

# Factors Influencing the Satisfaction of Clients towards Guest Houses: A Study on Khagrachari District of Bangladesh

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## Abstract

This study aims at identifying the factors that are considered to be important for the satisfaction of the guests staying at the different guest houses located in Khagrachari. Two hundred and seven guests were selected by convenience sampling procedure for the study. Reliability analysis showed that the data were reliable. Multivariate analysis such as factor analysis was used in this research. Factor analysis was done to identify the guest satisfaction related factors. The results showed that Services, Value Added Services and Reservation System are the most important factors determining the satisfaction of the guests living in the guest houses of Khagrachari. It is recommended that facilities of the guest house be improved in terms of Hot and Cold water, air conditioned restaurants etc. Apart from that the reservation system could be made online. In addition, well trained staffs should be employed to solve the clients' problems promptly. This would improve the satisfaction of the tourists who come to the guest house.

**Key Words:** guest house, factor analysis, tourism

## 1. INTRODUCTION

Tourism and hospitality is now recognised as the world's largest and fastest growing global industry. In many countries, it is the sector with the highest contribution to foreign exchange earnings. As an international industry, it contributed 10.7 percent to world-wide Gross Domestic Product (GDP) in 2001 (Goeldner & Ritchie 2003).

Tourism has been growing steadily in Bangladesh in the past decade. In fact, Sundarban, the largest mangrove forest in the world and Cox's Bazaar, the longest sea beach in the world, had competed for the Seven Natural Wonders of the World in Top 77 list. This has improved the image of Bangladesh as a tourist destination. Apart from that Khagrachari and Bandarban are also popular tourist destinations of the country. The number of foreign tourists has increased by 34% in the period 2000-2009 ([www.parjatan.gov.bd/tourism\\_2009](http://www.parjatan.gov.bd/tourism_2009)).

Khagrachari is a district in south-eastern Bangladesh which is a part of the Chittagong Division and also in the Chittagong Hill Tracts area. Khagrachari is also known as Phalang Htaung or the Mong Circle and the local name is "Chengmi" (Wikipedia, 2013; Bangladesh Talks, 2013). Khagrachari District with an area of 2,699.55 km square, bounded by the Indian state of Tripura in the north, Rangamati and Chittagong districts in the south, Rangamati district of Chittagong in the east and the Indian state of Tripura in the west (Bangladesh Travel Tour, 2013). Khagrachari is a valley consisting of three rivers namely Chengi, Kasalong and Maini. Chengi is the longest river in Khagrachari. Most of the land of Khagrachari are hilly areas (Wikipedia, 2013; Bangladesh Talks, 2013). Khagrachari is a wonderful place with luscious and green countryside and a lot of variety of local fauna and flora. Places to see are Alutila Mysterious Cave, Richhang Waterfall, Nunchhori Debota Pond, Buddhist Monastery, Shajek and Marissa Vally, Ramgarh Hills & Tilas and so on (Wikipedia, 2013).

Many people come to visit Khagrachari from home and abroad. People also come from different places of the world as this is a holy place for the Buddhists. To serve these people, a number of guest houses have developed in the area. As a source of revenue for many of the local people, the satisfaction of customers staying at the guest houses<sup>1</sup> have become an increasingly important both for the guests<sup>2</sup> as well as for the service providers (Habib and Islam, 2009).

## 2. REVIEW OF RELATED LITERATURE

*Guest house* is a form of accommodation that "can be an existing home, a renovated home or a building that has been specifically designed to provide overnight accommodation. A guest house is a commercial operation

<sup>1</sup> A small house near a main house, for lodging visitors. A private house offering accommodation to paying guests; a boarding house; a bed and breakfast.

<sup>2</sup> A **Guest** is a person that is currently registered to stay at a property and/or has stayed at a property.

enterprise and as such the owner or manager may live on the property” (Tourism Grading Council of South Africa, 2009).

