

EVALUATION OF CUSTOMER SATISFACTION INDEX MODELS FOR TAIWANESE INTERNATIONAL TOURIST HOTELS

CHEN JIAN

Research Scholar, Lincoln University College, Malaysia.

IBRAHIM MOHAMED ALRAJAWY

Professor, Lincoln University College, Malaysia.

Abstract

This research paper aims to evaluate and compare the appropriateness of different customer satisfaction index models for Taiwanese international tourist hotels. Customer satisfaction is a critical factor in the success of the hotel industry, particularly for international tourist hotels that cater to diverse customer segments. Various customer satisfaction index models have been proposed and utilized in different contexts. This study examines the suitability and effectiveness of existing customer satisfaction index models for assessing customer satisfaction in Taiwanese international tourist hotels. The research methodology includes a systematic review of literature, analysis of customer feedback data, and expert interviews. By evaluating the strengths, limitations, and applicability of different models, this study will provide insights into the most appropriate customer satisfaction index model that aligns with the unique characteristics of Taiwanese international tourist hotels. The findings will assist hotel managers and policymakers in selecting and implementing the most suitable model to monitor and improve customer satisfaction, leading to enhanced customer loyalty, positive word-of-mouth, and improved hotel performance.

Keywords: Customer Satisfaction, Customer Satisfaction Index Models, Taiwanese International Tourist Hotels, Evaluation, Systematic Review, Customer Feedback, Expert Interviews, Hotel Performance

INTRODUCTION

The trajectory of the industry in the nation has steadily converted from a manufacturing industry to a service industry, which has led to the description of Taiwan's economy as being similar to that of the American economy. According to the Directorate-General of Budget, Accounting and Statistics, Executive Yuan (2007a) (<http://eng.dgbas.gov.tw>), the service industry accounted for roughly 70 percent of the Gross Domestic Product (GDP) in 2003. This information may be found on the website of the Executive Yuan. However, in 2005, the Global View Monthly (Executive Yuan, 2007b) revealed that the average GDP for the top ten service industries was 14 points lower than it had been the previous year. This was a decrease from the previous year's value of a GDP. It should come as no surprise that there is opportunity for development in the service business. At the moment, the sector of the Taiwanese economy that is going through the most rapid expansion is the service industry. This tendency has been recognised by Taiwan's Tourism Bureau, which is part of the Ministry of Transportation and Communication. As a result, the Tourism Bureau has established tourism strategies, such as the "Doubling Tourist Arrivals Plan 2006-2007 and Tour Taiwan Years 2008-2009 Campaign," with the goal of developing advanced tourism. In point of fact, according to data reports regarding the

