on Customer Retention

Managers were asked how external designs ensure guests are attracted and retained. According to the responses given; customers preferred quiet, secure and serene environments. They pointed out that areas which are crowded noisy or not secure are not ideal for hotels and they preferred proximity to health facilities, animal parks and other tourist's attraction sites. This was an attempt to create a unique image of the hotel, recognition and thus differentiation from the competitors.

One of the manager was cited *'Surrounding environment with all its components is a key factor which has a great influence on people's feelings, which is one of the reactions that encourage and force people to remain in the place where they are in or to leave. In my hotel we ensure the surrounding environment is conducive to all our guests''* (HM2).

From the findings it's worth noting that nowadays, it is not enough to create a standard comfort that meets the needs of the hotel customers. Due to the high competition on the market of hospitality, there is a presence of different requirements concerning the interior and exterior design of the hotel, which should be catchy and unique, in order to make the guest to choose the same hotel again.

A multivariate regression model was applied to determine the relative importance of each of the variables with respect to customer attraction and retention. The regression model will show how each of the independent variables affect the dependent variable.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.843	0. 742	0.724	0.4216

    c) Predictors: (Constant), Exterior design.
    d) Dependent variable: Customer attraction and retention

The R Square is the coefficient of determination and tells the variations in customer attraction and retention and external design of the hotel.
The three independent variables that were studied explain 74.2% of the factors affecting customer attraction and retention as represented by R Squared (Coefficient of determinant). This therefore means that other factors not studied in this research contribute 25.8% of the factors affecting facility competitiveness.

RECOMMENDATIONS

1. There are some practical implications of this study. Moreover, the hotel shape and material used in hotels influence guests' decision on whether to visit the hotel again or not. Therefore, the owners and managers of hotels should pay attention for this issue as it may maintain loyal customers that will be a good source for the profitability of the hotels.

2. It is recommended that the hotel operators should have a say in the development of their property designs, to date, contemporary research has dealt very little with the design dimension and its importance among small-size hospitality and tourism operations, including knowledge.

REFERENCES

Mehmetoglue, T. S. (2009). Atmospheric Experiences that emotionally touch customers. *Experiences that touch customers*, 724.

Thapa, D. (2007). Hotel Lobby Design. *A study of parameters of attraction* , 2-4.

Tourism Report, F. A. (2010). *polishing the jewel:kenya's tourism.* nairobi: world bank.

Alonso, A. D., & Ogle, A. (2008). Exploring design among small hospitality and tourism operators. *Journal of retail and leisure property*, 1.

Slatten, T. (2008). Antecedents and effects of emotional satisfaction on employee-perceived service quality. *Managing Service Quality*, 431-455.

Slatten, T. (2012). Effects of Emotional Satisfaction. *Journal of Service Quality*, 22-34.

Bigne, E., Andreu, L., & Gnoth, J. (2005). Theme Park Experienece:An analysis of pleasure,arousal and satisfaction. *Journal of Tourism Management*, 833-844.

Parasuraman, A., Berry, L. L., & Zeithmal, V. A. (1996). The Behavior Consequences of Service Quality. *Journal of Marketing*, 31-46.

Cronin, J., & Tylor, S. (1992). Measuring service quality: a reexamination and extension. *Journal of Marketing*, 55-68.

George,T. & Lilian, H. (2013). Managing Attractions. *Journal of Marketing* , 55-88.

Harringtton, R. J., & Ottenbacher, M. (2011). Strategic Management:an analysis of its representation and focus in recent hospitality research. *International Journal of Contemporary Hospitality Management*, 183.

Penner,R., H., Adams, L., & Stephanin, K. A. (2013). *Hotel Design: Planning & Development, 2nd Edition.* New York: Norton & Company Inc.