According to Middleton and Clarke (1999), accommodation plays a functional role by providing the facilities that make travel convenient and comfortable. In a conceptual model of tourism, Hall (1995) regarded accommodation as one of the more critical components on the demand side-because accommodation has a major influence on the type of visitors who come to a destination.

Customer Satisfaction is the extent to which a firm fulfills a customer’s needs, desires and expectations. Customers find it desirable to permit businesses to cater to them and even to stimulate wants (Perreault, Jr. & McCarthy, 1999). Cooper, Fletcher, Gilbert and Wan hill (1996) suggested that accommodation provides an essential support service to satisfy the wider motivation that brought the visitor to the destination. Guest Houses must therefore ensure that they provide the kind of services that will satisfy current customers and motivate the new ones.

In order to determine the factors that contribute to a customer’s satisfaction, it is necessary to examine the different needs, expectations and behavior of the customers. The services offered should be analysed as part of the marketing strategy that would help to attract the customers to a particular guest house.

In assessing the services offered, management should consider that there could be service quality gaps between the expectations of the guests and the actual services being offered (Zeithaml & Bitner, 2003). Therefore, one has to identify the key elements that require systematic management action (Candido & Morris, 2000).

Radder and Wang (2006) determined similarities and differences in business travellers’ expectations and managers’ perceptions of the service provided by the guest houses. Business travellers considered secure parking and the professionalism of staff as the most important attributes, while guest house managers thought it would be the friendliness of front desk staffs and efficient handling of complaints. Both groups indicated that the cleanliness of rooms and adequate services performed by staff the first time, were of particular importance. The importance rating of the different service dimensions was not significantly influenced by the business travellers’ gender, managerial position, nights of stay or by the guest house grading. Managers mostly overestimated guests’ expectations. Crofts et al (2009) tried to measure guest satisfaction and delight. They proposed stance-shift analysis and demonstrated on data composed of Internet blog narratives. They argued that the method provides both an efficient and effective means to determine a firm’s competitive position in producing satisfied guests who will not only be repeat customers but also recommend the firm to others. Specifically, the method produced relatively detailed evaluations such as satisfaction level of guests and their experiences. So the study has been undertaken with the main objective of identifying the factors that affect the satisfaction of the guests staying at the guest houses located in Khagrachari district of Bangladesh.

### **3. METHODOLOGY**

A questionnaire was developed to identify the factors that affect the satisfaction of the clients of the guest houses. For each item in the questionnaire, ‘Likert Scale’ type questions were used for measuring the attitude of the respondents. Initially, a draft questionnaire was prepared. A pilot test was carried out on 5 respondents and two questions were identified as ambiguous. Corrections were made before finalizing the questionnaire.

The convenience sampling technique, one of the most commonly used techniques of non- probability sampling (Fink, 1995), was employed to obtain information from the tourists who had come to the guest house. The sample for this study consisted of 207 respondents who were the tourists and clients of the guest house. The study was conducted during the period of August 2012 to September 2012. For the study, the entire analysis was performed by personal computer (PC) using statistical package SPSS.

### **4. FINDINGS OF THE STUDY**

#### ***4.1 Socio-economic Background of Tourists***

Appendix A shows that most of the respondents (62.8%) in the survey were male. 33.8% of them were in the age categories of 36-45 years. A significant proportion (48.8%) of the respondents was involved with business. The majority (53.2%) of the tourists had a monthly income in the range of Tk 10,001 and Tk 30,000. Moreover, most of the tourists (63.8%) traveled in a group of 3 to 4 people and stayed for less than 7 days (39.6%). Apart from that, the vast majority of the tourists (84.5%) was locals and visited Khagrachari mostly for religious purpose (33.8%).

#### ***4.2 Reliability Analysis of Observed Variables***

The reliability of each variable was first measured with Cronbach’s alpha. Table 4.2 demonstrates high internal consistency of the constructs and their stability (Nunnally and Bernstein 1994). In each case,

Cronbach's alpha far exceeded Nunnally and Bernstein's (1994) recommendation of 0.7 and Bagozzi and Yi's (1988) of 0.6. Thus, the scales are sufficiently reliable for data analysis.