shopping habits of incoming visitors that were provided by the Tourism Bureau (2008a), travellers who travelled to Taiwan spent an average of USD 215.21 per day on their own consumption. The average visitor in Taiwan spent less than USD 60.00 on their other individual costs, with the exception of housing, which cost an average of USD 94.61 (43.96%). According to the annual survey of the purchase intention of incoming visitors, the majority of foreign tourists stayed in hotels (88 percent), with 54.35 percent of travellers opting to stay in international tourist hotels (. As a result, hoteliers and the government of Taiwan have come to an agreement to increase the quality of accommodation services and to encourage the hotel business to enhance lodging facilities. This will allow the hotel industry to meet worldwide standards. The findings of the annual survey that was done by the Tourism Bureau (2008a) in 2007 revealed that total consumer satisfaction among visitors with travel aspects such as scenic locations, hotel, transportation, and others declined from 89 percent in 2006 to 86 percent in 2007. The study was conducted in 2007. Despite this, there has been a discernible rise in the level of satisfaction reported by consumers from the year 2003. The fact that there are no public data on customer satisfaction especially for the hotel business is one of the most crucial aspects of our study. In recent years, it has been increasingly apparent that there is an overwhelming demand from customers for items and services related to housing. In Taiwan's highly competitive tourist market, the hotel sector is widely regarded as the primary means through which hotel enterprises may differentiate themselves from one another and influence market position strategy. As a result, academics have started to focus more of their attention on the level of pleasure experienced by hotel guests. As a result of the influence that it has on both repeat business and reputation through word-of-mouth marketing, customer satisfaction has been seen as a problem of critical significance in the hospitality sector. In point of fact, the hotel sector in Taiwan has not always reacted to the requests of its patrons for improvements in a manner that is seen to be satisfactory. In Taiwan, every hotel uses its own unique set of metrics to determine how satisfied its guests are with the service they get. In Taiwan's hospitality industry, measuring the level of a customer's pleasure is not held to any official or widely recognised standard. As a consequence of this, the hospitality sector in Taiwan is in need of a reliable customer satisfaction index. If hotels were to objectively assess customer satisfaction using the common index, they would be able to enhance the aspects that visitors care about most while also optimising the distribution of resources throughout the hotel sector as a whole. According to Fornell, Johnson, Anderson, Cha, and Bryant (1996), a customer satisfaction index (CSI) is a standard approach for assessing, comparing, and improving customer satisfaction across enterprises and sectors. According to Bloemer and Kasper (1995), a customer satisfaction index offers distinct categories that may be used for strategic decision making on the investment of resources for what customers value most in order to maintain customer loyalty. To be more specific, the scores on the customer satisfaction index serve as a kind of an intangible economic indicator and are employed in the process of determining the extent to which businesses, industries, and international trade unions are able to sustain profitable operations. For instance, the American Customer Satisfaction Index (ACSI) model was produced in 1994,

while the European Customer Satisfaction Index (ECSI) model was developed in the year 2000. Both of these models have been extensively used to service sectors. The primary focuses of both the ACSI and the ECSI models are on the customer's expectations, the value of the product or service provided, how satisfied the consumer is, how they feel about their complaints, and how loyal they are. However, image has a beneficial influence on consumer satisfaction. According to Nguyen and LeBlanc (2002), the use of material aspects in the advertising of service sectors not only represents a strategy to make the intangible physical, but also an efficient technique to build an image that is more solid and genuine. Physical environment, interaction with hotel workers, quality of service, corporate identity, and accessibility to test hotel image constructions were found to be the five main material element variables for advertising in service industries that were reported by Nguyen and LeBlanc, (2002). These characteristics were considered to be important when it came to advertising in service industries. According to the findings of various research, the image of a hotel has a beneficial impact on the likelihood that a guest would return.

DEVELOPMENT OF TOURISM IN TAIWAN

Global trends

There is widespread consensus that the tourist industry is among the most lucrative businesses in the world. According to the World Trade Organization (2010), travel is responsible for around 5% of the global economy, and it is estimated that between 6% and 7% of the global labour force is in some way dependent on the industry. The tourism industry provides a major contribution to the economy of the whole globe by supporting the creation of new enterprises and employment opportunities, as well as by contributing to the expansion of infrastructure and bringing in cash from exports. A combined total export value of \$1.3 trillion was generated by global inbound tourism and transport services in the year 2012. After oil, automobiles, food, and other manufactured goods, tourism is the fifth most valuable commodity that is shipped throughout the globe. It is responsible for thirty percent of the world's total export of commercial services and for six percent of the world's total export of commodities and services.

The number of visitors arriving from other countries has increased steadily over the course of the last century, ranging from 25 million in 1950 to 277 million in 1980, to 438 million in 1990, and to 681 million in 2000. The number of tourists arriving from other nations was 25 million. This upward trend in the number of tourists from other countries proceeded throughout the decade that followed, right up until the global financial crisis, the Arab Spring, and the Japanese calamity of 2008–2009 depressed the market. Throughout the decade that followed, the number of tourists from other countries continued to rise. The number of visitors that travelled here from other nations dropped by 4.2% in 2009 as a direct consequence of this issue. The tourism sector has shown remarkable resilience, as seen by the number of visitors visiting from foreign nations increasing by 6.4% to 940 million in 2010, and by another 4.6% to 983 million in 2011.

