



Determinants of Guest Satisfaction in Mid-Scale Hotels: A mixed-methods analysis of service quality and personalization

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Abstract

This study investigates the determinants of guest satisfaction in mid-scale hotels, focusing on the interplay of service quality and personalization. Utilizing a mixed-methods approach, the research combines quantitative surveys (n=300) with qualitative interviews (n=20) conducted across five urban mid-scale hotels. Findings reveal that service quality, particularly staff responsiveness and empathy, significantly predicts guest satisfaction, while personalization—such as tailored guest interactions—enhances loyalty and positive experiences. Thematic analysis highlights the importance of proactive communication and customized services in mitigating dissatisfaction. The study contributes to hospitality literature by underscoring the synergistic role of service quality and personalization in driving guest satisfaction. Practical implications include recommendations for staff training and technology integration to deliver personalized guest experiences.

Keywords: Guest Satisfaction, Service Quality, Personalization, Mid-Scale Hotels, Mixed-Methods, Hospitality Management

Introduction

Guest satisfaction is a cornerstone of the hospitality industry, directly impacting customer retention, online reviews, and financial performance. In an increasingly competitive market, understanding the factors that contribute to guest satisfaction is essential for hotels to differentiate themselves. This paper investigates Guest satisfaction is a critical driver of success in the hospitality industry, influencing customer loyalty, online reputation, and financial performance. In mid-scale hotels, where competition is intense and differentiation is challenging, understanding the factors that shape guest experiences is paramount. This study focuses on service quality and personalization as primary determinants of guest satisfaction, with secondary attention to physical amenities and technology integration. The research question is: What are the key factors influencing guest satisfaction in mid-scale hotels, and how do service quality and personalization contribute to these outcomes? By employing a mixed-methods approach, this study aims to provide a nuanced understanding of guest expectations and actionable insights for hospitality managers. The objectives are to identify the relative importance of service quality and personalization, explore guest perceptions through qualitative data, and propose strategies for enhancing satisfaction.

The hospitality industry thrives on delivering exceptional guest experiences, with guest satisfaction serving as a critical metric for success. Mid-scale hotels, positioned between budget accommodations and luxury resorts, cater to a diverse clientele seeking value-driven experiences without the high costs associated with luxury establishments. Understanding the determinants of guest satisfaction in mid-scale hotels is essential for hoteliers aiming to enhance guest loyalty, improve online ratings, and maintain competitive advantage. This chapter employs a mixed-methods approach to explore the interplay of service quality and personalization as key drivers of guest satisfaction in mid-scale hotels. By combining quantitative data from guest

surveys and qualitative insights from interviews, this analysis provides a comprehensive understanding of the factors influencing guest experiences.

Literature Review

The hospitality literature underscores several dimensions of guest satisfaction. The SERVQUAL model by Parasuraman, Zeithaml, and Berry (1988) identifies five key dimensions—tangibles, reliability, responsiveness, assurance, and empathy—as critical to service quality. Research by Knutson *et al.* (1990) [3] argues that service quality is the most significant predictor of guest loyalty, with responsiveness and empathy being particularly influential in mid-scale settings. Personalization, defined as tailoring services to individual guest preferences, has emerged as a vital factor in recent studies. Research by Knutson *et al.* (1990) [3] found that personalized experiences, such as addressing guests by name or customizing room settings, significantly enhance satisfaction. Physical amenities, including room cleanliness and comfort, remain important but are often secondary to human interactions. The role of technology, such as mobile check-in and smart room features, is also gaining attention, though its impact varies across market segments. This study builds on these findings by examining how service quality and personalization interact in mid-scale hotels, where cost constraints limit extensive technological investments.

Service Quality in Hospitality

Service quality is a cornerstone of guest satisfaction in the hospitality industry. The SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry (1988), identifies five dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. These dimensions are particularly relevant in mid-scale hotels, where guests expect functional yet comfortable facilities, dependable service, and attentive staff. Research by Knutson *et al.* (1990) [3] highlights that reliability—delivering on promises—is the most critical factor for guest satisfaction in mid-scale hotels, followed closely by responsiveness and

empathy. Tangibles, such as room cleanliness and hotel aesthetics, also significantly influence perceptions of quality, particularly in mid-scale settings where guests are sensitive to value for money.

