"Marketing the Irish hotel industry in an economic downturn: an exploration into the rejuvenation of the Sligo hotel industry through customer innovation"

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"Marketing the Irish hotel industry in an economic downturn: an exploration into the rejuvenation of the Sligo hotel industry through customer innovation"

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Dedication

I would like to dedicate this dissertation to my parents for their continuous support through the course of my studies. Thank you.

Abstract

The purpose of this research study was to ascertain innovative ideas from a sample of hotel customers' from four participant hotels in Sligo in order to enhance hotel service offerings. The researcher conducted a comprehensive exploration on the previous literature regarding the topic. The literature revealed that given the ever changing nature of the hotel industry, and the needs, and desires of hotel guests hotel operators must increase the value of their offerings to prosper (Victorino et al., 2005, p. 556; Fitzsimmons and Fitzsimmons, 2001; Olsen and Connolly, 2000). The researcher noted that while there were some studies to advocate the importance of customer innovation in the hotel industry such as Johns and Mattsson (2003); Preissl (2000); Jones (1996), they were limited and only a minute number directly related to the Irish hotel industry (Ottenbacher and Gnoth, 2005). Given the knowledge and through witnessing the current difficulties that the Irish hotel industry is experiencing the following research question was formed. 'What innovations can be ascertained from hotel customers to rejuvenate the Sligo hotel industry?' In order to achieve the overall purpose of the study three key research aims were formed which guided the study; to examine the innovations the participant hotels in Sligo are currently implementing; to assert the perceived importance the participant hotel managers place on customer innovation; and to ascertain the innovations customers wish to see implemented in hotels in order to enhance the service offerings. The research took the form of an explorative study. Both qualitative and quantitative research tools were used to achieve the aims of the dissertation study. The research methodology took two primary forms; firstly, the development of an extensive review of existing literature was represented in the literature review; and secondly, the research methodology, guided by the findings of the review of secondary literature, was carried out through the collection and analysis of primary data, and the interpretation and dissemination of the research findings. The collection of primary data was carried out using two methodological tools Firstly customer questionnaires containing both qualitative and quantitative questions were distributed to forty customers from each of the four participant Sligo hotels. This culminated in a total participant sample of one hundred and sixty; and secondly, four semi-structured interviews were conducted with the managers from each of the participant hotels.

The findings of the study reveal that the perceptions of the participant hotel managers and customers differ quite strongly, despite the managers' proclamations of their firm commitment to innovation 33% of respondents see no current innovations in the participant Sligo hotels. The future innovations which respondents wish to see implemented are; send e-mails regarding special offers such as complementary meals; discounts on multiple night stays; family discounts; group discounts; and complementary offerings; improvements made to in-room facilities, particularly the availability of Wi-Fi internet access; the introduction of a loyalty card system, rewarding guests for frequent stays; and finally improving leisure facilities.

In summary, these results provide important insights for hotel managers, and indeed managers in general who are involved in innovation activities. Furthermore they contribute academically by providing conceptual based new knowledge about hotel customers' perceptions and desires. However, due to a number of limitations, principally concerning time and resources, while the study identifies the innovative preferences of participant Sligo hotel guests and contributing factors in developing innovation activity, the make-up of the identified essential factors and their contributions and interrelationships are worthy of further consideration and debate.

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List of Abbreviations

CRM - Customer Relationship Management

HBC – Horwath Bastlow Charleton

IHF – Irish Hotel Federation

SHRM – Strategic Human Resource Management

US – United States

SPSS - Statistical Package for the Social Sciences

OECD – Organisation for Economic Co-operation and Development

1.0   Introduction

The purpose of this dissertation study is to ascertain innovative ideas from a sample of hotel customers' from four participant hotels in Sligo in order to enhance hotel service offerings. The researcher believed that the intelligence gained from the study would highlight the importance of customer innovation in the hotel industry. The researcher further believed that the results of the study would aid greatly in the conceptualisation of business practices and the design and delivery of service offerings. This in turn would help the hotels achieve superior customer value thus gaining competitive advantage.

The Irish hotel sector has experienced significant changes throughout the last decade including the introduction of branded hotels and the strong influx of rooms leading to oversupply and intense competition within the industry. Many Irish hotels' have experienced falling customer numbers and decreasing revenue (IHF, 2010; HBC, 2010). There is a significant overcapacity of hotel rooms in the Irish hotel industry (IHF, 2009), and it is clear that only those hotels who match the value requirements of their customers with the hotel service offerings will survive and prosper in the future. In modern business practices the market orientation of firms has become prominent. While this approach advocates the importance of both market and competition intelligence, the 'customer' is the central focus. Satisfying customers through the implementation of innovative service offerings has become a key way in which to gain competitive advantage (Ranjan and Bhatnagar, 2008; Joo, 2007; Zeithaml, 2000; Buzzell and Gale, 1987).

The study is guided by three primary research aims detailed below. It is hoped that through achieving these aims the research intelligence gained can provide hotels in Sligo and indeed further afield with new theoretical knowledge regarding customer perceptions and desires, which can aid in the conceptualisation and delivery of successful future innovative hotel practices.

1.1   Research problem and question

Given this knowledge and the current difficulties that the Irish hotel industry are experiencing the following research question was formed;

'What innovations can be ascertained from hotel customers to rejuvenate the Sligo hotel industry?'

1.2   Aims of the investigation

- To examine the innovations the participant hotels in Sligo are currently implementing.
- To assert the perceived importance the participant hotel managers place on customer innovation.
- To ascertain the innovations customers wish to see implemented in hotels in order to enhance the service offerings.

1.3   Study in context

The dissertation is laid out as follows:

Chapter 1: Introduction

This chapter outlines the design of the dissertation. It introduces the problems that currently exist in the hotel industry, and in doing so justifies the need for the research study. The chapter presents the research question, and the overall aims of the study.

Chapter 2: Literature Review

This chapter extensively reviews the previous literature on the area of customer innovation in the hotel industry and the contributing and inter-relating areas that surround it. The literature review thoroughly examines; the problems in the Irish hotel industry; the evolution of the hotel industry; innovation in the hotel industry and the influencing factors; influences on customers' choice of hotel; and finally customer innovation in the hotel industry.

The study then formulates final conclusions based on the findings of the secondary data. The literature review was the support necessary for analysing and identifying links in the findings in chapter five.

Chapter 3: Methodology

This chapter outlines the methodology used for the research. It defines research; discusses both qualitative and quantitative forms of research; why the method of research was used for the study; the limitations of the research; and the ethical considerations of the study. The chapter further outlines the sampling techniques used; the steps in the research process; describes the field procedures; and explains how the data were collected and analysed.

Chapter 4: Discussion and Analysis

This chapter presents, discusses, and analyses the results of the primary research. The results for each of the questions, both qualitative and quantitative that are given in the questionnaire are presented in the form of graphs and tables. The results of the in-depth qualitative manager interviews are also discussed and analysed, similarities and contrasts with the results of the customers questionnaires are examined where appropriate.

Chapter 5: Findings and Recommendations

This chapter presents the main findings of the research study and offers recommendations based on these findings. The overall findings from the study presented are linked back to the previous literature examined in the chapter two, and crucially the aims of the study outline in chapter one. Based on these findings, suitable recommendations are suggested.

Chapter 6: Conclusions

This chapter is the final chapter of the dissertation. It includes the final conclusions and recommendations of the research study.

1.4   Conclusion

In conclusion, it is hoped that the dissertation will be guided by the primary research aims and through their achievement the study can provide important insights for hotel

managers, and indeed managers in general who are involved in innovation activities, regarding the preferences and desires of hotel guests.

2.0   Literature review

2.1   Introduction

This literature review explores the area of customer innovation in the hotel industry and the determining factors that surround it. The literature review is set in an Irish context and begins with an introduction to the Irish hotel sector; the grading of hotels in Ireland; and an examination of the problems in the Irish hotel industry which indicate a need for rejuvenation. The evolution of the hotel industry is then analysed, which has seen the emergence of a new customer-centred approach; the development of customer relationship management; improvements in customer service; improvements in customer value; and the technological advances that have added value to the industry. The literature review further examines the importance of innovation in the hotel industry and how it contributes to the continuous growth of the sector. Following this the elements that influence innovation in the hotel industry are considered, namely; the supplier driven nature of the industry; the innovation supporting process; the hotel size; the market drivers and competition in the industry; and the quality of human resources. Further to this the literature review investigates incremental versus new service innovations in the hotel industry and the varying factors that affect each type. The study then investigates the influences on customer's choice of hotel, which include; type; technology; and customisation. Customer innovation in the hotel industry is then analysed before final conclusions are made.

2.2   The Irish hotel industry

2.2.1   Introduction to the Irish hotel sector

The hotel sector in Ireland is made up of Irish and international organisations. Some Irish hotels are family owned and run, while others are large international players. The Irish hotel sector is similar in many ways to other countries in terms of the increasing dominance of hotel chains. These large chains are often driven by market dominance and have the power of large, internationally recognisable brands offering a wide range of accommodation types and prices to suit leisure and business travellers alike. Ireland's hotel chain growth rate is the highest in Europe, estimated at 135 per cent over the period 2000-2004. However at 18 per cent, overall chain penetration in Ireland is below Europe's average of 24 per cent (Mehta, 2007, p123). Table 2.1

below shows the number of registered hotel in the Republic of Ireland for the years 2005-2010. It can be seen that there are currently 902 registered hotels for 2010, a reduction of 13 from 2009.

	2005	2006	2007	2008	2009	2010	% Growth rate 09/10
Dublin	143	137	151	154	160	159	-1
East & Midlands	108	108	118	124	130	124	-5
South East	106	102	108	112	112	111	-1
South West	165	158	161	163	166	163	-2
Shannon	85	77	85	90	92	90	-2
West	137	127	140	144	148	145	-2
North West	109	105	105	107	107	110	+3
Total	853	814	868	894	915	902	-1

Table 2.1   Number of registered hotels (adapted from Fáilte Ireland, 2010).

2.2.2   Hotel grading in Ireland

Grading is a crucial feature of accommodation marketing. It was introduced to make it easier for guests and prospective guests to evaluate accommodation prior to purchase and is an inherent feature of hotel accommodation around the world. An internationally recognisable classification system was required, and hence the star rating system was introduced to Ireland. The rating ranges from 1 star, which is the lowest standard, to five star which is the highest recognisable standard in Ireland and most countries (Mehta, 2007, p.127). The hotel star rating symbolises the level of service, the range of facilities and the quality of guest care that you can expect. Hotels are required to meet progressively higher standards as they move up the grading scale (Sangster, 2003).

2.2.3   The problems in the Irish hotel industry

Hospitality skills must include the ability to offer visitors the traditional Irish welcome, which is the centrepiece of our branding as a holiday destination...as leaders of those troops, I would appeal to you to make sure that every one of them, no matter where they come from, no matter what their job is, knows they are all in the welcome business...If we should ever lose that simplicity, that humanity or that naturalness, then we can literally shut down our tills and go home. Gillian Bowler, Chairperson of Fáilte Ireland.

(Connolly, 2004)

The Irish hotel industry faces many challenges; a rapidly increased bed capacity; sub-standard value for money; and the global economic decline (Drohan, Foley, and Lynch, 2010; IHF, 2009). Reports suggest that there is excess capacity in the hotel sector of between 12,000 and 15,000 rooms (Kitt, 2010). According to Ryan (2010) for the first time in many years, the number of hotels in Ireland reduced slightly by eighteen to 903, with a total of 60,199 rooms nationwide, a 1 per cent overall reduction in bedroom capacity. Notwithstanding this negligible reduction in capacity, the hotel room occupancy rate fell to an estimated 60 per cent from 64 per cent in 2008, and 70 per cent in 2007, making this the lowest occupancy levels recorded since the early 1980s (HBC, 2010; Ryan, 2010).

On a broader scale Irish tourism revenues declined by 17 per cent in 2009 to €5.2 billion, the lowest level since 2004 (Ryan, 2010). He asserts that the reduction is principally due to a 12 per cent decline to 6.5 million in overseas visitor numbers and the resultant reduction of €900 million to €3.9 billion in the value of foreign exchange earnings from tourism. Bank credit is also an issue for many businesses in Ireland, in which hotels are no exception (Kitt, 2010). The announcement by Bank of Scotland (Ireland) that it is to pull out of the Irish market has once again thrown the state of the Irish hotel industry into the spotlight (Lynch, 2010). This announcement by the bank that it will cease providing working capital to its business customers at the end of the year may have serious ramifications for the sector and has crystallised an issue which the Irish Hotels Federation has highlighted, the precarious short-term financial situation facing hotels (Lynch, 2010). These ramifications may significantly damage the sector given that it is already burdened with almost €7 billion in bank borrowings which translate into an average debt per bedroom of over €111,000, a level of debt

which is clearly unsustainable (Ryan, 2010). He offers some degree of reassurance by suggesting, that Ireland have now reached the bottom of the economic trough, however due to the steep decline in the economy in 2008 and 2009, it is likely that recovery when it emerges will be gradual and modest (Ryan, 2010).

Nonetheless given the current difficulties faced by Irish hoteliers, Irish Hotel Federation, (2009) affirms that there is need for them to become more competitive vis-à-vis their rivals in European and global markets. In addition, hotel guests have increasingly high levels of expectation about the quality of their hotel experience, and are sharing these views through online travel sites such as Tripadvisor.com. This reinforces the need articulated in national strategy to enhance the business capability of Irish tourism firms, to respond more flexibly to market changes (Irish Hotel Federation, 2009; Fáilte Ireland, 2004; and Tourism Policy Review, 2003) and in particular, there is an imperative for Irish hotels to establish and maintain more effective relationships with their guests (Drohan et al., 2010). Table 2.2 below shows the results of a hotel survey carried out in the Republic of Ireland by HBC in 2010.

REPUBLIC OF IRELAND	2009	2008	2007
Room Occupancy Average	59.4%	63.5%	69.7%
Achieved Average Room Rate	€77.81	€88.25	€97.69
Revenue per Available Room	€46.22	€56.04	€68.06
Total Revenue per Room	€44,798	€55,116	€59,968
Departmental Profit per Room	€18,612	€23,869	€27,292
Gross Operating Prof t per Room	€7,510	€10,254	€12,914
Gross Operating Profit per Room (%)	16.8%	18.6%	21.5%
Profit Before Tax per Room	€4,650	€7,056	€9,308
Profit Before Tax per Room (%)	10.4%	12.8%	15.5%

Table 2.2   Republic of Ireland Hotel Survey 2010 (adapted from HBC, 2010).

2.3   The evolution of the hotel industry

This section examines how the hotel industry has evolved in recent years. The primary focus of this examination concentrates on five headings, the emergence of a new customer-centred approach (Kandampully 2006); the development of customer relationship management (Lin, Chen, and Chiu, 2009); improvements in customer service (Su, 2004); improvements in customer value (Choi and Chu, 2001); and the technological advances that have added value to the industry (Kandampully, 2006).

2.3.1   The new customer-centred approach

A customer-centered approach is a critical success factor for businesses and guides organisations to focus on their customers. (Ranjan and Bhatnagar, 2008; Joo, 2007). Research studies have repeatedly confirmed the strategic advantage of adopting customer-focused services if organisations wish to improve market share and profitability (Zeithaml, 2000; Buzzell and Gale, 1987). In both research and practice, there has been a gradual but definite shift of focus from the supplier to the customer (Gummesson, 1996). Marketing strategies and tactics in hospitality and tourism are principally concerned with adjusting each of the elements of product, price, promotion, and place to provide a competitive offer to customers (Kotler, 2003).

Schall (2003) refers to a lack of customer preference understanding leading to problems in both product and service design. While Karmarkar (2004) declares that the most successful companies are the ones which are fully aware of customer preferences and develop their services in line with targeted market needs. Given the economic progress, new technology and globalisation, firms must now seek new market opportunities and provide new solutions for customers (Doz and Hamel, 1998).

> Traditional approaches to management and marketing are inadequate in an increasingly competitive market and organisations are compelled to transform themselves in the way they conceptualise and conduct business...it is therefore imperative that managers re-examine conventional wisdom and seek a new paradigm for the transformed hospitality industry (Kandampully 2006, p.174).

Kandampully (2006) declares that fulfilling customers' various needs through personal interactions has become a prominent feature of most hospitality firms and that it is crucial that they are attuned to changing customer needs, expectations, and values, especially with respect to personal lifestyle and social interaction. He reveals

that in order to achieve success in the hospitality industry organisations must increase the service contribution to the offer. Kandampully (2006, p.174) outlines that the traditional core hospitality offerings of accommodation, food, and beverages will not be sufficient to fulfil the needs, as customers have come to expect more from hospitality firms. He indicates that various supporting services must therefore be offered by hospitality firms today as they seek to fulfil both the primary and secondary needs of customers. This is shown in figure 2.2 below.