**Table 4.2:** Reliability analysis of different observed variables

Observed Variables	Cronbach's Alpha ( $\alpha$ )
Running Hot and Cold Water	0.9840
24 hours Room Service	0.9836
Air Conditioner Restaurant	0.9839
Specialty Lobby	0.9838
Conference Hall	0.9848
Cable Television	0.9834
Intercom Telephone	0.9835
Elevator	0.9836
Stand by Generator	0.9837
Safe Deposit Lockers <sup>1</sup>	0.9838
Internet Service	0.9835
Rent A Car	0.9840
Car Parking	0.9839
In House Laundry <sup>2</sup>	0.9845
Guide Service	0.9842
Friendliness and Courtesy of Staff	0.9842
Quick Response to Guest Problems	0.9857
Security and Safety of Room	0.9842
Cleanliness of Room	0.9848
Comfortable Mattress and Pillow	0.9846
Quality of Bathroom and Shower Facilities	0.9840
Reasonable Room Rate	0.9843
User Friendly Reservation System	0.9857
Quick Check-in and Check-out	0.9853
Convenient Location	0.9842
Overall	0.9848

#### 4.3 Results of Factor Analysis

Principal Component Factor Analysis with rotated factor loadings was performed on the survey data. Principal Component Analysis (PCA) is a commonly used method for grouping the variables under few unrelated factors. Variables with a factor loading of higher than 0.5 are grouped under a factor. A factor loading is the correlation between the original variable with the specific factor and the key to understanding the nature of that particular factor (Debasish 2004). Table 4.3.3 illustrates the rotated factor loadings against the twenty five variables. Moreover, factor analysis using Varimax rotation found three derived factors.

The results from the survey were coded and entered for statistical analysis. The data obtained for the study were analyzed by using "Factor Analysis" for identification of the 'key factors' preferred by the respondents. Factor analysis identifies common dimensions of factors from the observed variables that have a high correlation with the observed and seemingly unrelated variables but no correlation among the factors. The communalities of the variables show that the values are very high indicating the higher level of association among them (Table 4.3.1).

<sup>1</sup> Individual boxes provided for the safekeeping of guest valuables. Located either in a central, secure, and supervised location or in individual guest rooms.

<sup>2</sup> This provides a washing machine for use by guests and ironing facilities. A dryer is optional. Note that there may be a charge for use of these facilities where the laundry is shared by multiple groups of guests.

**Table 4.3.1:** Communalities of the Observed Variables

<b>Observed Variables</b>	<b>Initial</b>	<b>Extraction</b>
<b>Running Hot and Cold Water</b>	1.000	.971
<b>24 hours Room Service<sup>1</sup></b>	1.000	.917
<b>Air Conditioner Restaurant</b>	1.000	.969
<b>Specialty Lobby</b>	1.000	.967
<b>Conference Hall</b>	1.000	.775
<b>Cable Television</b>	1.000	.983
<b>Intercom Telephone</b>	1.000	.979
<b>Elevator</b>	1.000	.976
<b>Stand by Generator</b>	1.000	.966
<b>Safe Deposit Lockers</b>	1.000	.979
<b>Internet Service</b>	1.000	.979
<b>Rent A Car</b>	1.000	.978
<b>Car Parking</b>	1.000	.979
<b>In House Laundry</b>	1.000	.884
<b>Guide Service</b>	1.000	.958
<b>Friendliness and Courtesy of Staff</b>	1.000	.958
<b>Quick Response to Guest Problems</b>	1.000	.808
<b>Security and Safety of Room</b>	1.000	.983
<b>Cleanliness of Room</b>	1.000	.901
<b>Comfortable Mattress and Pillow</b>	1.000	.934
<b>Quality of Bathroom and Shower Facilities</b>	1.000	.899
<b>Reasonable Room Rate</b>	1.000	.935
<b>User Friendly Reservation System</b>	1.000	.941
<b>Quick Check-in and Check-out</b>	1.000	.849
<b>Convenient Location</b>	1.000	.958
Extraction Method: Principal Component Analysis.		