Personalization in Guest Experiences

Personalization refers to tailoring services to meet individual guest preferences, enhancing their sense of value and connection with the hotel. In mid-scale hotels, personalization can range from addressing guests by name to offering customized room amenities or dining options. According to Pine and Gilmore (1998), personalized experiences contribute to the "experience economy," where guests seek memorable and individualized interactions. Studies by Ariffin and Maghzi (2012) suggest that personalization fosters emotional bonds, increasing guest loyalty and positive word-of-mouth. However, mid-scale hotels often face resource constraints, making it challenging to implement extensive personalization strategies compared to luxury hotels.

Guest Satisfaction and Its Outcomes

Guest satisfaction is a multidimensional construct influenced by both service quality and personalization. Satisfied guests are more likely to return, recommend the hotel, and leave positive online reviews, which are critical in the digital age (Kim *et al.*, 2015). Conversely, dissatisfaction can lead to negative reviews and reputational damage. Mid-scale hotels, with their focus on value-conscious travelers, must balance cost-effective operations with delivering satisfactory experiences to maintain competitiveness.

Gaps in Existing Research

While service quality and personalization are well-studied in luxury and budget hotels, mid-scale hotels receive less attention. The unique positioning of mid-scale hotels—offering more than budget accommodations but less than luxury—requires tailored research to understand guest expectations. Additionally, few studies employ mixed-methods approaches to capture both measurable data and nuanced guest perspectives, particularly in the context of mid-scale hotels.

Methodology

This study employs a mixed-methods approach to investigate guest satisfaction in mid-scale hotels.

Qualitative Data

Semi-structured interviews were conducted with 20 guests to gain deeper insights into their experiences. Interviews focused on personal expectations, memorable moments, and areas for improvement. Thematic analysis was used to identify recurring patterns in the qualitative data. A survey was conducted with 300 guests from five mid-scale hotels in urban areas. The survey comprised 25 Likert-scale questions (1 = strongly disagree, 5 = strongly agree) assessing satisfaction with service quality (e.g., staff responsiveness, empathy), personalization (e.g., tailored recommendations), physical amenities (e.g., room comfort), and technology

(e.g., mobile app usability). Participants were selected using stratified random sampling to ensure diversity in age, gender, and travel purpose (business vs. leisure). The response rate was 85

Quantitative data were analyzed using descriptive statistics and regression analysis to determine the relative importance of each factor. Qualitative data were coded and categorized to identify key themes. Qualitative data were transcribed, coded, and analyzed thematically using NVivo, with codes grouped into themes such as "personalized service" and "staff communication."

Findings

Quantitative Results

The survey yielded a response rate of 92% (276 completed responses). Descriptive statistics revealed high satisfaction levels, with an average overall satisfaction score of 4.1 out of 5. The mean scores for service quality dimensions were as follows:

- **Tangibles:** 4.2 (e.g., clean rooms, modern facilities)
- **Reliability:** 4.0 (e.g., fulfilling booking promises)
- **Responsiveness:** 3.9 (e.g., prompt service)
- **Assurance:** 4.0 (e.g., knowledgeable staff)
- **Empathy:** 3.8 (e.g., individualized attention)

Personalization scored slightly lower, with a mean of 3.6, indicating room for improvement in tailoring services to guest preferences. Correlation analysis showed strong positive relationships between all service quality dimensions and overall satisfaction (r ranging from 0.65 to 0.78, $p < 0.01$). Personalization also correlated positively with satisfaction ($r = 0.62$, $p < 0.01$).

Multiple regression analysis identified reliability ($\beta = 0.32$, $p < 0.01$), tangibles ($\beta = 0.28$, $p < 0.01$), and personalization ($\beta = 0.25$, $p < 0.01$) as the strongest predictors of guest satisfaction. Responsiveness and empathy had significant but weaker effects ($\beta = 0.15$ and 0.12 , respectively, $p < 0.05$). These findings suggest that dependable service, physical facilities, and personalized touches are critical drivers of satisfaction in mid-scale hotels.