The most recent statistics on foreign visitor spending were made public in May 2013 by the World Tourism Organization (WTO). These results show that spending by international tourists increased by another 4% in the year 2012.

The World Tourism Organization has published forecasts that indicate that the number of foreign visitors is likely to rise by 3.3% per year, which translates to 43 million more people between the years of 2010 and 2030. This is a significant improvement when measured against the average annual growth of 2.8% that was shown between the years 1995 and 2010 in the data. By the year 2020, there will be around 1.6 billion tourists from other countries, who will generate a total of \$2 trillion in United States currency. Both of these figures will have climbed significantly by the year 2030, reaching a total of \$1.8 trillion and 1.8 billion, respectively.

TOURISM AND THE ECONOMY IN TAIWAN

Taiwan's changing economy

Taiwan's economy has seen significant growth during the last sixty years, allowing it to participate significantly in the dynamic growth of the Asia and Pacific area. Agriculture was one of the sectors that was impacted as a result of this new discovery. Since the 1960s, there has been a gradual decrease in the number of people working in agriculture, and the bulk of this loss may be linked to the rising utilisation of machines. Changes in agricultural production may be directly responsible for an increase in the usage of expensive inputs such as pesticides and fertilisers, which has led to an increase in the cost of farming as a whole. This rise in cost has been a contributing factor in the global food crisis. Agricultural revenues, on the other hand, have not been able to keep up with the ever-increasing costs of production. This is due to the fact that the government has been controlling market prices in order to guarantee a steady supply of food. Around 77% of the yearly revenue that might have been gained by a family that did not farm was generated by a family that did farm in the year 1998. About half of all workers were employed in agriculture in the year 1961; however, by the year 1999, this ratio had plummeted to just 8.3% of the population. During this same time period, the number of people working in agriculture continued to decline. Those people who opted to remain employed in the agricultural sector did so in spite of the fact that, in compared to other sectors of the economy, the industry provided relatively low incomes and lengthy hours of labour. The scenario, which was already challenging, was made much more so when Taiwan joined the World Trade Organization in 2002, which exacerbated the difficulty of the situation. On the island, there was a rise in the proportion of historically indigenous agricultural firms that were subject to competition from international companies. These sectors were reliant on production inside the country as well as sales within the region. As the importance of globalisation in the agricultural sector grew, so did the quantity of food and other agricultural goods that were brought in from other countries, as well as the variety of items that could be purchased. Traditional agricultural enterprises in Taiwan, such as ranches and farms that are owned and run by a single family, were coming up

against a growing number of obstacles. As a consequence of this, a large number of people, but particularly farmers, felt the urge to make an effort to broaden their sources of income. At the turn of the century, one of the most major obstacles that needed to be conquered was responding to the quickly changing economic environment. This was one of the most critical problems that needed to be conquered. To stimulate the economy in the area, tourism is only one of several viable strategies that may be pursued.

INTERNATIONAL ARRIVALS IN TAIWAN

As a direct consequence of the increase in the number of tourists that visited Taiwan in the 1960s and 1970s, the hospitality sector there went through a period of significant upheaval during that time period. The government of Taiwan began offering subsidised loans and tax advantages to new enterprises in the 1970s, with a special focus on the creation of hotels of both the world and traditional varieties. Because to shifts in diplomatic recognition of Taiwan and tense ties with mainland China, Taiwan's tourism industry had a growth slump beginning in the late 1970s and continuing into the early 1990s. This was a direct result of both of these factors. The government of Taiwan has loosened some of the travel restrictions that it had previously imposed on itself in an effort to counteract the negative consequences of these reforms and attract more visitors from other nations to visit Taiwan. In 1994 the government allowed citizens of 15 different nations to enter the country for a period of five days without the need of obtaining a visa for themselves or their accompanying family members. Since then, the arrival of visitors from other nations to Taiwan has been gradually growing. This trend is expected to continue for the foreseeable future. This trend can be linked to a variety of factors, including the easing of travel bans, a rising willingness to welcome tourists from the continent, rapid economic development in the Asia and Pacific region, and Taiwan's own rising living standards. This trend can be attributed to the fact that travel restrictions have been eased in recent years.