Customer needs   **Design of the offer**
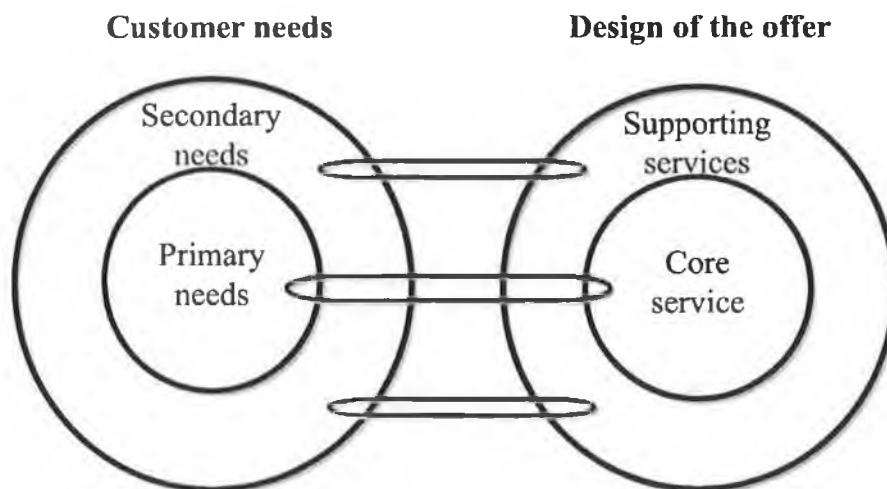
Figure 2.1 Matching Customer Needs with Firms Offer (Kandampully, 2006, p.174)

As a result of his studies, Kandampully (2006) developed a three phase customer-centred business model for the hospitality industry. Phase 1 corporate intent, where the customers are placed at the 'centre stage'; phase 2 strategic direction, where a company-wide strategic customer-centred direction is developed and implemented; and phase 3 core capabilities, technology, networks, relationships, and empowered employees are the four essential core capabilities on which the organisation's success depends.

In summary it has been discovered that the needs and preferences of the modern customer has changed. The traditional offerings of accommodation, food, and beverages will not suffice. Hospitalities firms must align their product and service offerings with the needs and preferences of customers by placing them at the centre of their strategic organisational planning.

2.3.2 The importance of customer relationship management in the hotel industry

Nurturing and maintaining communication between various stakeholders and the internal activities including operations, marketing, and human resources is essential for all hospitality firms (Kandampully, 2006, p.181). Relationship marketing aims to build mutually satisfying long-term relationships with key constituents in order to earn and retain their business. Customer relationship management (CRM) is the process of carefully managing detailed information about individual customers and all customer 'touch points' to maximise customer loyalty (Kotler, 2006). CRM refers to utilising extensive strategies and engineering to find, obtain, and cultivate advantaged customers, and hence maintain long-term partnerships (Sin, Tse, and Yim, 2005) The core aim of CRM is to focus on improving the creation and management efforts of firms with respect to their relationships with customers (Geib et al., 2005). Huang and Lin (2005) state that a good CRM strategy can increase sales by improving relationships with customers, thus enhancing customer loyalty. While Ramani and Kumar (2008) referring to manufacturing firms declares that good CRM not only retains customers but also encourages them to provide important suggestions for improving products and services. Lin et al. (2009, p.113) identified the five most popular CRM activities that enhance the innovation capabilities of organisations: information sharing; customer involvement; long-term partnership; joint problem solving; and technology-based CRM. Indeed, national tourism bodies like Fáilte Ireland have recognised the importance of CRM for the Irish hotel industry and have urged hoteliers to create and preserve relationships with their guests (IHF, 2009). However Bohling, Bowman, Lavalle, Vikas, Narayandas, Ramani, and Varadarajan (2006) remark that having an appropriate strategy alone does not guarantee organisational success with CRM; effective implementation is also necessary. Positive CRM implementation depends on an integrative approach towards people, processes, and technology (Shum, Bove, and Auh 2008; Kumar and Reinartz, 2006; Thakur, Summey, and Balasubramanian 2006; Chen and Popovich 2003). Bueren, Schierholz, Kolbe, and Brenner (2005), affirm the overarching objective of CRM processes is the generation of customer knowledge from data gained during interactions, so that the principles of relationship marketing can be achieved. Despite the potential promised by CRM, many companies have failed to forge customer relationships through its utilisation (Sigala, 2005). This has been illustrated by Day and Van den Bulte (2002),

who have highlighted that a commitment rooted in the organisation culture is critical to achieving performance through CRM. Kale (2004) cites the absence of a customer-centric vision as a reason for CRM breakdown. Indeed, not having a strategy orientation is the chief reason for CRM failures (Thakur et al., 2006). This may be due to an over-emphasis on the technological dimension of CRM (Day 2003; Campbell 2003; Reinartz et al. 2004) but, Chen and Popovich (2003) declare that implementation of CRM initiatives must be supported by both a firm's workforce and business processes. It may be relatively easy to subscribe to CRM, but if results are required, implementation is key (Bohling et al. 2006).

This section has examined the importance of CRM in the hotel industry. It has shown that CRM not only preserves long term relationship and develops customer loyalty, but it also acts as a source for generating valuable intelligence from the customer. This intelligence can be used in the conceptualisation and delivery of service offerings. However it is suggested that in order for the full benefits of CRM to be realised, organisations must be fully committed to its implementation.

2.3.3   Improving customer service

The main responsibility of hoteliers is the delivery of quality service to customers (Su, 2004). In considering all the training and development programs within a typical organisation, those relating to customer service are undoubtedly among the most important (Emerald Publishing Limited, 2009). Kandampully (2006, p.175) declares that the service component is often the deciding factor for hotels in determining customer loyalty. He illustrates how hotels have traditionally associated customers with sales and revenue, but in a globally competitive market the concept of the loyal customer has assumed a strategic significance that goes beyond mere sales. He further identifies the concept of the 'customer' has thus become an icon that focuses and orients the direction of the entire organisation. This view is reasserted by Scott (2001) when he states that in the modern hypercompetitive marketplace, the approval and loyalty of customers have become the determining factors in a firm's success or failure, and by Gronroos (2000) who affirms that services have repeatedly been demonstrated as being critical to customer satisfaction and loyalty. It is apparent that managing service quality and satisfying customers in the service industry has never been more important and subsequently service quality is the most researched area in

services (Kandampully, 2006, p.175). Numerous research studies have found a positive and significant relationship between customers' perceptions of service quality and their subsequent willingness to remain loyal and/or recommend a firm to others (Kangis and Zhang, 2000; Zeithaml and Bitner, 1996). Emerald Publishing Group (2009, p.5-9) state that major doubt persists as to whether organisations are doing enough in terms of customer service improvements. They consider how can this be remedied, suggesting that organisations must ensure that their training addresses each aspect of customer contact, which involves developing company-wide initiatives to aiding all employees in becoming customer-oriented. These initiatives should involve; listening to the customer; a top-down strategy, prioritising customer requirements and quality over speed; processes simplification; trust within the organisation; employee empowerment; behaviour-based evaluation of employees; and recognition and appreciation.

The findings of this section demonstrate the importance of customer service in the hotel industry. Customer service has been shown as a critical success factor in achieving long term customer loyalty. Furthermore, it is imperative that regular and adequate training of employees be undertaken by hospitality firms in order to deliver such quality service. The result of hotels providing quality service to their customers is the creation of high customer value. Section 2.3.4 describes ways in which hotels can improve the value they offer their customers and its importance for success.

2.3.4   Improving customer value

Choi and Chu (2001) suggest that to be successful in the industry, hoteliers must provide superior customer value and this must be done continuously and efficiently. Customer value can be described as the customer's perception of what they want to have happen in a specific situation, with the help of a product and service offering in order to accomplish a desired purpose or goal (Stahl 1999). Holbrook (1999) affirms that customer value as an interactive relativistic preference experience. Zeithaml (1988) breaks down value and identifies four diverse meanings; firstly, value is low price; secondly, value is whatever one wants in a product, thirdly, value is the quality that the consumer receives for the price paid; and lastly, value is what the consumer gets for what they give. Slater and Narver (2000) simplify customer value and affirm that it is created when the customer perceives that the benefit of consuming products/services exceeds the sacrifices. While the importance of customer value has

been discussed Spiteri and Dion (2004); McDougall and Leveque (2000) declare that delivering superior value to customers is important for business success, but consider how this superior customer value is achieved. Mittal and Sheth, (2001); Walter and Jones (2001); and Weinstein and Pohlman (1998) assert that the source of superior customer value can be identified from organisational resources and capabilities, such as human resource management, innovation, knowledge management, organisational culture and structure. Further illustrating that for hotels to deliver superior customer value, in other words provide the best quality, best prices, and best service, they should view themselves as value-producing entities (Weinstein and Pohlman, 1998). This requires best practice and innovative thinking at all levels in the organisations (Knox, 2002), valuable core competencies (Walter et al., 2001), mission, strategy, and systems (Dummond, 2000). Slater (1997) supports these evaluations arguing that providing superior customer value is critical to superior market performance and profitability. Outlining that market-oriented and subsequent customer-centred strategies enable companies to develop and maintain the capabilities to continuously create superior customer value, and to set themselves apart from the competition (Day, 1994; Slater and Narver, 1994). Therefore, companies with superior capabilities are more likely to outperform their competitors (Day, 1994). In other words, superior capabilities enable superior market performance (Kandampully 2006). Narver et al., (2004) reiterates this stating that organisational capabilities enable organisations to deliver superior customer value consistently, while Hult and Ketchen (2000) identify four capabilities for the successful delivery of superior customer value: firstly, market orientation; secondly, entrepreneurship; thirdly, innovativeness; and fourthly, organisational learning.

When considering long-term business success it has been noted that organisations that are successful in maintaining delivery of superior value build customer loyalty (McDougall and Leveque, 2000) and customer retention (Flint et al., 1997) both of which drive up shareholder value (Mittal and Sheth, 2001). Ottenbacher and Harrington (2010) referring to the hospitality industry suggest that in order to offer value to hotel guests, hotel marketers must first understand consumer preferences then prioritise and add these preferences into their service portfolio so that they offer the best value to their target markets. Hartline et al. (2003); Gowan et al. (2001) suggest that the process of delivering customer value in a hotel setting involves three parties, which are; employees, managers, and customers. Research on market orientation,

learning orientation, innovation, and customer value has shown these to be related to organisational performance (Flint et al., 2005).

Simply put, customer value is created when the customer perceives that the benefit of consuming products/services exceeds the sacrifices (Slater and Narver, 2000) It is clear from the evidence outlined that customer value is pivotal to the success of hospitality firms and indeed all firms, product and service. Furthermore it is from the delivery of superior customer value that competitive advantage is achieved. Hotels must firstly understand the preferences of their guests, and then use this knowledge to create and deliver high quality customer value. While the evolution of the hotel industry has seen the emergence of a customer-centred approach, CRM, as well as improvements to customer service and customer value, the advances in technology have had, and continue to have a major impact on the industry. Section 2.3.5 outlines the increasing importance of technology in the hotel industry and how it has added to the quality of the service delivered.

2.3.5   The benefit of technology in adding value to services

The hospitality industry is rapidly changing due to accelerations in information technology (Olsen and Connolly, 2000). In service organisations, technology has assumed a powerful role today; it provides firms with a new functional arm that has the potential to add value to the offer (Kandampully, 2006, p.179). Namasivayam, Enz, and Siguaw, (2000) makes a similar assumption claiming that technology can enable hotels to improve their internal efficiency and effectiveness, as well as to enhance their services. Thus by enhancing the effectiveness of employees and the system, customer satisfaction is ultimately increased. (Bensaou and Earl, 1998). Furthermore numerous authors have asserted that creative utilisation of technology can be used to: enhance customer service (Kasavana and Knutson, 2000); augment the effectiveness of various activities (Nykiel, 2001); improve the skills of the people who make up the service organisation (Blumberg, 1994); and determine how services and amenities are ultimately delivered (Olsen and Connolly, 2000).

Kandampully (2006) states that in summary; the effective use of technology can support and coordinate hotel activities of operations, marketing, and human resources in making the firm more customer-centred.

It has been shown that the creative use of technology in the hotel industry can not only improve hotel efficiency and effectiveness but it can also enhance the quality of the service offerings. This quality service delivery can achieve customer satisfaction, leading to high perceived customer value, which in turn can lead to long term customer loyalty.

Through the evolution of the hotel industry we have seen, the development of a customer-centred approach, CRM, customer service, customer value and technology. It is important that these changes are examined in the context of the hotel industry, and their contributions to the industries overall development is understood. Section 2.4 will discuss the importance of "innovation" in the hotel industry.

2.4   The importance of innovation in the hotel industry

Firstly it is necessary to define innovation, a useful definition is suggested by Fruhling and Siau (2007); Hsu (2006) that innovation is an idea, practice, or object that is perceived as new to an individual or another unit of adoption. While Chang and Lee (2008); Damanpour and Evan (1984) expand on this and affirm that innovation capability is the implementation or creation of technology as applied to systems, policies, programs, products, processes, devices, or services that are new to an organisation. Gray et al. (2000, p. 150) states the value of innovation for service firms, saying it is an important source of competitive advantage in markets where customer preferences are changing rapidly, where competition is intense, where product lifecycles are shortening and maturing, and/ or where differentiation is limited. In an era of rapidly changing technology and highly unpredictable markets, manufacturers must enhance their innovation capabilities to satisfy market demands and customer preferences in order to maintain a long-term competitive advantage (Panayides, 2006).

As a result of their research Ottenbacher and Gnoth (2005) identified nine factors that promote successful service innovations from hotel managers: market selection; strategic human resources management; training of employees; market responsiveness; empowerment; behaviour-based evaluation; marketing synergy; employee commitment; and tangible quality. Although the importance of radical innovations is widely recognised, developing them is still rather poorly understood (Leifer et al., 2001). Sandberg (2007) affirms that further research is thus needed,

especially since the failure rate is particularly high due to the various challenges inherent in their development.

It has been asserted that innovation is a vital source of competitive advantage, particularly in markets where competition is intense and customers' needs and preferences are rapidly changing such as the hotel industry. However while the importance of innovation for hotels has been realised, the methods of generating innovation are unclear so too are the contributory factors that impact its success or failure. In the next section 2.4.1, the various factors that influence innovation in the hotel industry are examined.

2.4.1 Factors that influence innovation in the hotel industry

Orfila-Sintes, Crespí-Cladera, and Martínez-Ros (2005) and Orfila-Sintes and Mattsson (2007) conducted two separate studies on the innovation behaviour in the Spanish hotel industry, specifically in the Balearic Islands. While both studies were concentrated on the Spanish hotel industry the findings reach beyond this industry and resonate quite strongly with the Irish hotel industry which this study focuses on. Orfila-Sintes et al. (2005) identifies a number of factors that influence innovation in the hotel industry including, hotel-specific characteristics; the supplier driven nature of the industry; the innovation supporting process; the hotel size; the market drivers and competition in the industry; and the quality of human resources.

2.4.1.1 Hotel-specific characteristics

Orfila-Sintes et al. (2005, p.854) suggest that the ownership structure and the degree of dependence on other organisational structures influence innovation decisions. In this instance, Jones (1999); Davies and Downward (1996) show the importance of chains and groups of hotels, articulating that some hotels are independently managed; others belong to a hotel chain or to a more diversified company conglomerate. These different management structures may affect the innovative behaviour of hotels both positively and negatively (Sirilli and Evangelista, 1998).

2.4.1.2 Supplier driven nature of the industry

In many industries, particularly in information and communications technology, innovation is intense based on new knowledge, which more often supplier initiated (Orfila-Sintes et al. 2005, p.854). Perhaps part of the failings of the hotel industry in

recent times can be explained by the findings of Hjalager (2002); Pavitt (1984), who characterise the hotel industry as a supplier-dominated sector that innovates throughout the based on technological elements developed by its suppliers. This is an indication of the inward thinking mentality which has seen many organisations particularly hotels drift away from their customers.

2.4.1.3 Innovation supporting process

In order for innovation to occur, hotels must facilitate its growth, there must be support processes in place (Panayides, 2006). These support processes enable the assignment of innovations to the different business areas where technology is likely to be transformed into competitive advantage through higher productive efficiency, costs reduction, or differentiation (Orfila-Sintes et al. 2005, p.854).

Nevertheless, the innovation process does not conclude with the incorporation of new or modified technological elements. A great deal of effort must be put into their implementation and their efficient use, enabling the organisation to develop the skills required to successfully implement the innovations, their "innovation capability" (Olsen and Connolly 1999; Sirilli and Evangelista 1998). In order to achieve an optimal operation of the new or significantly improved services, some changes in the employee's organisation and training must be done (Griliches 1990; Cohen and Levin 1989). Innovation in the hotel industry is a continuous process, it does not simply conclude with the incorporation of new product, service, or process elements. The entire organisation must be fully committed to its implementation and must ensure adequate facilitator processes are in place.