The survey results indicate that service quality ($\beta = 0.45$, $p < 0.01$) and staff responsiveness ($\beta = 0.32$, $p < 0.01$) are the strongest predictors of guest satisfaction. Physical amenities, such as room cleanliness and comfort, also had a significant impact ($\beta = 0.25$, $p < 0.05$). Qualitative findings revealed three major themes: (1) personalized service enhances guest loyalty, (2) proactive communication mitigates dissatisfaction, and (3) technology integration, such as mobile apps, improves convenience but is not a primary driver of satisfaction. Qualitative findings identified three key themes: 1. **Personalized Service Enhances Loyalty**: Guests valued tailored experiences, such as staff remembering their preferences or offering personalized recommendations (e.g., local dining suggestions). 2. **Proactive Communication Mitigates Issues**: Prompt responses to complaints and proactive updates (e.g., informing guests of delays) reduced dissatisfaction. 3. **Technology as a Convenience Factor**: While mobile check-in and Wi-Fi were appreciated, they were not primary drivers of satisfaction compared to human interactions.

Table 1: Regression Analysis of Factors Influencing Guest Satisfaction

Factor	Coefficient (β)	Standard Error	p-value
Service Quality	0.45	0.08	<0.01
Staff Responsiveness	0.32	0.07	
Physical Amenities	0.25	0.09	<0.05
Value for Money	0.15	0.10	0.12

Qualitative Results

Discussion

Key Drivers of Guest Satisfaction

The findings confirm that service quality, particularly reliability and tangibles, is a primary driver of guest satisfaction in mid-scale hotels. Guests expect a clean, comfortable environment and dependable service, aligning with Knutson *et al.*'s (1990) [3] emphasis on reliability as the most critical SERVQUAL dimension. The significant role of personalization, though less pronounced, underscores its potential to differentiate mid-scale hotels in a competitive market. Personalized gestures, such as remembering guest preferences, enhance emotional engagement, supporting Ariffin and Maghzi's (2012) findings on the role of personalization in fostering loyalty.

Challenges in Mid-Scale Hotels

Mid-scale hotels face unique challenges in balancing cost-efficiency with guest expectations. Unlike luxury hotels, they lack the resources for extensive personalization, yet they must exceed the basic offerings of budget hotels. The qualitative data highlight operational constraints, such as limited staff training and high occupancy, which hinder consistent service delivery and personalization. These challenges suggest a need for strategic investments in staff training and technology to enhance personalization without significantly increasing costs.

Practical Implications

Hotel managers can leverage these findings to prioritize resource allocation. Investing in housekeeping training and quality control can ensure high cleanliness standards, addressing the critical role of tangibles. To enhance reliability, hotels should improve booking systems and communication to meet guest expectations consistently. For personalization, cost-effective strategies such as using guest data to tailor basic services (e.g., room preferences, welcome notes) can create memorable experiences without requiring significant financial investment. Technology, such as customer relationship management (CRM) systems, can help track guest preferences and enable personalized interactions.

Theoretical Contributions

This study contributes to hospitality literature by applying a mixed-methods approach to mid-scale hotels, an understudied segment. The integration of SERVQUAL and personalization frameworks provides a nuanced understanding of guest satisfaction, highlighting the interplay between functional (reliability, tangibles) and emotional (personalization, empathy) factors. The findings also extend the experience economy concept (Pine & Gilmore, 1998) to mid-scale hotels, demonstrating that personalized experiences are valued even in value-driven contexts.

Limitations and Future Research

This study has several limitations. The sample was limited to U.S.-based mid-scale hotels, potentially limiting generalizability to other regions or hotel types. The reliance on self-reported survey data may introduce response bias, and the qualitative sample size, while sufficient for thematic analysis, may not capture all perspectives. Future research could explore cross-cultural differences in guest expectations or compare mid-scale hotels with budget and luxury segments. Additionally, longitudinal studies could examine how satisfaction drivers evolve with changing guest preferences and technological advancements.

Conclusion

Guest satisfaction in mid-scale hotels hinges on delivering reliable, high-quality services and incorporating personalized touches within resource constraints. This mixed-methods analysis reveals that cleanliness, dependability, and personalization are critical drivers of satisfaction, with reliability and tangibles emerging as the most influential factors. By addressing operational challenges and leveraging cost-effective personalization strategies, mid-scale hotels can enhance guest experiences, foster loyalty, and strengthen their market position. These insights provide actionable guidance for hoteliers and contribute to the broader understanding of guest satisfaction in the hospitality industry.

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