Factors analysis identified three factors important to the guests of the guest houses of Khagrachari of Bangladesh (Table 4.3.2). The factors identified through factor analysis are Services, Value Added Services and Reservation System. The three factors collectively influences 93.7% of the customer's satisfaction. Of them, Services, has the highest Eigen value (20.205) and the variance (80.82%) indicates that this factor is the most important. The second important factor is Value Added Services (1.943) and last factor is Reservation System (1.277).

<sup>1</sup> Food and beverage delivered and served in a guest room.

**Table 4.3.2:** Total Variance Explained by the Factors

Factor	Initial Eigen values		
	Total	% of Variance	Cumulative %
<b>Services</b>	20.205	80.820	80.820
<b>Value Added Services</b>	1.943	7.770	88.590
<b>Reservation System</b>	1.277	5.110	93.700

Table 4.3.3 shows that factor structure. The variables such running hot and cold water (0.929), air conditioned restaurant (0.911), specialty lobby (0.899), rent a car (0.844), in-house laundry (0.836), elevator (0.834), conference hall (0.831), stand-by generator (0.802), car parking (0.801), safe deposit lockers (0.801), internet service (0.801), intercom telephone (0.801), cable television (0.736) and 24 hours room service (0.726) constituted the factor called Services. The second factor was constructed by quick response to guest problems (0.872), cleanliness of room (0.865), reasonable room rate (0.818), comfortable mattress and pillow (0.785), security and safety of room (0.717), guide service (0.676), convenient location (0.676), friendliness and courtesy of staff (0.676), quality of bathroom and shower facilities (0.657). Reservation System was constituted by the variables like user friendly reservation system (0.926) and quick check-in and check-out (0.712).

**Table 4 .3.3:** Varimax Rotated Factor Matrix

Observed Variables	Factor		
	1	2	3
Running Hot and Cold Water	<b>.929</b>	.286	.160
Air Conditioned Restaurant	<b>.911</b>	.367	.063
Specialty Lobby	<b>.899</b>	.271	.294
Rent A Car	<b>.884</b>	.386	.218
In House Laundry	<b>.836</b>	.200	.382
Elevator	<b>.834</b>	.371	.377
Conference Hall	<b>.831</b>	.275	.091
Stand by Generator	<b>.802</b>	.404	.399
Car Parking	<b>.801</b>	.399	.421
Safe Deposit Lockers	<b>.801</b>	.399	.421
Internet Service	<b>.801</b>	.399	.421
Intercom Telephone	<b>.801</b>	.399	.421
Cable Television	<b>.736</b>	.536	.393
24 hours Room Service	<b>.726</b>	.555	.285
Quick Response to Guest Problems	.210	<b>.872</b>	-.066
Cleanliness of Room	.377	<b>.865</b>	.102
Reasonable Room Rate	.401	<b>.818</b>	.323
Comfortable Mattress and Pillow	.216	<b>.785</b>	.521
Security and Safety of Room	.364	<b>.717</b>	.580
Guide Service	.621	<b>.676</b>	.340
Convenient Location	.621	<b>.676</b>	.340
Friendliness and Courtesy of Staff	.621	<b>.676</b>	.340
Quality of Bathroom and Shower Facilities	.487	<b>.657</b>	.480
User Friendly Reservation System	.244	.155	<b>.926</b>
Quick Check-in and Check-out	.532	.244	<b>.712</b>
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a Rotation converged in 5 iterations.			

Therefore, under the construct service, we may consider Running Hot and Cold Water, Air Conditioned Restaurant, Specialty Lobby and Rent-A-Car to be most important variables that would help to satisfy the customers. Among the construct Value Added Services, Quick Response to Guest Problems and Cleanliness of Room may be considered to be the most important for the customer's satisfaction. Finally, User Friendly Reservation System reservation system may considered important under the Reservation System construct. Therefore, improvement to the facilities of the Guest House is considered to be vital to ensure the satisfaction of the customers.