2.4.1.4 Hotel size

It has been previously discussed that the ownership and managerial structure of hotels has a significant influence on their innovation decisions. Similarly, Orfila-Sintes et al. (2005, p.855) affirm that the size of the hotel is hugely relevant in determining its innovation capability since the economies of scale may explain many strategic decisions made by organisations. Furthermore, Hjalager (2002) finds the larger hospitality firms as the central innovators in tourism. In reference to the size of the hotels, larger establishments would be more likely to make the investment required to implement technologies, as they can take advantage of economies of scale and more often have underused resources (Alvarez, Burgos, Jiménez, and Céspedes, 2001)

which have a positive impact on innovation decisions (Orfila-Sintes and Mattsson, 2007, p.383). Moreover, hotel size is also positively related to the level of services and the quality provided in the hotel trade (Chung, Kalnins, and Agglomeration, 2002). The influence of size on a company's innovative behaviour has been outlined in some studies for example by Cohen and Levin (1989). They suggest that the influence of the organisation size can empirically be positive (impact of scale economies on innovation activities) or negative (the effect of flexibility on the introduction of changes). The Cohen and Levin assertion is particularly relevant to the Irish hotel industry, where quite often, managers in larger hotel groups may possess the capability to implement innovation but may lack the authorisation to do so.

2.4.1.5 Market drivers and competition in the industry

While Hjalager (2002); Pavitt (1984), characterise the hotel industry as a supplier-dominated sector where innovations are determined largely by suppliers, modern marketing thinking advocates the use of a more holistic approach. The paradigm shift from transaction marketing has led many firms, especially service firms to involve their customers in the product development process (Oh and Pizam 2008, p.4).

Orfila-Sintes et al. (2005) affirms that a major contributory factor in the innovation activity of hotel is in their targeting of market segments in terms of categorisation and profitability. The market segment can be approached, according to Davies and Downward (1996), through the type of board sold, the channels used in commercialising the service and the degree of customer loyalty. The channels used to commercialise the service can also be innovated through the new possibilities offered by information and communication technologies for example booking via the Internet or indeed the improved use of these new technologies (Sangster, 2001). Using technological innovations, as a way to differentiate services, can provide hotels with offerings of higher quality than those of their competitors (Orfila-Sintes et al., 2005). Differentiation, according to Chung and Kalnins (2001) is considered a major competitive variable, achievable through innovation. The crucial factor for innovation is still the intensity of competition in the market (Presissl, 2000). Effectively, a firm's strategic decision to differentiate itself from competitors will affect its productive resources, the services it offers, the organisation and management of the operations, and, therefore, its innovation decisions (Sundbo and Gallouj, 2000).

The intensive nature of the hotel industry dictates that in order to achieve market share and profitability, hotels must differentiate themselves in the way they conduct their business. A continuous stream of innovation is crucial in achieving this, and in that sense the market drivers in the industry strongly influence the innovation decisions made.

2.4.1.6 The quality of human resources

Orfila-Sintes and Mattsson (2007, p.384) state that the quality of human resources may directly impact innovation. In the hotel industry particular emphasis should be placed on the hotel director's skills as a manager whose attitudes confronting change might determine the innovation decisions (Guerrier and Deery, 1998; Damanpour, 1996). The skills of employees are another significant contributing factor that impact on hotel innovation (Preissl, 2000) which may be improved and updated through regular training (Ramos, Rey-Maquieira, and Tugores, 2004; Sirilli and Evangelista 1998).

In summary it has been asserted that innovation is a vital source of competitive advantage, particularly in industries such as the hotel industry where competition is intense and customers' needs and preferences are rapidly changing. However, despite this suggestion, methods of generating such innovations and the contributory factors that impact its success or failure are uncertain. Based on the research of Orfila-Sintes et al. (2005) and others, the impacts of a number of contributing factors have been examined. It was found that innovation in the hotel industry must be a continuous process, not simply concluding with the incorporation of new product, service, or process elements. The entire organisation must be fully committed to its implementation and must ensure adequate facilitator processes are in place. The ownership and managerial structure of hotels as well as the hotel size has a significant influence on their innovation decisions since economies of scale and the degree of authorisation may explain many strategic decisions made by hotels. Furthermore market drivers in the industry strongly influence the innovation decisions made given that hotels must differentiate themselves in the way they conduct their business in order to achieve strong market share. Finally the quality of human resources has a major influence on the innovative capabilities of hotels. This includes both management, whose attitude to change will significantly determine hotel innovativeness, and employees who are crucial in the innovation process, in terms of

generating the ideas as well as passing on customer feedback. In this instance regular and adequate employee training is extremely important and can enhance such capabilities.

Section 2.5, investigates innovation in the hotel industry by categorising it into two forms; incremental and new service innovations.

2.5   Incremental versus new service innovations in the hotel industry

Victorino, Verma, Plaschka, and Dev, (2005, p. 558) declare that the hospitality industry has an abundance of options to choose from, when determining which products and services will add value for their customers. He highlights that a hotel operator can offer various combinations of traditional value drivers such as price, location, and typical hotel amenities, such as corporate or leisure facilities. On the other hand, new and innovative value drivers could be offered which include features such as online reservations, in-room high-speed internet access, customisation of room décor, and flexible check in/out policies. Victorino et al. (2005) suggests that before introducing a new service innovation, hotel managers need to assess the value that it will bring to their customers. Gronroos (2000) asserts that because distinctive product differentiation is more difficult to achieve than used to be the case, hotels are increasingly forced to compete on the basis of services, rather than products. Griffin (1997); and Booz Allen Hamilton (1982) divided service innovations into two distinct categories, innovative and incremental new services. They suggest that new service development projects range from a totally new or discontinuous innovation to a service involving a minor adaptation or improvement that is of an incremental nature.

Ottenbacher and Harrington (2007, p. 7-9) assert that there are four factors that influence the performance of highly innovative service innovations: market attractiveness; strategic human resources management (SHRM); market responsiveness; and pre-launch activities. While stating that in addition to the two overlapping factors of market attractiveness and strategic human resource management, six further aspects are key success factors for incremental service innovations: service advantage; empowerment; training of employees; behaviour-based evaluation; tangible quality; and marketing synergy.

This section further analyses innovation by categorising it in two distinct groups based on its degree of newness, incremental and new service innovation. It is

advanced that hotel managers, when implementing innovation must decide among a variety of product or service offerings where to introduce such change. Hotels can implement incremental innovation such as price, location, and typical hotel amenities, such as corporate or leisure facilities. Alternatively they can implement new service innovations such as online reservations, in-room high-speed internet access, customisation of room décor, and flexible check in/out policies. Hotel operators must firstly understand which of these innovations will add most value and will be most beneficial to their guests.

The next section discusses the influences on customer's hotel choice. The section primarily focuses on the study of Victorino et al. (2005) in which suggests that the biggest impact on customer's choice of hotel is based; hotel type; hotel technology; and hotel customisation.

2.6 Influences on customer's choice of hotel

Olsen and Connolly (2000) declare that travellers are choosing to patronise hotels that offer the best value proposition under existing budgetary constraints. Further suggesting that in order to add value to the guests' experience, hotel managers and marketers must meet the challenge of determining which services are preferred by hotel guests. A good understanding of value can be gained through empirical research methods, such as customer surveys (Victorino et al., 2005). Anderson and Narus (1998) remark that survey research relies heavily on a customers' perception of the functionality, performance, and worth of a suppliers' offerings and that by acquiring the vital information of why guests choose to stay at particular hotels, hotel managers are better able to understand the attributes which drive guests' purchasing decisions.

Victorino et al. (2005) conducted research in the US where business and leisure travellers were asked which of three hotel innovative constructs had the biggest impact on their choice of hotel; hotel type; technology; or customisation.

2.6.1 Hotel Type

Victorino et al (2005, p. 559) makes reference to the emergence of 'boutique' hotels during recent years as an excellent example of an innovative offering in a standardised industry. These hotel types offer amenities such as innovative in-room facilities

including, 'plasma television screens and complimentary wireless internet access (Binkley, 2003).

2.6.2   Technology

Another example of innovation in hotel services is the use of information technology. Previous research conducted by Reid and Sandler (1992) determined the technological innovations that were most beneficial, least beneficial, and had future benefits for hotels. The technological innovations that were found to be most beneficial included: a wake up system, electronic door locks, in-room pay-per-view, personal computers, voice mail, and electronic in-room safes (Reid and Sandler, 1992).

2.6.3   Customisation

Customising the service experience for hotel guests is another means of service innovation. Victorino et al. (2005, p. 560) gives examples of service customisation which include: allowing guests to have flexible check in/out times, personalising room décor, or having child care options available. Customised options adapt the hotel's service offering to each individual guest's preferences, extremely relevant given the changing needs of the modern hotel guest. However, he argues that customisation is not easy to implement due to the operational capabilities of the firm. This supplements the view held by Orfila-Sintes et al. (2005); Hjalager (2002) who affirm that the size of the hotel is hugely relevant in determining its innovation capability taking into consideration such determinants as economies of scale. Figure 2.1 below presents the results of the Victorino et al. (2005) study.
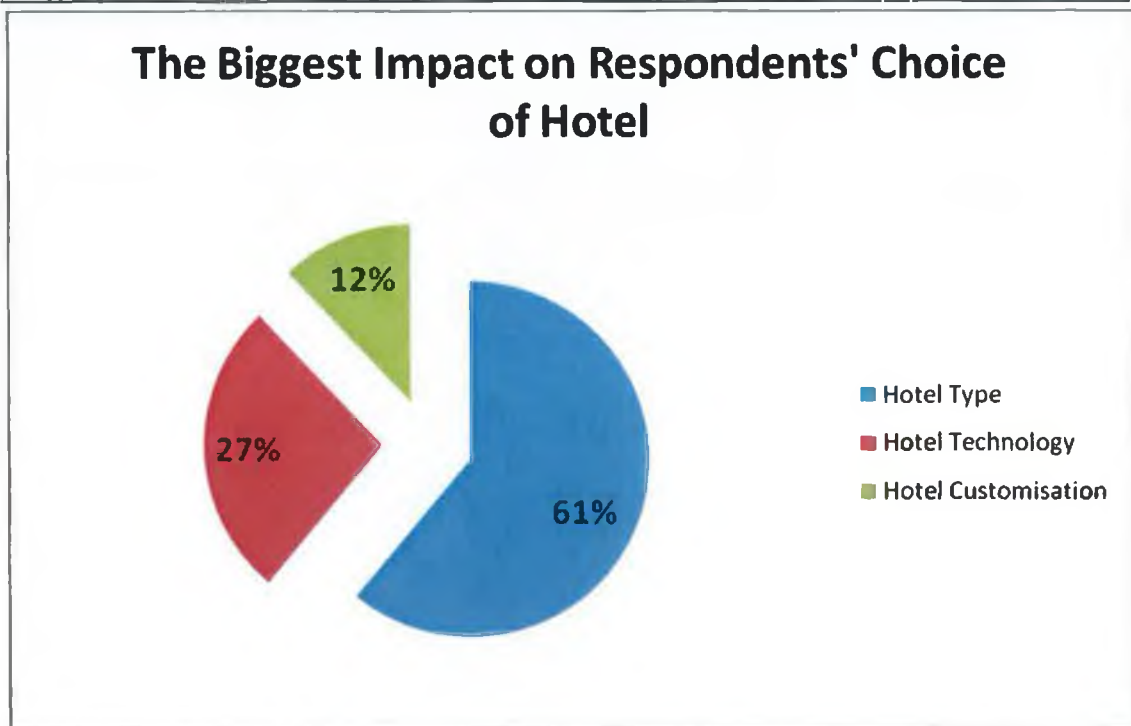
Figure 2..2 The biggest impact on respondents' choice of hotel (adapted from Victorino et al., 2005)

From the Victorino et al. (2005, p. 571) study it was found that the type of hotel has the largest impact for both business and leisure travellers' hotel choices. Furthermore, innovative service amenities, such as technological improvements and customisation features, have a stronger impact on leisure travellers' hotel choices in comparison to business travellers; while hotel type has a larger effect for business travellers' choices. Overall, the study found across both customer segments that innovation does matter when selecting a hotel. The final section of this literature review concentrates on customer innovation in the hotel industry. The benefits of customers as a source of innovation are analysed as well as the methods used to generate such innovative ideas.

2.7 Customer innovation in the hotel industry

Today's service organisations are challenged by globalisation, fierce competition, new technologies and changing consumer demands. These trends force service firms to constantly adapt to these turbulent environmental factors and thus place innovation at the core of their competitive strategy (Ottenbacher and Harrington, 2007, p.3-4; Fitzsimmons and Fitzsimmons, 2001). Customers, in a number of industries, such as

the hotel industry are constantly bombarded with run-of-the-mill product and service offerings. As a result, customers both desire and more often demand innovative alternatives. In response, many service-oriented firms are striving to integrate novel features into their product-service offerings (Victorino et al., 2005, p. 555). The hospitality industry is one of the largest industries worldwide and the second largest US employer (Kotler et al., 2006). Hotels are an ideal illustration of a marketplace with the potential to benefit from the introduction of service innovations (Victorino et al., 2005, p. 556) Thus, hotels' ability to innovate is regarded more and more as a key factor in successfully differentiating in a competitive environment. However despite these claims Ottenbacher and Gnoth (2005) argue that there is a lack of innovation research in the hospitality sector and that few studies have attempted to investigate its affect.

2.7.1 The importance of customer innovation in the hotel industry

Jones (1996) found that innovation takes the form of a stepwise process and because of their knowledge about customers' needs and wants; innovation is often initiated by the company's customer-contact personnel. He states that therefore, new service design and testing, for example, should involve both the input of prospective customers and the active cooperation of the operating personnel who will ultimately be delivering the service.

Johns and Mattsson (2003); Preissl (2000); Jones (1996) point out the importance of considering the role of the customer in services innovation. They argue that the active participation of customers in the conception and realisation of an innovation is a necessary condition for success. The tourism market is seen as being increasingly segmented, formed by groups with different motives to travel (Aguiló, Alegre, and Sard, 2005; Olsen and Connolly, 1999). Some tourists travel for leisure while others travel because of work or other business motives (Orfila-Sintes and Mattsson, 2007). They further suggest that any hotel organisation can meet different tourists' demands, however tourist requirements will be better provided for if the hotel implements continuous innovation, hence hotels' innovation strategy will need to be more customer-oriented in order to meet the changing needs and preferences of the modern hotel guest.

This section has concluded that the hotel industry is one of intense competition, where customers are presented which many often similar offerings. The authors suggest that

in order for hotels to prosper they must continually innovate. However it is asserted that there little research conducted on innovation in the hotel sector and few have attempted to investigate its affect. Customers have been shown to have an important role in the innovation process, and their active involvement in the process is a necessary condition for success. Considering the changing needs of the modern hotel guest, it is only hotels that truly embrace a customer-centred approach particularly in the innovation process will meet these needs satisfactorily.

2.8   Conclusion

While the primary purpose of the research study is customer innovation in the Irish hotel industry, in order to gain extensive knowledge on the area, and to set the context for the study a number of contributing and inter-related areas were reviewed. The central theme of customer innovation in the hotel industry guided the review throughout but the researcher held it necessary to examine; the problems in the Irish hotel industry; the evolution of the hotel industry; innovation in the hotel industry and the influencing factors; influences on customers' choice of hotel; and finally customer innovation in the hotel industry.

Overall it was found that three principal challenges face the Irish hotel industry; a rapidly increased bed capacity; sub-standard value for money; and the effects resulting from the global economic decline (Irish Hotel Federation, 2009).

Resulting from this are the significantly decreased occupancy levels, and shortage of working capital (HBC, 2010; Lynch, 2010; Ryan, 2010).

The evolution of the hotel industry in recent times was then analysed. The primary focus of this analysis concentrated on five headings, the emergence of a new customer-centred approach (Kandampully 2006); the development of customer relationship management (Lin, Chen, and Chiu, 2009); improvements in customer service (Su, 2004); improvements in customer value (Choi and Chu, 2001); and the technological advances that have added value to the industry (Kandampully, 2006). The findings concluded that traditional approaches to management and marketing in the hotel industry are inadequate in an increasingly competitive market and hotels must now transform themselves in the way they conceptualise and conduct their business. In this instance offerings of accommodation, food, and beverages will not suffice; hotels must align their product and service offerings with the needs and

preferences of customers by placing them at the centre of their strategic organisational planning (Kandampully 2006). It has been shown that the creative use of technology in the hotel industry can not only improve hotel efficiency and effectiveness but it can also enhance the quality of the service offerings. (Namasivayam, Enz, and Siguaw, 2000; Bensaou and Earl, 1998).

This literature review then investigated the innovation in the hotel industry and the influencing factors. The studies of two central authors guided this investigation. Firstly, Ottenbacher and Gnoth (2005) identified nine factors that promote successful service innovations: market selection; strategic human resources management; training of employees; market responsiveness; empowerment; behaviour-based evaluation; marketing synergy; employee commitment; and tangible quality.