The number of visitors from other countries who visited the United States in 2012 hit a new high of 7,311,470, which was a 20% rise from the year before, 2011, which had set a record high for the number of tourists from other countries who visited the United States. Complete statistics on international tourism in Taiwan, the number of foreign tourists to Taiwan reached 6,087,484 in the year 2011. When compared to the total number of guests who attended the same event the year before, this equates to a 9.3 percent rise. The overall amount that tourists spent in 2011 was \$11.065 billion, which represents an increase of 27 percent year-over-year when compared to the amount that tourists spent in 2010. During their seven-night stay in the United States, visitors who arrived from other countries spent an average of \$1,818 USD in total purchases. The number of visitors that came to Taiwan and its yearly growth rate between the years 2002 and 2012. The outbreak of severe acute respiratory syndrome (SARS) that took place in Hong Kong and South China among November 2002 and July 2003 is a strong candidate for being the cause of both the 25 percent annual growth rate and the subsequent decline in visitor

numbers to Taiwan during that time period. This is because SARS was first detected in Hong Kong in November 2002 and then in South China in July 2003.

DOMESTIC TOURISM IN TAIWAN

The increase of international visitors in Taiwan also coincides with the overall development of domestic tourism and changes in leisure and holiday structures in Taiwan. The Taiwanese have increasingly more spare time which allows them to take holiday and go travelling. The Taiwanese used to work a minimum of 12 hours per day, seven days a week. It was not unusual to never leave home city or county. It was only in January 1998 that Taiwanese government agencies, for example the Council for Economic Planning and Development (CEPD) and the Central Personnel Administration (CPA), developed and put into effect the alternating two-day weekend policy, a policy whereby the second and fourth Saturdays of every month are days off. Since then domestic tourism has been growing in Taiwan. A survey of domestic travel in Taiwan published by the Taiwan Tourism Bureau (2011) shows that in 2011, 95 percent of Taiwanese were taking domestic travel. The average number of trips per person in 2011 was 7.4 trips, equaling a total of 152,269,000 domestic trips for that year. On average domestic trips lasted 1.5 days and accounted for 1,359 NTD expenses per person day and trip. The total expenditure of domestic travels in 2011 was 310.3 billion NTD (**Taiwan Tourism Bureau, 2011**). An overview of this information on domestic tourism in Taiwan is presented in table 1 below.

Table 1: Overview of domestic tourism in Taiwan in 2011

Proportion of people taking domestic tourist travel	95 %
Average number of trips per person	7.4 trips
Total number of trips	152,268,000 trips
Average number of days per trip	1.5 days
Average expenses per person day on trip	1,359 NTD
Total expenditure of domestic travels	310.3 billion NTD

In the last sixty years, Taiwan has had significant economic growth, and its location within the dynamic Asia-Pacific region has contributed to this growth (**CIA, 2013**). Agriculture was one of the sectors that was impacted as a result of this new discovery. Since the mid-1960s, there has been a constant drop in the number of people working in agriculture. The expanding use of equipment is the main driver of this trend, as it has been throughout the majority of this time period.

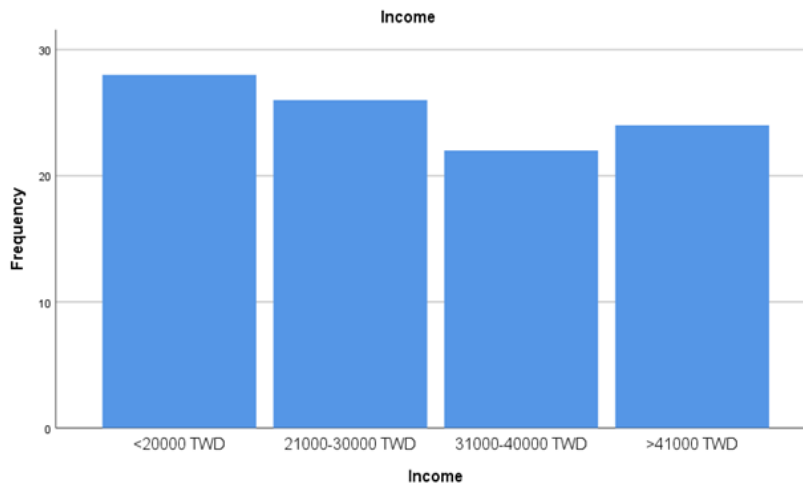
Changes in agricultural output may be directly responsible for an increase in the usage of expensive inputs such as pesticides and fertilisers, which has led to an increase in the cost of farming as a whole. This rise in cost has been a contributing factor in the global food crisis. Agricultural revenues, on the other hand, have not been able to keep up with the ever-increasing costs of production. This is due to the fact that the government has been controlling market prices in order to guarantee a steady supply of food. Around 77%