## 5. CONCLUSIONS AND RECOMMENDATIONS

From the analysis, it is clear that the factor constructs, Services, Value Added Services and Reservation System are the most important factors for the satisfaction of the guests living in the guest houses in Khagrachari district of Bangladesh. These are the important factors for measuring the satisfaction level of the guests. The factors identified through factor analysis can be used as a guideline for the concerned service providers to satisfy their guests. Among the three factors, Services provided by the guest house is the most important factor for ensuring guests' satisfaction.

Therefore, in order to improve their competitiveness, these guest houses should investment more on improving the physical evidence such as providing Hot and Cold Water, Air conditioned restaurants and Specialty lobby. The specialty lobby provides privacy to the guests during meeting with colleagues. Apart from that, the Guest House should have arrangement with rent-a-car businesses so that the guests have convenience in transportation. In addition, the reservation system could be made online in order to increase the convenience of the tourists regarding the booking of Guest House.

The Guest House should also try to improve the professionalism of the employees so that they can respond quickly to guests' problems. In addition, attention to cleanliness of the room is very significant to ensure the customers' satisfaction. So, the Guest House should recruit efficient employees as well as train them to be competent. In fact, we can see from Table 4.3.3, the guests expect the services to be provided efficiently the first time more than being friendly and courteous from the employees. Therefore, the guest house should simplify the process of the services. Supervisors should also regularly monitor the performance of the staffs.

Customer Satisfaction has an important role in the hospitality industry. It has a direct influence on the survival and success of the service providers in this sector. In addition, the success of the hospitality industry has an impact on an economy. As most of the guest of the Guest House in Khagrachari are local tourists, they should try to attract the foreign tourists as well to earn more foreign currency for the country.

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### Appendix A

Table 4.1.1: Gender

Gender	Frequency	Percent
Female	77	37.2
Male	130	62.8
Total	207	100.0

**Table 4.1.2:** Age of the Respondents

Age	Frequency	Percent
Below 25 Years	30	14.5
25 to 35 Years	40	19.3
36 to 45 Years	70	33.8
46 to 50 Years	31	15.0
Over 50 Years	33	15.9
Missing	3	1.4
Total	207	100.0

**Table 4.1.3:** Occupation of the Respondents

Occupation	Frequency	Percent
Service Holders	20	9.7
Businessman	101	48.8
House Wife	31	15.0
Student	29	14.0
Retired	21	10.1
Missing	5	2.4
Total	207	100.0

**Table 4.1.4:** Income Group

Monthly Income(Tk.)	Frequency	Percent
Less than 10,000	20	9.7
10,001 to 20,000	20	9.7
20,001 to 30,000	90	43.5
More than 30,000	71	34.3
Missing	6	2.9
Total	207	100.0

**Table 4.1.5:** Size of Travelling Group

Size of Travelling Group(Persons)	Frequency	Percent
1 to 2	30	14.5
3 to 4	132	63.8
More than 4	41	19.8
Missing	4	1.9
Total	207	100.0

**Table 4.1.6:** Length of Stay

Length of Stay (Days)	Frequency	Percent
Less than 7 days	82	39.6
7 days	81	39.1
14 days	20	9.7
21 days	9	4.3
Over 21 days	12	5.8
Missing	3	1.4
Total	207	100.0

**Table 4.1.7:** Nationality of the Tourists

Nationality	Frequency	Percent
Locals	175	84.5
Foreigners	32	15.5
Total	207	100.0

**Table 4.1.8:** Purpose of Visit

Purpose of Visit	Frequency	Percent
Tribal Culture	48	23.2
Religious	70	33.8
Meeting with Relatives or Friends	30	14.5
Vacation	55	26.6
Missing	4	1.9
Total	207	100.0