Secondly based on the research of Orfila-Sintes et al. (2005) and others, including (Hjalager, 2002; Olsen and Connolly 1999; Sirilli and Evangelista 1998; Griliches 1990; Cohen and Levin 1989; Pavitt 1984) the impacts of a number of contributing factors to hotel innovation were examined.

It was concluded that; innovation is a vital source of competitive advantage, particularly in industries such as the hotel industry which is highly competitive and customers' needs and preferences are rapidly changing; innovation in the hotel industry must be a continuous process, the entire organisation must be fully committed to its implementation and must ensure adequate facilitator processes are in place; the ownership and managerial structure of hotels as well as the hotel size has a significant influence on their innovation decisions since economies of scale and the degree of authorisation may explain many strategic decisions made by hotels; market drivers in the industry strongly influence the innovation decisions made given that hotels must differentiate themselves in the way they conduct their business in order to achieve strong market share; the quality of human resources has a major influence on the innovative capabilities of hotels. This section further analysed innovation by categorising it in two distinct groups based on its degree of newness, incremental and new service innovation, a theory developed by Ottenbacher and Harrington (2007). It is advanced that hotel managers when implementing innovation must decide among a variety of product or service offerings where to introduce such change.

The penultimate section of the literature explored what influences customers' choice of hotel. From the Victorino et al. (2005) study which examined which of three innovative constructs; hotel type; technology; and customisation, it was found that the

type of hotel has the largest impact for both business and leisure travellers' hotel choices. Overall, the study found across both customer segments that innovation does matter when selecting a hotel.

The final section of the literature review concentrated on the central theme of the study, customer innovation in the hotel industry. The findings conclude that hotels' ability to innovate is regarded more and more as a key factor in successfully differentiating in a competitive environment (Victorino et al. 2005). Despite this there is a lack of innovation research in the hospitality sector particularly in Ireland, while few studies have attempted to investigate the affect of such innovations (Ottenbacher and Gnoth, 2005). New service design and testing, for example, should involve both the input of prospective customers and the active cooperation of the operating personnel who will ultimately be delivering the service (Johns and Mattsson 2003; Preissl 2000; Jones 1996). Finally, considering the changing needs of the modern hotel guest, it is only hotels that truly embrace a customer-centred approach particularly in the innovation process will meet these needs satisfactorily.

3.0 Methodology

3.1 Introduction

The chapter begins by defining both methodology and research in sections 3.2 and 3.3 respectively. Section 3.4 outlines the key issues of the research. These issues are classified into three distinct research aims; to examine the innovations the participant hotels in Sligo are currently implementing; to assert the perceived importance the participant hotel managers place on customer innovation; and to ascertain the innovations customers wish to see implemented in hotels in order to enhance the service offerings. The next section, 3.5 examines both qualitative and quantitative forms of research, the differences and similarities are explained, along with the type of research study each one suits best. The reasons for the chosen research methodology are then explained in section 3.6. The researcher describes the research methodology that was selected, and why it was selected, making reference to the linkage between, problem, purpose, and approach. Section 3.7 follows this where the selection of research methodology is outlined, detailing the use of secondary data, as well as the use of customer questionnaires, and semi-structured interviews as primary sources. Section 3.8 outlines the limitations encountered during the study, including, time, and response rate. The codes of ethics are explained in section 3.9, an extremely important consideration for any research study. Section 3.10 and 3.11 describe the methods and sampling techniques carried out, the use of purposeful and convenience sampling in selecting the participants are detailed. Section 3.12 outlines the steps of the research process, while 3.13 explains the field procedures undertaken throughout the study. The collection and analysis of the research data is portrayed in section 3.14 before final conclusions are made in section 3.15.

3.2 Methodology defined

A methodology is a model which entails theoretical principles as well as a framework that provides guidelines about how research is done in the context of a particular paradigm. Methods refer to the tools or instruments employed

by researchers to gather empirical evidence or to analyse (Sarantakos, 1998, p.32).

3.3 Research defined

Social research is by no means an invention of the modern social scientist. As a tool of gaining knowledge and of gaining information about people and their social life, social research has been used extensively for more than two thousand years (Sarantakos, 1998, p.1).

Research can be further defined as an aim to make known something previously unknown to human beings. It is to advance human knowledge, to make it more certain or better fitting...the aim is, discovery." (Elias, 1986, p.20)

Sarantakos, (1998, p.6) infers that research is usually employed for the purpose of gaining knowledge that will advance our understanding in the social world.

Horn (2009) suggests that research can be defined on the dimension of testing or exploring. Stating that in cases where theory and research is well developed, it would be possible to test a hypothesis about some behaviour or action. However, Horn (2009) declares that when researching areas that are not well researched, or areas that have little justified theory, an exploratory approach may be preferable.

Exploration is a process that, according to some writers, is useful for developing an accurate picture of the research object, is a central element of qualitative research and can offer assistance not only in formulating hypotheses and theories but also in modifying and testing hypotheses and theories (Sarantakos, 1998).

3.4 Key issues of the research

Once the research problem was identified and the research question formed, it was then necessary for the researcher to establish the aims of the study. The research study was broken down into three specific areas through which intelligence would be gained. These aims were the following;

- To examine the innovations the participant hotels in Sligo are currently implementing.
- To assert the perceived importance the participant hotel managers place on customer innovation.
- To ascertain the innovations customers wish to see implemented in hotels in order to enhance the service offerings.

3.5   Qualitative versus quantitative research

When considering both qualitative and quantitative forms of research Biggam (2008) suggests that researchers often make the mistake of grouping research strategies under two opposing headings, Qualitative versus quantitative.

> Qualitative research is suited to promoting a deep understanding of a social setting or activity from the perspective of the research participants. This approach implies an emphasis on exploration, discovery, and description. Quantitative research, in contrast, is applied to describe current conditions, investigate relationships, and study cause-effect phenomena (Bloomberg and Volpe, 2008, p.7).

Biggam (2008) defines quantitative research as that concerned with quantities and measurement, while articulating that qualitative research is closely linked with in-depth exploratory studies where the opportunity for quality responses exist. Denzin and Lincoln (1994: 2) assert that qualitative research involves studying things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them. Given this knowledge the researcher must consider, which method of research is most suitable for a given study. It is often quite difficult to classify research studies into groups, while a further question must also be considered, whether only one research method be used. Myers (1997) declares that it is rare for professional researchers and dissertation students to stick to only collecting and analysing either quantitative or qualitative data, they usually mix and match.

This thinking approach was applied when choosing the research methodology for the study. The researcher believed that in order to achieve the aims of the study it was necessary to incorporate both qualitative and quantitative methods.

Section 3.6 below outlines the reasons for the chosen methodology.

3.6 Reasons for chosen research methodology

Morse and Richards (2002) declare that the choice of research methodology is directly tied to research problem and question. The writers further express that as the researcher, you actively create the link among problem, purpose, and approach through a process of reflecting on problem and purpose, focusing on researchable questions and considering how best to address these questions. Thinking along these lines affords a research study methodological congruence.

Bloomberg and Volpe (2008) declare that a research problem should not be modified to fit a particular research approach. They infer that a researcher cannot simply assume a particular qualitative approach regardless of the research problem. Bloomberg and Volpe supplement the argument articulated by Morse and Richards (2002) agreeing that research problem, purpose, and approach must be linked in sequence. While further articulating that a consensus has gradually emerged among researchers that, rather than universally advocating any single methodological approach for all research, the challenge is to appropriately match the research to purposes, questions, and issues.

The researcher identified the current difficulties in the Irish hotel industry and following an initial review of previous literature surrounding the topic, found that there was evidence to advocate the importance of customers in the innovation process. However the researcher discovered that this literature was, firstly quite limited, secondly, very little referred to the hotel industry, and lastly less still referred to the Irish hotel industry. Resulting from these investigations the researcher formed the following research question.

'What innovations can be ascertained from hotel customers to rejuvenate the Sligo hotel industry?'

In order to answer this question, the researcher established three achievable aims that would guide the study.

- To examine the innovations the participant hotels in Sligo are currently implementing.
- To assert the perceived importance the participant hotel managers place on customer innovation.

- To ascertain the innovations customers wish to see implemented in hotels in order to enhance the service offerings.

Given the research problem, question, and aims the study took the form of an exploratory research investigation. Sarantakos (1998, p.7) affirms that exploratory research is usually undertaken where there is not enough information available about the research subject, in this case "customer innovation in the Irish hotel industry". Sarantakos (1998) further articulates that in certain cases it is undertaken in order to provide a basis for further research, for example in defining concepts, formulating hypotheses or operationalising variables; while in other cases he suggests that it is undertaken to gain information on the issue *per se*.

Given this knowledge, the researcher began choosing the most suitable methodological tools to achieve the three research aims. In order to gain sufficient data on research question one "to examine the innovations the participant hotels in Sligo are currently implementing" and question three "to ascertain the innovations customers wish to see implemented in hotels in order to enhance the service offerings", the researcher believed that both qualitative and quantitative data will be required. As a result it was decided that forty questionnaires would be distributed to customers from each of the four participant hotels, one hundred and sixty in total. These questionnaires would contain nine questions, five quantitative questions and four qualitative questions. In addition optional questions were asked relating to the respondents personal details. In relation to research question number two "to assert the perceived importance the participant hotel managers place on customer innovation", the researcher believed that an in-depth qualitative interview with each of the participant hotel managers was necessary to gain sufficient intelligence.

Following this the selection of research methodology is described under heading 3.7.

3.7   Selection of research methodology

"The appropriate research approach is the one that best fits with your research problem" Bloomberg and Volpe (2008, p.7).

As the previous paragraph discussed, the research took the form of an explorative study. Both qualitative and quantitative research tools were used to achieve the aims of the dissertation study. The research methodology took two primary forms.

3.7.1 Secondary data

Firstly, the development of an extensive review of existing literature was represented in the literature review. The study thoroughly examined; the problems in the Irish hotel industry; the evolution of the hotel industry; innovation in the hotel industry and the influencing factors; influences on customers' choice of hotel; and finally customer innovation in the hotel industry.

3.7.2 Primary data

Secondly, the research methodology, guided by the findings of the review of secondary literature, was carried out through the collection and analysis of primary data, and the interpretation and dissemination of the research findings. The collection of primary data was carried out using two methodological tools.

3.7.2.1 Customer questionnaire

Customer questionnaires containing both qualitative and quantitative questions were distributed to forty customers from each of the four participant Sligo hotels. This culminated in a total participant sample of one hundred and sixty.

> The use of questionnaires is very common in the social sciences...in most cases, questionnaires are employed as the only method of data collection...in other cases they are used in addition to other methods...the main characteristic of this method is that data are offered by the respondent, with limited interference on the part of the research personnel (Sarantakos, 1998, p.223).

Sarantakos (1998, p. 224) asserts that questionnaires, as methods of data collection, have strengths and weaknesses and thus advantages and disadvantages that the researcher must be aware of. The advantages described by Sarantakos (1998, p. 224) include; cost effectiveness; speed; convenience; greater anonymity; less opportunity for bias; consistency of measure. On the other hand Sarantakos (1998, p. 225) offers disadvantages of using questionnaires as a method of data collection. These include; not allowing for probing; not offering opportunities for motivation; and partial response is quite possible.

A draft of the customer questionnaire is included in the appendices section of this dissertation.

3.7.2.2 Manager interview

Secondly, four semi-structured interviews were conducted with the managers from each of the participant hotels.

Semi-structured interviews lie somewhere between structured and unstructured interviews...they contain elements of both, and while some are closer to structured, others are closer to unstructured interviews...the degree to which interviews are structured depends on the research topic and purpose, resources, methodological standards and preferences, and the type of information sought, which of course is determined by the research objective (Sarantakos, 1998, p. 247).

Mahr (1995); Berger, Wolf, and Ullmann (1989); Roth (1987) describe the advantages and disadvantages of interviews. The advantages they outline include; flexibility; high responsiveness; easy administration; capacity for correction; and guaranteed completeness. The writers further outline the disadvantages of interviews which include; cost; possibility for bias; and less anonymity. In addition interviews may be regarded as an inconvenient method in comparison to using questionnaires due to the time constraints placed on the interviewees (Berger et al, 1989) the information gathered from interviews can be more difficult to analyse and the researcher must do so in an objective manner (Whiston, 2008).

A draft of the interview questions, along with transcripts and analysis are included in the appendices section of this study.

Section 3.8 describes the limitations of the research study.

3.8   Limitations of the research

The study progressed quite efficiently through each stage of the research process; however the researcher encountered a number of limitations which hindered the study. Firstly, the researcher encountered time limitations. The short time period of the study meant that each stage of the research had to be completed quite swiftly. This was particularly difficult for the review of previous literature and the collection and analysis of primary data.

Secondly limitations were experienced while conducting the primary research. The distribution of customer questionnaires, were found to be time consuming and quite difficult to arrange. The researcher had to ensure that there were an adequate respondent sample staying in the hotel, while also ensuring that the research was conducted at a time that was suitable for customers, hotel staff, and management. In the case of an adequate respondent sample, difficulties were experienced while conducting primary research at hotel number four. The researcher had to conduct the research over two days as the necessary respondent sample was not reached on the first day.

The final limitation that confronted the researcher was in relation to maximising the response rate. To counteract this limitation the researcher included information on the first page of each questionnaire. This information introduced the researcher, the researcher's position, contained the title of the study and why it was being conducted. The researcher stressed the anonymity of all respondents would be adhered to throughout.

3.9   Code of ethics

The main aim of ethical standards and the issues which it highlights are that the researcher's study should 'do no harm' to the participants. Horn (2009) articulates that careful consideration must be given to any effects on the mental and physical wellbeing of the participants. While Berg (2004); Pring, (2000); Merriam, (1998); Punch, (1994) state that in any research study, ethical issues relating to protection of the participants are of vital concern. Bloomberg and Volpe (2008) declare that ethics primarily focus on establishing safeguards that will protect the rights of the participants and include informed consent, protecting participants from harm, and ensuring confidentiality. Bloomberg and Volpe explain that these ethical issues arise in all phases of the research process: data collection, data analysis and interpretation, and dissemination of the research findings. Bryman and Bell (2007) declare that it is wise to reach an agreement with senior members of the participant organisation before disclosing their identity, and it may be less threatening for senior managers and employers to offer anonymity as an aspect of the access agreement. Horn (2009) makes reference to the rights of participant to be adequately informed regarding the research study, asserting that an information sheet is often used which set out:

- the title of the study

- the purpose of the study

- why the participant was selected for the study

- a description of procedures, the purpose, the length of time required and how the participants will be involved

- a statement of any likely inconvenience expected

- the possible risks to the participants, and details of any support mechanisms

- the possible benefits to the participants and society

- details of any payments, prize draws, feedback from the study

- how confidentiality, anonymity and privacy will be maintained

- the right of participants to refuse to participate or to withdraw at any time for any reason

- contact details of the university ethics group, and the researcher

- details of the care, use and storage of the data collected from the study

- the signature of the researcher and the participant

(Horn, 2009, p. 137)

After extensive investigation into the ethical standards that are required in undertaking such a research study, the researcher ensured that strict code of ethics were adhered to throughout the course of the dissertation study. The primary concern for the study was the protection of the participants; the participant hotels; the participant hotel managers and employees; and the participant hotel guests. These concerns pertained to issues of anonymity and in particular physical and mental well being. To address these issues and other considerations the researcher took the following measures; the details of the study were clearly described; requirements explained in full; agreement reached before study proceeded; interview questions were not intrusive, indicative or derogatory; questionnaire questions where personal information was required were listed as optional; both questionnaires and interviews were free from bias; anonymity was adhered to throughout, where the name of hotels or participants were not used; interview files and completed questionnaires were safely stored and used for analysis only.

3.10   Method outlines

1. Review of Secondary Data
2. Primary Research
3. Analysis of Primary Data
4. Presentation of Findings
5. Recommendations
6. Conclusions

Firstly, the researcher conducted an extensive review of existing literature which was represented in the literature review. The review extensively examined the previous literature on the topic and the findings of which dictated the course of the study. This literature primarily concentrated on; the problems in the Irish hotel industry; the evolution of the hotel industry; innovation in the hotel industry and the influencing factors; influences on customers' choice of hotel; and finally customer innovation in the hotel industry. Secondly, the researcher conducted primary research which was both qualitative and quantitative in nature; and included the administering of customer questionnaires and the undertaking of semi-structured manager interviews. The research was guided by the findings of the review of secondary literature.

Thirdly, the researcher carried out comprehensive interpretation and analysis of the research findings.

Fourthly, the intelligence gained from the analysis of the primary data was presented in the form of graphs and tables, generated through the SPSS program.

Fifthly, the researcher made recommendations based on the overall research findings.

Lastly, the researcher formed overall conclusions to the dissertation study.