of the yearly revenue that might have been gained by a family that did not farm was generated by a family that did farm in the year 1998. Despite the fact that roughly half of all persons who have ever lived on our planet were born after the year 1960.

Table 2: Income Distribution Percentage

		Income			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	TWD < 20000	807	28.0	28.0	28.0
	TWD 21000-30000	749	26.0	26.0	54.0
	TWD 31000- 40000	634	22.0	22.0	76.0
	TWD >41000	691	24.0	24.0	100.0
	Total	2881	100.0	100.0	

Fig 1: Income chart



As per the table and fig 1 the demographic information of income for the participants in the study is shown. The highest number of respondents for the income's group was TWD <20000 28.0% (N=807) and the least income of the respondent's is TWD 31000-40000 22.0% (N=634).

Table 3: Technical Skills

Technical Skills	Beginner (M= 374 F= 230)
	Average (M= 432 F= 259)
	Proficient (M= 317 F= 346)
	Expert (M= 519 F= 404)

In the study data comprised of technical skills of Beginner (N=604, M=374 & F=230), Average (N=691, M=432 & F=259), Proficient (N=663, M=317 & F=346), and Expert (N=923, M=519 & F=404).

Table 3: Technical skills Percentage

		Technical Skill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Beginner	605	21.0	21.0	21.0
	Average	691	24.0	24.0	45.0
	Proficient	663	23.0	23.0	68.0
	Expert	922	32.0	32.0	100.0
	Total	2881	100.0	100.0	

Fig 2: Technical skill chart

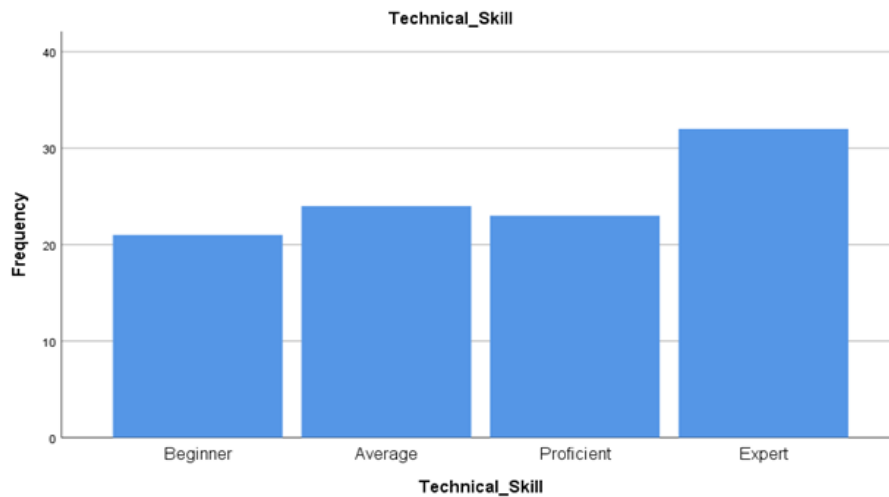


Table 3 showed the demographic information of the respondent's technical skills. In this study the data comprised of the highest technical skill of the respondents is Expert 32.0% (N=922) and the least number of technical skills of the respondents is beginner 21.0% (N=605).