Section 3.11 describes the sampling techniques that were used in selecting the participants for the research study.

3.11   Sampling techniques

The objective of this research was to ascertain innovative ideas from a sample of hotel customers' from four participant hotels in Sligo in order to enhance hotel service offerings. The study took place in Sligo. For the convenience of the researcher, given the close proximity of each hotel to one another and to the Institute of Technology,

the study focused on the hotels in the Sligo town area. Two forms of sampling techniques were used for the study. Firstly, a purposeful sampling procedure was used to select the sample hotels. To yield the most information about the phenomenon under study, purposeful sampling is a method that is typical in research methodology (Patton 1990; Silverman 2000). Sarantakos (1998, p. 152) affirms that purposeful sampling is where researchers "purposely" choose subjects who, in their opinion, are thought to be relevant to the research topic.

The hotels had to meet certain criteria to be considered for selection, the hotels must be registered under the Tourist Traffic Acts 1939-2003, they must be located in Sligo town, and lastly they must be fully operating hotels of sufficient size. A list of hotels operating in Sligo town was traced through Fáilte Ireland. This list revealed that there are 7 hotels in the Sligo town area, however once screening of the hotels took place, it was found that one of the hotels was not a fully operating hotel, while another was not of sufficient size. From the remaining list of 5 hotels that satisfied that criterion, a random sample technique was used to make the final selection. It was decided that four hotels would be chosen for the research study. The researcher believed that this would be a representative sample of the Sligo hotel industry. The participant hotels were classified as follows; hotel number 1; hotel number 2; and hotel number 4 were 4 star hotels; while hotel number 3 was a 3 star hotel.

Once agreement from the chosen hotels had been reached, and the methodological tools established, a further sample had to be selected. The researcher decided that for the distribution of questionnaires to the participant hotel guests, a sample of 40 respondents from each hotel would be chosen, culminating in a total sample of 160 respondents.

The subsequent section 3.12 shows the steps the researcher took in the research process.

3.12 Steps of the research process

1. • Review of Secondary Data

2. • Primary Research

3. • Analysis of Primary Data

4. • Presentation of Findings

5. • Reccommendations

6. • Conclusions
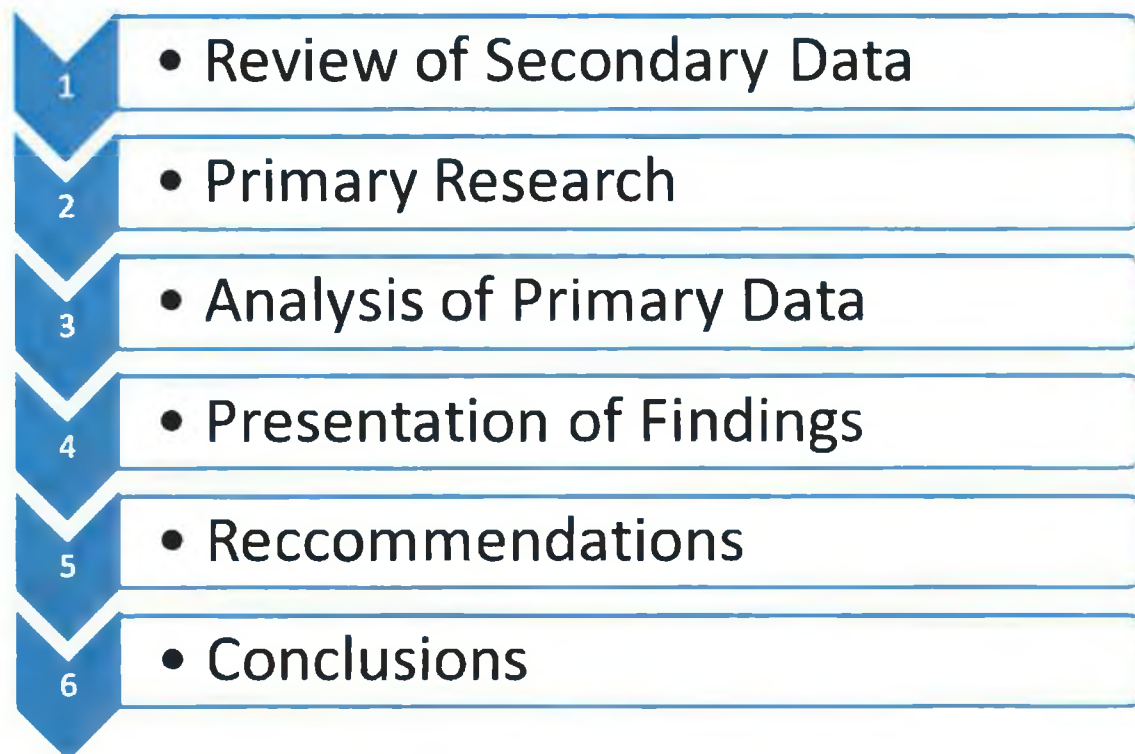
Figure 3.1   **Steps of the Research Process**

3.13 Field procedures

Once the four sample hotel had been selected through the purposeful sampling, and random sampling techniques, the researcher then set about establishing their participation in the study. A formal letter was drafted and send to the relevant manager at each of the participant hotels. This letter introduced the researcher, explained the details of the study, why the study was been undertaken, and what was required of the participant hotel. The letter included the contact details of both the researcher and the dissertation supervisor, and stated that further contact would be made on a specified date. A draft of the formal letter is contained in the appendices section of this dissertation. The researcher subsequently phoned each of the four hotels that received letters as stipulated. Each of the managers were spoken to over the phone, again the researcher gave a personal introduction, introduced the study, why the study was been undertaken, and what was required from the hotel should they agree to participate. The researcher then proceeded to arrange meetings with each of the managers to discuss the details of the study further. These meetings reassured the

managers about what was required of them, particularly regarding; disruptions to their business; and issues of anonymity. The meetings were extremely successful and all four managers agreed to participate in the research study. Once this agreement was reached, the finer details were discussed, including the dates and times for both administering the questionnaires, and undertaking the semi-structured manager interviews.

Following these arrangements the researcher then proceeded to the conduct primary research. It was important that the method of collection and conditions remained as uniform as possible so findings could be comparable. It was decided that the primary research would be conducted mid-week where the category of the guest, primarily, corporate and leisure would traditionally be more evenly distributed. However this was not possible for hotel number two, so arrangements were made for a weekend study.

It was held that the most appropriate time to administer the customer questionnaires would be from 7am to 10am, when breakfast was being served. The reason being that guests would have sufficient time to complete the questionnaire over breakfast, and also taking into consideration that these guests would have spent sufficient time in the hotel to answer the questionnaire.

The researcher set up a table at the entrance to the breakfast area and asked each guest as they entered if they would like to participate in the study. An identification badge was worn to ensure that there was no confusion about the authenticity of the study.

It was held that 40 respondents from each hotel, 160 overall would be an achievable and representative sample. Semi-structured interviews were carried out with each of the participant managers. These interviews varied in length, lasting between 10 to 15 minutes approximately. For the convenience of both researcher and manager, it was agreed that the semi-structured interviews be undertaken on the same day as the questionnaire distribution where possible. The completed questionnaires were collected and stored safely for later analysis. The manager interviews were recorded using a digital voice recorder after approval has been reached. These interviews were then transcribed for reference and analysis, and are included in the appendices section of this dissertation.

Analysis of the customer questionnaires; manager interviews; and secondary intelligence gained from the literature review was then undertaken. This analysis

process is explained in detail in the subsequent section 3.14 - Data collection and analysis.

3.14   Data collection and analysis

This section describes how the research data were collected and analysed. As previously explained, there were two primary sources of data collected for this exploratory study. Firstly, the researcher conducted an extensive review of previous literature written on the area of customer innovation in the hotel industry. Secondly, the researcher conducted primary research through the use of two methodological tools; 160 customer questionnaires; and 4 semi-structured manager interviews. As outlined, drafts of both the customer questionnaires and the manager interview questions are contained in the appendices section of this study, along with transcripts and analysis of the manager interviews.

The work for the initial stages of the research is put into practice during the stage of data collection, which itself produces useful and relevant information (Sarantakos (1998, p. 313). He further expresses that the aim of this task is to make sense out of the information gathered through the previous stages of the research, and to identify the meaning the data contain. Data alone cannot provide the conclusions to research, it must be interpreted, organised and analysed (Gratton & Jones, 2004 p.192). While Gratton & Jones (2004, p.193) subsequently affirm that the report of the results from the statistics is only the first stage in the analysis process with a greater emphasis needed on the interpretation of these statistics and how they are related to the research objectives.

> The analysis of the data allows the researcher to manipulate the information collected during the study in order to access and evaluate the findings and arrive at some valid, reasonable and relevant conclusions...while in quantitative research this process is relatively clear and unambiguous, in qualitative investigations it is cloudy and confusing (Sarantakos, 1998, p. 341).

The data retrieved from the customer questionnaires were inputted into the statistical package SPSS program. The use of statistical packages has already changed the nature of social research in general and of data analysis in particular (Sarantakos, 1998, p.

330). He considers the following as the most important advantages; fast data processing and analysis of large amounts of data; fast completion of complex mathematical/statistical models; relatively cheap data processing and analysis; easy handling of enormous amounts of data; high level of accuracy; and making sophisticated statistical models accessible to non-statisticians.

The ease and speed at which the data were entered, analysed, and presented was hugely beneficial to the researcher, particularly considering the time limitations experienced. The data were both qualitative and quantitative, and while inputting the quantitative data was much swifter, the qualitative data could be inputted quite efficiently also. A simple coding system was used, for example, where the answer categories "Male" and "Female" were replaced with 1 and 2, also helping to minimise errors.

The results of the questionnaires were presented in the form of tables and graphs. These results which contained both qualitative and quantitative forms of data were analysed, discussed, and cross-referenced where appropriate. The results of the manager interviews were analysed and discussed and comparisons and discrepancies were examined where evident against the findings of the literature review; and the questionnaire data. At all times the primary research aims guided the discussion and analysis. Once this was complete the researcher contrived findings and recommendations, before making the overall conclusions of the dissertations study.

The subsequent section 3.15 concludes the main findings of the chapter.

3.15   Conclusion

The conclusions drawn from the methodology process of the research study is that based on the writings of Bloomberg and Volpe (2008); and Morse and Richards (2002) that the type of research methodology chosen should be determined by the research problem and question. Furthermore both qualitative and quantitative forms of research can be used, and most often at post degree level dissertation studies a combination of the two are used.

Each stage of the methodological process must be carefully planned and undertaken. In the case of this research study, the selection of participant hotels was systematically chosen using purposeful and convenience sampling techniques. The selection of

methodology tools is critical and those chosen must be suitable for the study in question and generate the necessary intelligence. In addition, the discussion, analysis, and presentation of results is the centrepiece of the study and should be meticulously planned, where their contributions and interrelationships of primary and secondary intelligence are investigated and disclosed. Finally, when conducting a research study strict ethical standards must be adhered to throughout to ensure the physical and mental well being of all participants are unaffected.

The next chapter of this study 4.0 provides discussion and analysis on the research results.

4.0   Discussion and analysis

4.1   Introduction

The purpose of this research study was to obtain innovations from participant hotel customers. It was hoped that the innovations generated would aid in rejuvenating the Sligo hotel industry, and indeed act as a reference for the larger hotel industry. The study had three principle research aims; to examine the innovations the participant hotels in Sligo are currently implementing; to assert the perceived importance the participant hotel managers place on customer innovation; to ascertain the innovations customers wish to see implemented in hotels in order to enhance the service offerings.

Prior to finalising the research problem, question, and aims, an extensive review of previous literature on the area was undertaken. This review through thoroughly examining customer innovation in the hotel industry and the contributing factors, successfully identified intelligence that endorses the importance of customers in the innovation process (Johns and Mattsson, 2003; Preissl, 2000; Jones, 1996) while nevertheless acknowledging the research inadequacies in the area (Ottenbacher and Gnoth, 2005) requiring further study.

The findings of the literature review thereafter guided the study, establishing the research problem that existed; the overall research question that needed to be answered; and the primary research aims which the study sought to achieve.

The primary research involved the use of both qualitative and quantitative research. Questionnaires containing questions of both forms were distributed to forty customers from each of the four hotels selected. This amounted to one hundred and sixty in total. Semi-structured interviews were carried out with the managers of each hotel. The primary purpose of these interviews were to gain intelligence regarding the second research aim, "the perceived importance the participant hotel managers place on customer innovation", whilst also examining a number of other areas.

In this chapter, the data collected from the study will be discussed and analysed, under each of the questions outlined in the questionnaire. Those of a qualitative nature will be examined in details, while quantitative data will be presented in the form of graphs and tables generated from the SPSS program. In addition to that, intelligence gained from the manager interviews; and the literature review will be incorporated in the discussion and analysis and similarities and discrepancies will be examined. All

primary data collected were coded to minimise errors, and to ensure anonymity was applied throughout. In this chapter the data will be organised first under each of the questionnaire questions, and then the findings and recommendations will be linked to the research aims in the next chapter.

This chapter begins with section 4.2 outlining the hotels that participated in the study; while the nature of the respondents stay is described in the subsequent section 4.3, with the two primary markets of corporate and leisure prominent. The following section 4.4 discusses the reasons the respondents stayed in the hotel; with section 4.5 discussing the biggest impact on the respondents' choice of hotel, from hotel type; technology; or customisation which was adapted from the study of Victorino et al. (2005). The first qualitative based question, the innovations respondents have seen at other hotels is then detailed in section 4.6, while in 4.7 the innovations respondents would like to see implemented at the hotel is examined. Heading 4.8 explores the most important factor in determining the success or failure of hotel innovations, a question adapted from Ottenbacher and Harrington (2007), in this instance the respondents advocate the importance of strategic human resource management. The most important activity in developing hotel innovations adapted from Lin et al. (2009) is subsequently analysed, where the use of information sharing and the development of long term partnership with customers is highlighted. The next section, 4.10 discusses where the respondents heard about the hotel; while 4.11 details the improvements respondents believe could be made to the advertising of the hotel. The current innovations respondents identify and the future innovation they wish to see in the hotel are subsequently described under headings 4.12, and 4.13 respectively. Sections 4.14, 4.15, and 4.16 analyse the optional questions of the respondents, gender, age, and occupation. The chapter then briefly discusses the manager interviews which are incorporated in each of the previous sections of the chapter where relevant. A draft of the manager interviews, along with transcripts, and detailed analysis is contained in the appendices of this dissertation.

Final chapter conclusions are then formulated.

4.2 Participant hotels

There were four hotels selected for the research study. Forty questionnaires were distributed to customers at each of the four hotels. This culminated in a total of one hundred and sixty

questionnaires. The response rate was 100 per cent. Given the close proximity of each hotel to one another and to the Institute of Technology, the study focused on the hotels in the Sligo town area. Two forms of sampling techniques were used for the study. Firstly, a purposeful sampling procedure was used to select the sample hotels. The hotels had to meet certain criteria to be considered for selection, the hotels must be registered under the Tourist Traffic Acts 1939-2003, they must be located in Sligo town, and lastly they must be fully operating hotels of sufficient size. A list of hotels operating in Sligo town was traced through Fáilte Ireland. From the list that satisfied this criterion a random sampling technique was used to make the final selection. It was decided that four hotels would be chosen for the research study. The researcher believed that this would be a representative sample of the Sligo hotel industry. The participant hotels were classified as follows; hotel number one; hotel number two; and hotel number four were 4 star hotels; while hotel number three was a 3 star hotel.

The support and co-ordination of all participants greatly aided in the undertaking of the study. However certain limitation were encountered, arranging times and dates for conducting the primary research proved a stumbling block considering the time constraints of the study. In addition while all one hundred and sixty questionnaires were returned, partial completion was an issue. Despite these few limitation the study progressed quite efficiently. The next section 4.3 discusses the nature of the respondents' stay.

4.3   The nature of respondents stay
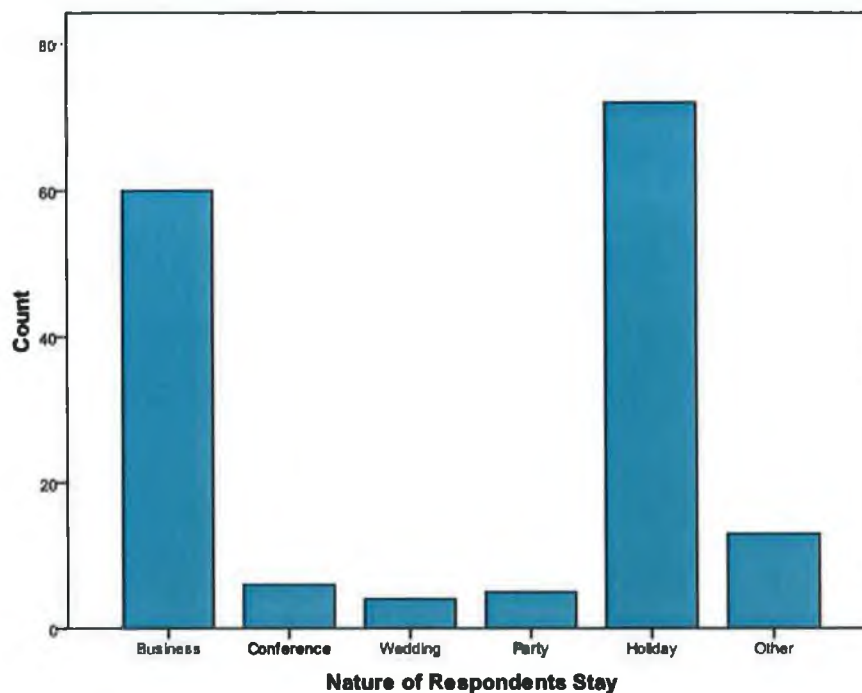
Figure 4.1   The nature of respondents' stay

The key to carrying out a research study such as this is that an appropriate respresentional sample is chosen. For that reason the researcher selected forty participants from each of the four hotels, ensuring that number was kept constant throughout. Equally as important was that a representional sample form both primary markets, corporate and leisure were surveyed. Given this, the reseacher carried out the surveys mid-week on reccommendation from the relevant manager that this would ensure an appropriate sample of both. However a limitation was encountered with hotel number two, where a mid-week survey was not possible. The alternative arrangements were made and the survey was carried out at the weekend. As a result, there were a slightly higher number of leisure customers to corporate customers surveyed, but not enough to effect the overall findings fo the study.

The nature of the respondents stay was the first question asked on the questionnaire survey. The data retrived were quantitative, the respondents were given seven options and were asked to select one. The options given were, "Business", "Conference", "Meeting", "Wedding", "Party", "Holiday", and "Other". In the case of the "Other" option the respondents were asked to specify the nature of their stay if it did not fall under any of the listed categories. Figure 4.1 shows the results from this question

where, "Business" and "Holiday" were clearly the two dominant customer markets. The results recorded that the nature of the respondents stay were, "Business" 60, "Conference" 6, "Wedding" 4, "Party" 5, "Holiday" 72, and "Other" 13. Note that the most prominent answer given for the "Other" option was a group charity event recorded for hotel number two. The percentages, show that 45% of the respondents were holiday guests, while 38% were business guests. Thus there were 7% more holiday guests than business guests. When looking at these figures a number of contributory factors have to be considered. Firstly, the research study was carried out in the summer, where the tourism sector would naturally see an increase. However three out of the four hotel surveys were carried out mid-week where business guests would make up the majority of hotel stays, this would also explain the very low numbers recorded for party and wedding respondents. Section 4.4 follows where the reasons the respondents choose to stay in the hotel is examined.

4.4 The reason respondents stayed in the hotel
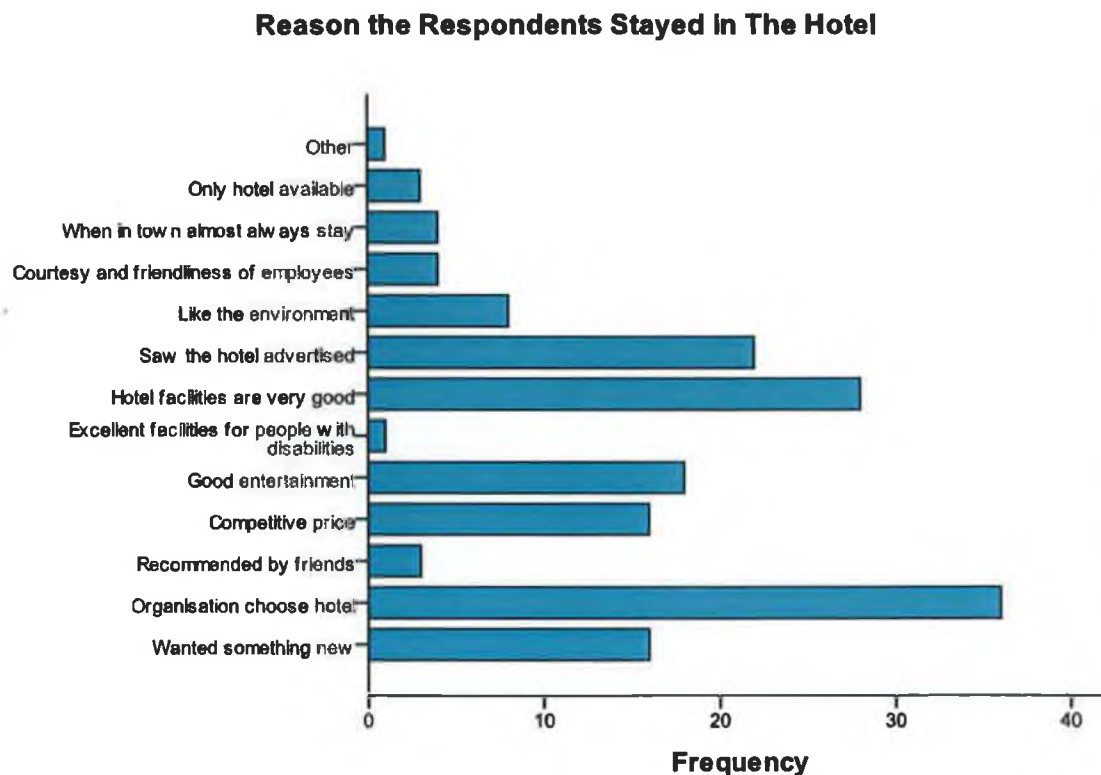
Figure 4.2   The reason respondents stayed in the hotel

This question was qualitative based. The respondents were given sixteen reasons from which to choose including the "Other" option. Overall the largest reason given was that "the organisation choose the hotel", with 23% of respondents selecting this option. The next most prominent answers given were "the hotel facilities are very good" and "I saw the hotel advertised" with 18% and 14% of the responses respectively. The frequency of respondents stating that their organisation choose the hotel is quite significant. The fact that three of the four surveys were carried out mid-week would have a bearing on this however, with corporate customer's hotel stays traditionally higher than at the weekends. The low number of respondents declaring that they choose the hotel based on competitive price is surprising given these economic times. The findings recorded for this response were 10% of the overall sample. One would assume that the ever affluent nature of the customer would hold true for the hotel customer also, however these results suggest otherwise. Apart from the customers' organisations choosing their hotel, table 4.4 indicates that customers' make their choice based on the quality of hotel facilities, and to a slightly lesser extent, the hotels' advertising. There are two more interesting observations from the findings; only 2% of respondents choose the hotel based on the recommendation of friends or relatives, while only 3% choose the hotel based on the courtesy and friendliness of the employees. Further results in this study will show however that both these factors play a much more significant role in customers' hotel satisfaction.

When a cross-tabulation of results is carried out for the nature of the respondents stay and the reason the respondents stayed in the hotel, more transparent and detailed findings are presented. The two largest customer markets from the study are business and holiday. As expected 40% of business customers stayed in the participant because their organisation choose it for them, while 18% of business customers stayed in the hotel because the hotel facilities are very good. The results presented for the holiday guests are more dispersed, with 25% staying because they saw the hotel advertised, while 20% of the holiday guests claimed that they stayed in the hotel because of the competitive price, with a further 20% stayed because the hotel facilities are very good. Interestingly from this cross-tabulation of results it can be seen that 7 out of the 36 or 19% of the guests that stated that their organisation choose the hotel selected "Other" as the nature of their stay.

For the study, the researcher found it beneficial to further explore the reason the respondents stayed in the hotel, this time examining the findings for each of the four

hotels. When the cross-tabulation of this question, "the reasons the respondents stayed in the hotel" is carried out with the "hotel number", interesting results are found. Hotel number one shows that the two most popular reasons their guests choose to stay in their hotel were, firstly they saw the hotel advertised with 35%, and secondly, the hotel facilities are very good with 28%. Hotel number two shows that the two most popular reasons why the respondents choose to stay at the hotel were, the organisation choose the hotel with 28%, and they wanted to try something new with 25%. When viewing the results for hotel number three the most popular answers are a little less defined with 20% of the respondents saying that the facilities are very good, and a further 20% saying that the hotel provides good entertainment. The results from hotel number three further uncovered that 18% of the respondents declared that they stayed in the hotel because their organisation choose it for them, while 15% declared that they saw the hotel advertised. The findings of this cross-reference for hotel number four show that 30% of respondents stayed because their organisation choose the hotel, while a further 28% declared the competitive price of the hotel as the reason.

In conclusion, the main findings from this question show that the three primary reasons why respondents stayed in the hotels are because their organisation choose the hotel for them; the quality of hotel facilities; and based on the hotel advertising. Significantly the selection of hotel based on competitive price was found to be less of a determinant, only prominent in one of the four hotels surveyed.

Section 4.5 follows where the biggest impact on respondents' choice of hotel is discussed.

4.5   The biggest impact on respondents choice of hotel

The next question the respondents were asked was again in relation to their choice of hotel, this time they were asked what had the biggest impact on their choice. This was a qualitative question where the respondents were given four options from which to select. During the review of previous literature on the area, the researcher uncovered an investigation carried out by Victorino et al. (2005). This research study was conducted in the US where business and leisure travellers were asked which of three hotel innovative constructs had the biggest impact on their choice of hotel; hotel type; technology; or customisation. Hotel type here refers to the standard of the hotel, for

example its star rating. The hotel technology refers to its technical facilities, for example online booking, Wi-Fi internet access, while hotel customisation refers to offering the guests additional services, for example flexible check in/out times or personalised room décor. The researcher found this investigation extremely insightful and believed that it would be hugely relevant for the current research study. The researcher sought to investigate whether respondents' desires had changed in the subsequent five years since Victorino et al. (2005) carried out his study, or indeed would the desires of Irish hotel guests differ from that of their U.S. counterparts.
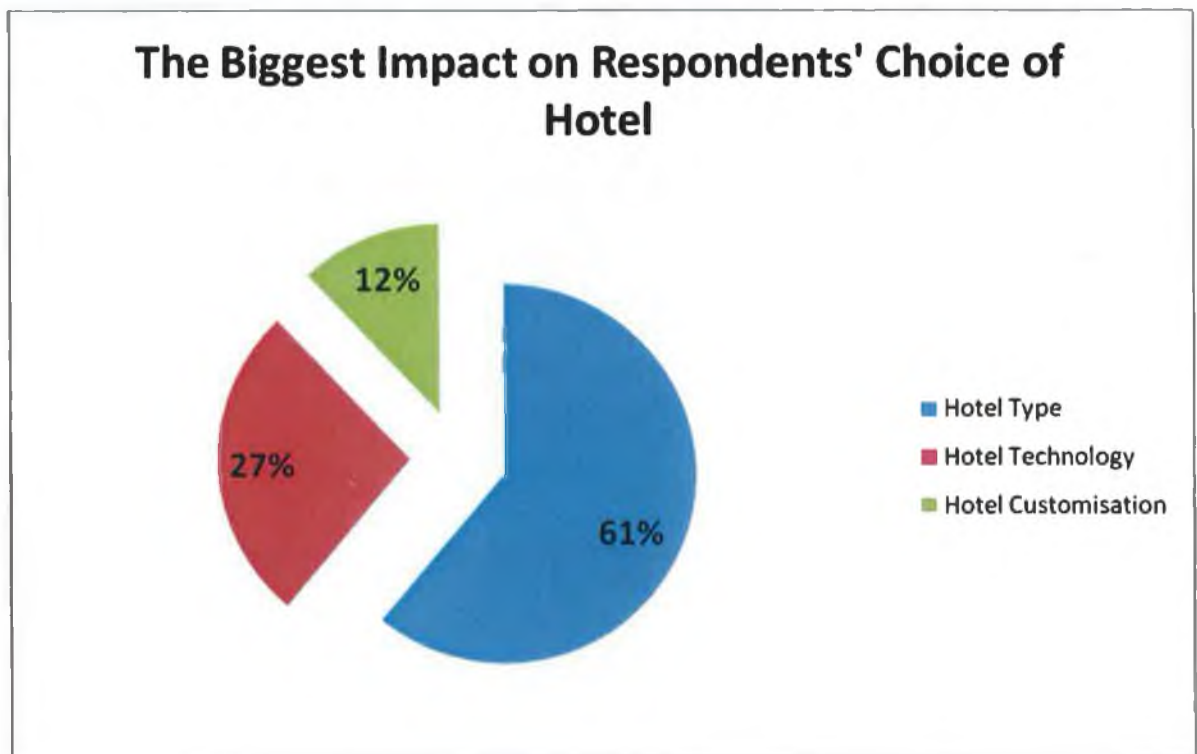
Figure 4.3   The biggest impact on respondents' choice of hotel (adapted from Victorino et al., 2005)

Figure 4.3 above shows the results of the study carried out by Victorino et al. (2005). The results clearly indicate that hotel type has the biggest impact on respondents' choice of hotel demanding a significantly large 61% of the sample. In addition, 27% of the respondents gave hotel technology as the biggest impact on their choice of hotel, while only 12% stated that hotel customisation had the biggest impact on their hotel choice.
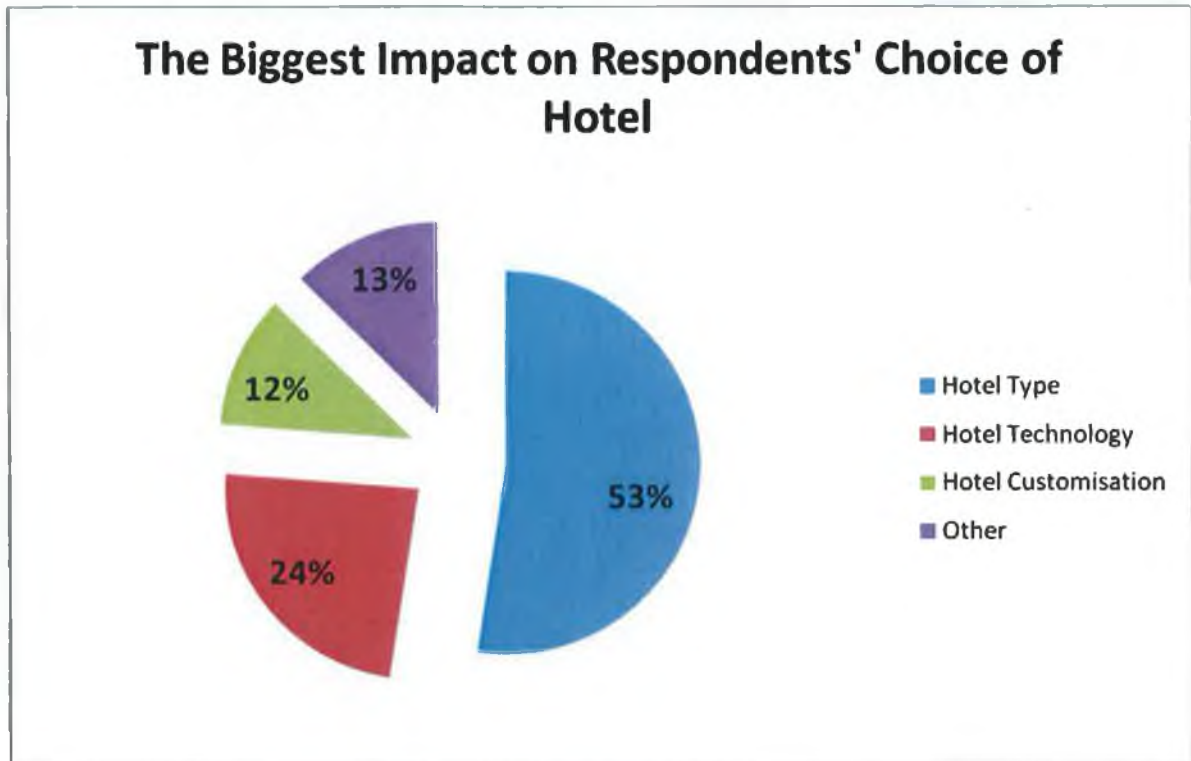
Figure 4.4   The biggest impact on respondents' choice of hotel

Figure 4.4 above shows the results of the respondents' biggest impact on their choice of hotel from this research study. The results present quite similar findings to that of the Victorino et al. (2005) study. It is once again clear that hotel type has the biggest impact on the respondents' choice of hotel, with 53% selecting this option, compared to 61% from the Victorino et al. (2005) study. 24% of the respondents from this study choose hotel technology as having the biggest impact on their hotel choice, with a slightly larger sample of 27% choosing this option in the Victorino et al. (2005) study. The percentage of respondents selecting hotel customisation as the biggest impact are very closely tied for both studies, with 12% of respondents choosing the option for this study and 12% also choosing the option for the Victorino et al. (2005) study. The remainder of the respondents from this study selected a fourth option "Other" as their biggest impact on hotel choice. The majority of answers in this instance were again that their hotels are chosen for them by their organisation, particularly in the case of corporate guests.