Table 4: Computer Skill

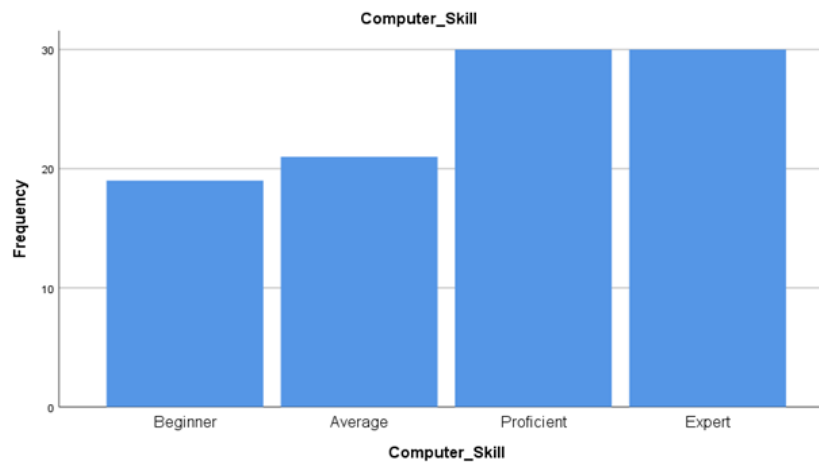
Computer Skill	Beginner (M = 287 F= 259)
	Average (M= 375 F= 230)
	Proficient (M= 461 F= 403)
	Expert (M=519 F= 347)

In the study data comprised of computer Skill of Beginner (N=546, M = 287, & F= 259), Average (N=605, M= 375, & F= 230), Proficient (N=864, M= 461, F= 403), and Expert (N=866, M=519, F= 347).

Table 5: Computer Skill Percentage

		Computer Skill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Beginner	548	19.0	19.0	19.0
	Average	605	21.0	21.0	40.0
	Proficient	864	30.0	30.0	70.0
	Expert	864	30.0	30.0	100.0
	Total	2881	100.0	100.0	

Fig 3: Computer Skill chart



There were 2881 people who took the time to fill out this survey on computer Skill. In the following order: 548 novices, 605 intermediates, 864 experts, and 864 experts.

CONCLUSION

This study may be of great use to hotel managers because it may point them in the right direction when it comes to conducting and modifying the standard practice of analyzing the level of customer satisfaction in hotels. This may be of great use to hotel managers because it may put them in the proper direction. In this study hotel management stand to gain a great deal from the findings of this investigation. GCCs are used primarily for the objectives of establishing the degree to which visitors are pleased with the services that they have received, identifying the type of the needs that guests have, and gathering guest feedback. Even though guest comment cards (GCCs) are seen as a beneficial tool for gauging visitor satisfaction in 76% of the properties that were questioned, the findings suggest that the majority of hotels might improve their evaluation methodologies. According to the study, rather than being scattered all over the place in an unorganized way, GCCs are often kept in a folder that is placed on the bedside in most hotels. During their stay at the hotel, guests have the option to earn Global Concierge Circles (GCCs). One possible explanation for the low response rate is that there were no incentives offered in exchange for taking part in the poll. The one-of-a-kind viewpoints of managers are

included into the design of GCCs, and they are provided with monthly analysis reports to guarantee that they are kept abreast of the advancements that have been accomplished. In addition to this, there is a noticeable difference in the layout of the GCCs, and not a single one of the GCCs that were included in the sample satisfies all of the requirements for superiority. However, there is one GCC that does have a distinct difference in the layout. There are not many GCCs that give a decent assessment of overall satisfaction, and only one of them asks whether or not the hotel lived up to the expectations of the visitors. There are also not many GCCs that ask whether or not the hotel asked the customers whether or not they were satisfied. This research analyzes the content of general communication channels in addition to conducting an inquiry into the customer satisfaction management tactics used by hotels along. The results of the great majority of the investigations agree with the results of studies that were carried out. When it comes to determining the amount of customer satisfaction, it is essential to keep in mind that various approaches have variable degrees of success depending on the specific approach used.

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