The main findings from this question are that similar to the Victorino et al. (2005) carried out in the US, the type of hotel, namely its star rating has clearly the largest impact on the respondents choice of hotel with a significantly large 53% of overall respondents indicating this.

The following section 4.6 details the innovations respondents have seen at other hotels.

4.6   The innovations respondents have seen at other hotels

Innovations Respondents have Seen at Other Hotels

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Electricity card system for rooms	12	7.5	7.5	7.5
	Hotel Bar offerings	11	6.9	6.9	14.4
	Valet Parking	1	.6	.6	15.0
	In-Room Massage	2	1.3	1.3	16.3
	Childcare service	2	1.3	1.3	17.5
	Air Conditioning in Rooms	5	3.1	3.1	20.6
	Special Offers	5	3.1	3.1	23.8
	Complementary Snacks and Wine In-rooms	4	2.5	2.5	26.3
	Flexible Checkout	7	4.4	4.4	30.6
	In-room facilities	46	28.8	28.8	59.4
	Wi-Fi Internet Access	24	15.0	15.0	74.4
	None	5	3.1	3.1	77.5
	Entertainment	11	6.9	6.9	84.4
	Missing	11	6.9	6.9	91.3
	Leisure Facilities	6	3.8	3.8	95.0
	Welcome gift packs	5	3.1	3.1	98.1
	24h Room-service	3	1.9	1.9	100.0
	Total	160	100.0	100.0	

Table 4.1   The innovations respondents have seen at other hotels.

The first qualitative question the respondents' were asked was in relation to innovations they had seen at other hotels. This was an extremely important element of the study as it was the first question that directly linked to the research question. In addition the qualitative nature of the question gave the respondents an opportunity to deeply express their views and provide meaningful data for the study. The results retrieved presented significant and extremely vivid findings. From the overall sample 29% of respondents declared that innovations they had seen in other hotels related to in-room facilities, while the next largest figure recorded was 15% where they made specific reference to the availability of Wi-Fi internet access. The remainder of the findings are rather dispersed, with "electricity card system for rooms", "hotel bar offerings" and "entertainment" recording the highest of these results. These findings are hugely significant for a number of reasons; firstly, the question was quantitative where the respondents were given the opportunity to identify any innovation they have seen relating to any area of the hotel. The fact that 29% of the respondents selected in-room facilities as innovations they have seen at other hotels, further emphasises the importance they place on these facilities. Secondly, the 15% of respondents specifically referring to the availability of Wi-Fi internet access again reasserts the importance of hotel facilities.

The next question 4.7 refers to the innovations respondents would like to see implemented at the hotel, an extremely important question regarding the overall findings of the study, and directly related to the third primary research aim.

4.7   The innovations respondents would like to see implemented in the hotel
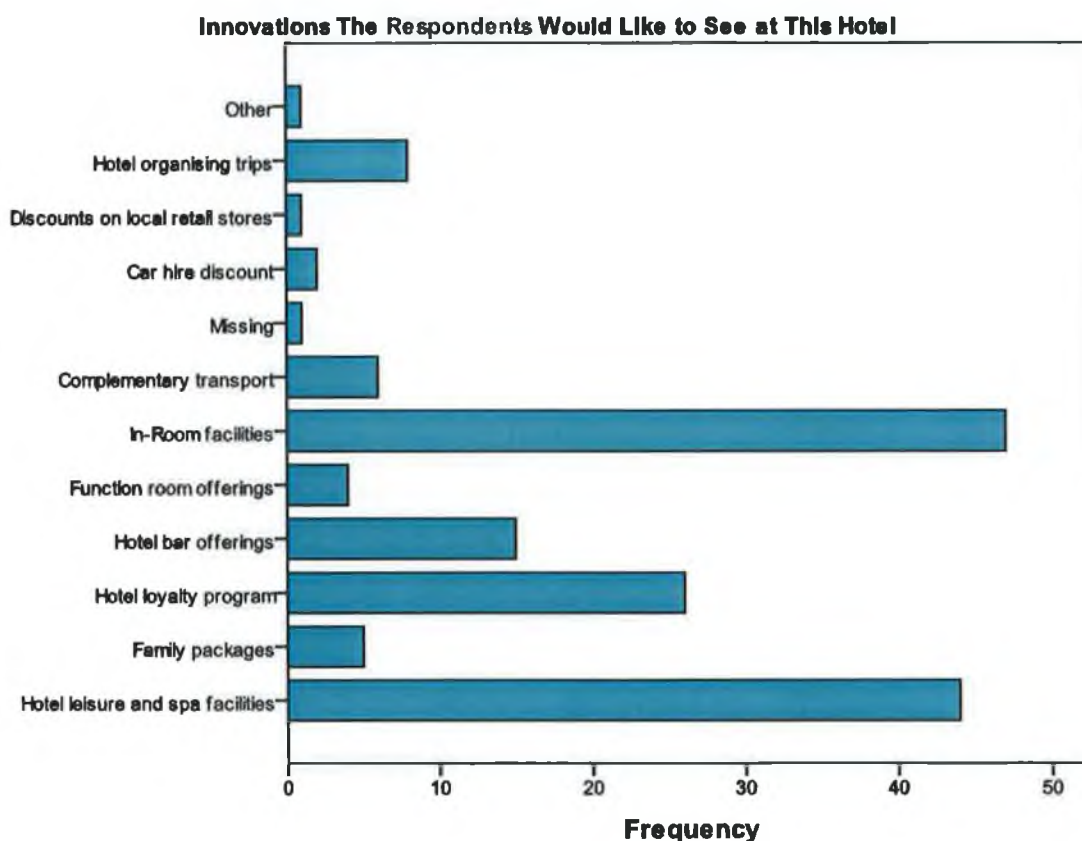
Figure 4.5   The innovations respondents would like to see implemented in the hotel

The respondents were asked to indicate which innovations they would like to see implemented in the participant hotel. This question required a quantitative response. The respondents were given eleven options from which to choose, one of which included the "Other" option. There were two clear responses given which figure 4.5 clearly presents. 29% of respondents selected "in-room facilities" as the innovation they would wish to see implemented in the hotel, while 28% selected "hotel leisure facilities". There were two further prominent answers given, 16% of respondents selected "hotel loyalty program", while 9% choose "hotel bar offerings". The remainder of the responses were somewhat evenly dispersed. The researcher found it quite surprising that offerings such as discounts on local retail stores, car hire discount, and complementary transport commanded such low response rates, receiving 6%, 1%, and 3 % of the overall sample respectively.

While viewing the results of this particular question, it is worth noting that the respondents were asked specifically to "tick one of the following" that most appealed to them. Therefore there may be some innovations which are important to the

to them. Therefore there may be some innovations which are important to the respondents, yet are not priorities. The nature of the question is very specific, the respondents are asked as to the innovations they would like to see implemented in their present hotel. This prompts them to respond to their current experience in the given hotel, and identify areas that need improvement. For this reason the researcher believed that it was beneficial to further analyse the results by presenting them for each hotel. When the results were cross-referenced with each participant hotel some interesting and varied results are shown. Firstly, when viewing the largest overall response for innovations the respondents would like to see implemented "in-room facilities", the deeper analysis shows that from the 47 or 29% of the overall sample that gave this response, 6% came from hotel number one, 8% came from hotel number two, 5% came from hotel number three, while the largest response of 11% came from hotel number four.

Secondly when viewing the next largest overall response, "hotel leisure and spa facilities" it is shown that from the overall sample of 44 or 28%, hotel number one returned 3%, hotel number two shows 9%, hotel number three shows 9%, while 6% of the responses came from hotel number four.

The findings from this question reveal that the two primary innovations respondents wish to see implemented at the hotels are "in-room facilities" and "leisure and spa" offerings. These responses were clearly prioritised above the rest, while "hotel loyalty programs" and "hotel bar offering" were also suggested they were much less prominent.

The next question 4.8 was adapted from the study conducted by Ottenbacher and Harrington (2007). The study investigated the most important factor in determining the success or failure of hotel innovations. The findings are shown in figure 4.6 and examined in detail below.

4.8   The most important factor in determining the success or failure of hotel innovations

The Most Important Factor in Determining The Success or Failure of Hotel Innovations
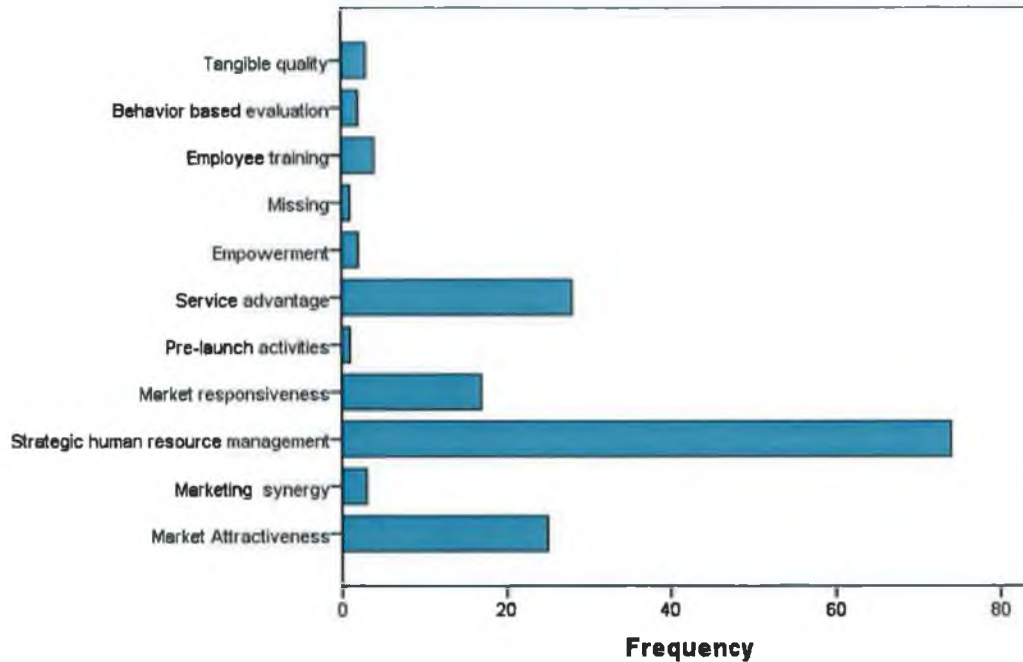
Figure 4.6   The most important factor in determining the success or failure of hotel innovations

Figure 4.6 shows the results from what the respondents perceived as the most important factor in determining the success or failure of hotel innovations. While in the process of carrying out analysis of primary research on innovation in the hotel industry, the researcher discovered an extremely interesting research study undertaken by Ottenbacher and Harrington (2007). Their study involved the distribution of 480 questionnaires to hotel managers in Germany. The findings of the Ottenbacher and Harrington (2007) study revealed that the most important factors in the determining the success or failure of hotel innovation were; Market attractiveness; strategic human resource management; market responsiveness; pre-launch activities; service advantage; empowerment; training of employment; behaviour based evaluation; tangible quality; and marketing synergy. The researcher believed that further investigation of these findings would be hugely beneficial. Firstly it would investigate

the perceived importance of these factors from a customer's point of view, and secondly it would investigate which of the factors commands the greatest perceived importance. The question was designed in a quantitative manner, the respondents were given the nine factors identified by Ottenbacher and Harrington (2007) and asked to select what they perceived to be the most important one. The researcher was aware that the respondents would be of varied age and academic knowledge, and for this reason explained each of the factors in brief to insure complete understanding of the question. As can be seen emphatically from figure 4.6, strategic human resource management with 46% of the overall sample was the most popular response. There were three further factors that were moderately popular; service advantage, which refers to value for money receiving 18%; market attractiveness, where the hotels target innovations at profitable markets receiving 16%; and market responsiveness, where the hotel understands customer needs and responds to market changes, receiving 11% of the overall response. The importance of human resources in the innovative success is not a new theory; many writers have advocated this including, Orfila-Sintes and Mattsson (2007, p.384); (Guerrier and Deery, 1998; Damanpour, 1996). Furthermore the advancement of human resource skills through regular training has also been declared as an important contributor to successful innovations (Ramos, Rey-Maquieira, and Tugores, 2004; Preissl, 2000; Sirilli, and Evangelista, 1998). The advocacy of HRM as a significant contributor to innovative success is a belief shared by hotel manger number one. The manager makes reference to initiatives including; monthly staff suggestions which can help improve the service for guests. The manager declared that from these initiatives excellent suggestions can be gained, particularly from those employees on the frontline who are interacting with the guests. He further proclaimed that employees that come up with a suggestion that is implemented each month are given an award, which provides an incentive. The manager further expresses the importance of a strong management structure for overall organisational success.

These findings are significant, not because of the factors that were chosen as the most important, but because of the sheer volume of respondents that chose strategic human resource management. 46% of the respondents choose this option, believing that the quality of the employees is the most important factor in determining the success or failure or hotel innovations. This is more than the other three most prominent factors combined. One would have assumed that with the ever affluent customer, and given

the impact of the global credit crisis on disposable income, that value for money would be the top priority. One would also have assumed that with the increased emphasis on the market orientation to include customers, competitors and markets that both, market attractiveness and market responsiveness would be more prominent.

Section 4.9 investigates the most important activity in developing hotel innovations. Again this question is adapted from a previous study, that of Lin et al. (2009). The findings are depicted in figure 4.7 and detailed below.

4.9 The most important activity in developing hotel innovations

The Most Important Activity in Developing Hotel Innovations

The Most Important Activity in Developing Hotel Innovations
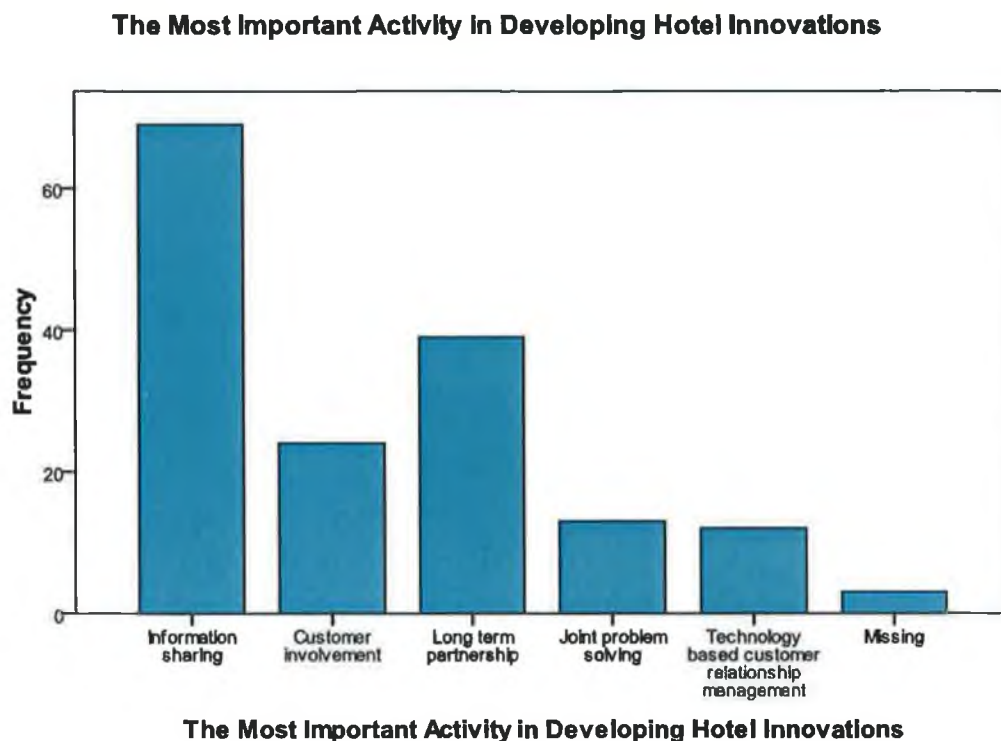
Figure 4.7   The most important activity in developing hotel innovations

While the previous question referred to what factors were important in determining the success or failure of hotel innovations, the researcher believed that it was necessary to ask the respondents as to what is the most important activity in initially developing such innovations. The researcher once again based the question on a previous study as a point of comparison, this time on that undertaken by Lin et al. (2009). The Lin et al.

(2009) study identified the five most popular CRM activities that enhance the innovation capabilities of organisations: information sharing; customer involvement; long-term partnership; joint problem solving; and technology-based CRM. The researcher believed that further analysis of this study would be greatly beneficial to the present research study and by posing the question to hotel customers would bring a different perspective to the findings. The Lin et al. (2009) study, as with that of Ottenbacher and Harrington (2007) was perhaps one sided and based purely on the perceptions of managers. The researcher held that by gathering the customers' thoughts on this question, a more balanced view could be gained, and given that the primary purpose of this research study is rejuvenating the hotel industry through the use of customers, more relevant. The respondents were given the five activities as identified by the Lin et al. (2009) study and asked to choose the one which they believed was most important. As with the previous question, each of the activities was explained in brief to ensure complete understanding from all respondents.

As figure 4.7 depicts, the findings are quite emphatic. The results show that a strong 43% of respondents choose information sharing as the most important customer relationship management activity in developing hotel innovation, 15% choose customer involvement, 24% choose long-term partnership, 8% choose joint problem solving, a further 8% choose technology based customer relationship management, while there were 2% non responses. It is quite remarkable that information sharing recorded such a significant percentage of the sample with 43%. Information sharing in this instance refers to the exchange of information between hotels and customers. Mentzer et al. (2000) states that the most commonly shared information includes market demand, customer preferences, sales promotion, and new product introduction. However in conclusion on the basis of previous research studies numerous authors including Shum et al. (2008); Bohling et al. (2006); Kumar and Reinartz (2006); Thakur et al. (2006); Bueren et al. (2005); Sigala, (2005); Chen and Popovich (2003); Day and Van den Bulte (2002) it has been remarked that having an appropriate strategy alone does not guarantee organisational success with CRM practices. Effective implementation is also necessary, where support from all within the organisation is required. Nevertheless 43% of respondents surveyed declared that the sharing of information between hotel operators and their guest is the most important contributor in the development of innovation.

The subsequent section 4.10 relates to the advertising of the hotel and discusses where the respondents heard about their chosen hotel.

4.10   Where respondents heard about the hotel

Where The Respondents Heard About the Hotel
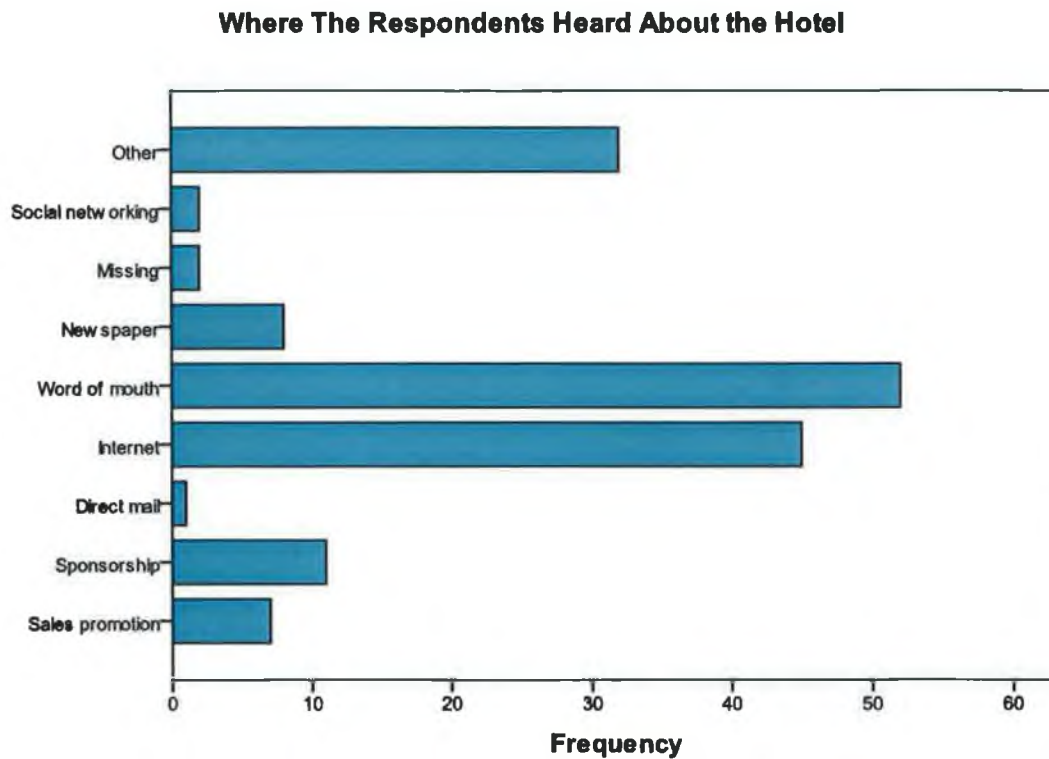
Figure 4.8   Where respondents heard about the hotel

The next question that the respondents were asked on the questionnaire was regarding where they had heard about the hotel. This was a quantitative based question where the respondents were given ten options from which to choose including the "Other" option. The results revealed three prominent responses. "Word of mouth" recorded the largest response with 33%, "Internet" recorded 28% of the responses, while the third most prominent response was "Other" which recorded 20% of the overall responses. In relation to the other responses one would assume that this would be linked strongly to the reasons the respondents choose to stay in the hotel, where "the organisation choose the hotel" featured prominently. The remainder of the responses were dispersed quite evenly recording quite low percentages. The only responses of note

were where the respondents stated that they had heard of the hotel from sales promotion, newspaper, and sponsorship, with 4%, 5%, and 6% respectively.

The researcher held it necessary to examine where the respondents heard about the hotel more closely, thus the results for each hotel were examined. They show some quite interesting findings. From the overall response for word of mouth of 33%, hotel number one recorded 7%, hotel number two recorded 1%, hotel number three recorded 12%, while 13% of the respondents from hotel number four declared that they heard about the hotel through word of mouth. From the overall response for internet of 28%, hotel number one recorded 9%, hotel number two recorded 6%, hotel number three recorded a further 6%, while hotel number four recorded 8% of the overall response. As seen from figure 4.8 the "Other" option is the next most prominent response given. Interestingly when the breakdown of results for this response are presented for each hotel it can be seen that hotel number two commands a significant 11% of the overall 20% recorded for this option. The percentage responses received from hotel number one, hotel number three, and hotel number four were a mere 3% each. One would assume that the significantly high "Other" response recorded for hotel number two would be as a result of the respondents hotel being chosen for them. One would also assume that these customers would be primarily from the corporate sector. However given that hotel number two was the only hotel surveyed at the weekend, where corporate stays are traditionally lower than mid-week, perhaps another reason is likely. After examining the "Other" responses received for hotel number two, the researcher found that the majority of the answers given by the respondents were that the hotel was chosen for them, however only a small number of these respondents were corporate customers. Surprisingly the majority of respondents belonged to two groups, firstly they were holiday guests, where the hotel was chosen for them through their holiday organisers, and secondly, they were guests partaking in a charity event where the hotel too was chosen for them by the organisers.

The main findings from this question are that despite the constant advancements in technology and media marketing, word of mouth is still the most successful advertising tool in advertising the hotel offerings. Nevertheless as anticipated the use of the internet has emerged as a significant contributor to the advertisement of the hotels albeit commanding a smaller proportion of the overall respondent sample.

Section 4.11 follows which examines the improvements the respondents believe could be made to the advertising of the hotels.

4.11   The improvements respondents believe could be made to the advertising of the hotel

This was a qualitative based question in which the respondents were given the opportunity to freely identify improvements that they believed could be made to the advertising of the hotel. The overall results of this question reveal two prominent answers. Firstly, 28% of respondents declared that the hotel should advertise special offerings. There were particular references made to offering "package deals". Many respondents stated that given the economic climate, hotels should make more attractive and competitive offerings. Complementary meals; discounts on multiple night stays; family discounts; group discounts; and complementary offerings for frequent guests were suggested. Secondly, 19% of respondents stated that the hotel should engage in more national advertising, through the use of print media, television, radio, online advertising and sponsorship. They suggested that although the cost of advertising nationally would be quite substantial, this cost would be justified as the hotel would be opened to a large potentially lucrative market. The remainder of the responses recorded were quite evenly spread, and the percentages were a great deal smaller. Responses of note were; target corporate market which received 7%; improve the website which also received 7%; and advertise in industry publications with 6%. Surprisingly the use of social networking websites too only recorded 6%, despite manager number two placing particular emphasis on this as a marketing tool for targeting large customer groups, however the profile of the respondents age may explain the low response rate recorded for this.

It is also worth noting that the number of non-responses was quite high at 12%. However non-responses for qualitative questions tend to be larger than those recorded for quantitative question as deeper thought, is required. The results recorded for each individual hotel show similar finding for the majority of responses.

In summary this question found that respondents wish to see the hotel advertise special offers as incentives for guests, including complimentary meals; discounts for families and large groups; as well as discounts for frequent stays. Furthermore it was found that respondents perceive national advertising as a way to attract more

customers and increased revenue and that opening up the hotel to a much larger customer base would offset the investment required.

The next question discussed in section 4.12 is crucial to the findings of the overall research study. The question directly addresses the first research aim; to examine the innovations the participant hotels in Sligo are currently implementing. The findings of this question are portrayed in figure 4.9 and examined in detail below.

4.12 The current innovations respondents identify in the hotel

The Current Innovations the respondents identify in the hotel
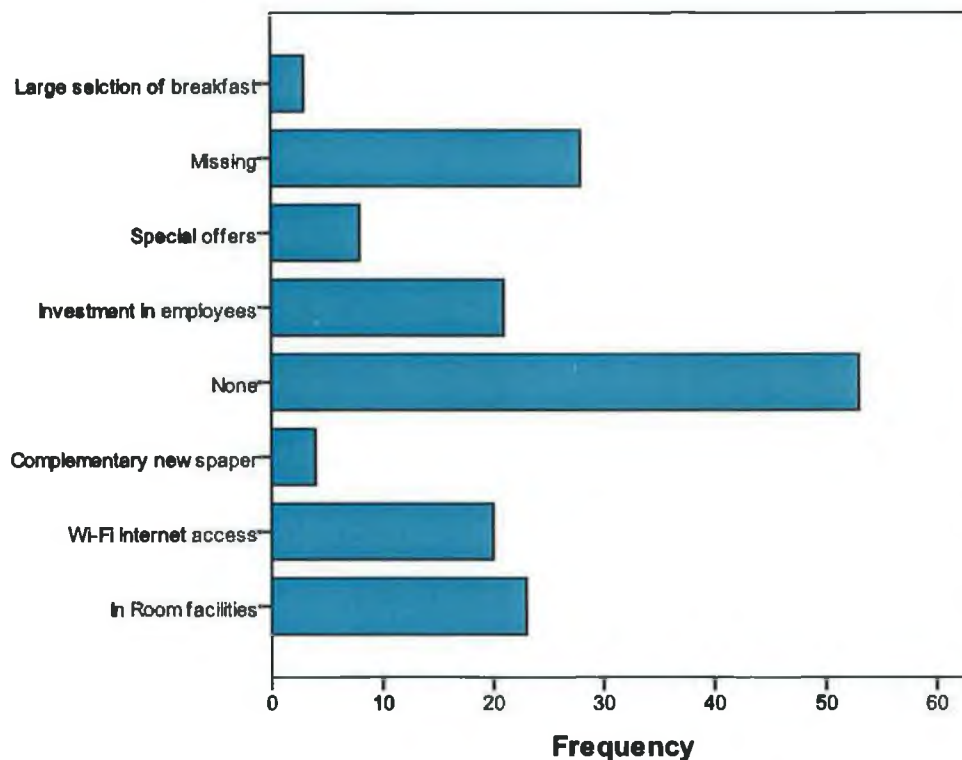
Figure 4.9   The current innovations respondents identify in the hotel

This question was crucial in the overall findings of the study. The findings which are presented in figure 4.9 above reflect rather poorly on the Sligo hotel industry as a whole. Worryingly 33% of respondents declared that they saw no current innovations in the hotel. The second largest percentage recorded for the question was the non-response rate of   18%. While the non-response rate is generally larger for qualitative

questions than for quantitative questions, it could be assumed that a portion of the 18% recorded could be due to respondents witnessing no innovations. Given this the percentage recorded for "None" could in reality be higher.

Hotel Number * The Current innovations the respondents identify in the hotel Cross-tabulation

Count

	Hotel Number				Total
	Hotel No. 1	Hotel No. 2	Hotel No. 3	Hotel No. 4	
In Room facilities	5	6	12	0	23
Wi-Fi internet access	14	0	6	0	20
Complementary newspaper	2	0	0	2	4
None	5	20	5	23	53
Investment in employees	6	1	9	5	21
Special offers	1	0	2	5	8
Missing	7	12	6	3	28
Large selection of breakfast	0	1	0	2	3
Total	40	40	40	40	160

Table 4.2   Hotel number/The current innovations the respondents identify in the hotel cross-tabulation

Due to the importance of this question to the overall study, and the significance of the findings previously discussed, the researcher believed that it was necessary to examine the results more closely. Table 4.2 above presents the findings of the question for each hotel. Firstly, when viewing the largest overall response recorded where respondents declared that they witnessed no current innovations. From the overall response of 33%, hotel number two received 13%, while hotel number four received 14%. Furthermore hotel number one recorded 3%, while hotel number three received a further 3%. These findings are significant for each of the hotels. In the case of hotel number one and hotel number three they are somewhat reassuring, however in the case of hotel number two and hotel number four they increase the concern. Secondly for the next largest percentage recorded, 18% for the non-response rate, hotel number one received 4%, hotel number two received 8%, hotel number three received 4%, while hotel number four recorded 2%. Other findings of note are for

hotel number one who, from the overall response of 13% recorded for "Wi-Fi" facilities received 9%. In addition to this, hotel number three received 8% of the overall 14% recorded for "In-room facilities"

During the semi-structured interviews each manager was asked to explain their current methods of diversifying the hotel service through innovation. This question was essential for two reasons; firstly, the intelligence was necessary to achieve the first research aim of the study; to examine the innovations the participant hotels in Sligo are currently implementing; and secondly, it allowed the researcher to analyse the perspective of both the hotel guests and the hotel managers and view how each compared. Responding to this question, hotel manager number one stated that the hotel use the "optimise program for business excellence" which is run through Fáilte Ireland and as part of that program they undertake a number of innovative initiatives. He declared that these initiatives include; monthly staff suggestions, where staff are encouraged to provide suggestions as to how the hotel can improve offerings and incentive rewards are given for ideas implemented. The use of customer questionnaires are also expressed, these are placed in each room and at the main reception desk, in addition to this, employees at reception carry out interviews with guests on a regular basis to retrieve more comprehensive feedback regarding their experience. The manager further proclaimed that the hotel offer promotional deals to their customers, for example offering a complementary evening meal or an adventure trip such as horse riding, or a seaweed bath. Manager number one explained that the hotel try to maintain a "constituent stream of innovation".

Hotel manager number two asserted that their hotel implement innovation in the way they market their hotel. The manager declared that they have totally reconstructed their website and have established a presence on social networking websites such as facebook and twitter, which are updated daily. She sees this as a huge area for generating custom. She explains that they "continuously seek new ways to sell the hotel". Hotel manager number two explained that the hotel have customer comment cards, which are placed in each room, at reception, in the restaurant, spa, and in the leisure centre. She affirmed that the hotel take customer feedback very seriously and try where possible to implement the ideas generated.

Hotel manager number three referred to the innovations they offer particularly to their corporate guests. She describes how customer data is kept on record for example the frequency of stays. The manager explains how the hotels have a "guest recognition

scheme", where stays are rewarded, through for example, room up grades, or complementary meals. She affirms that the hotel emphasise as she calls it "the personal contact", where they write a personalised welcome card which is left in each room for their corporate guests. The manager further states that the hotel have advanced their online operations through social networking websites such as facebook and twitter, and while those are predominantly used for informing the customers about upcoming events and entertainment, they also allow for regular customer feedback. In particular the hotel have redeveloped their website where they now have a new online booking centre, which is simple to use and convenient for the customer.

Hotel manager number four states that the hotel implements innovation in a number of ways, describing how they provide a complementary "Wi-Fi service" in the rooms for their guests. He also declares that the hotel have a "loyalty system" in place for their customers for lunch, in which they are rewarded with a complementary lunch for every ten lunches they purchase. The manager further affirms that any corporate guests that use the hotel on a regular basis are rewarded by a reduced rate for their stay. Hotel manager number four further makes reference to the use of customer comment cards which the hotel encourage customers to fill out regularly, whilst also requesting that the customers write their e-mail address on the booking form, the data is then used to inform them regarding future special offerings and to request further feedback.

The findings from this question overall show that despite the hotel managers' proclamations that they are firmly committed to innovation, the hotel guests surveyed hold a rather contrasting perspective. This is particularly relevant for both hotel number two and hotel number four whose respondents stated quite emphatically that they witness no current innovations, 13% and 14% respectively from the overall 33% recorded. The managers interviewed all herald the importance of customers and refer to numerous innovations currently in operation including; online booking services; online advertising; in-room facilities, in particular the availability of Wi-Fi internet access; and rewards that are given for frequent stays. However the only innovations of note that respondents identified were "In-room facilities" and "Wi-Fi internet access" which were recorded for hotel number one and hotel number three respectively.

Section 4.13 subsequently discusses the future innovations respondents would like to see implemented in the hotel. This is an extremely important question in the research

study, where perceptions on future innovative activity in the hotel industry are gathered.

4.13 The future innovations respondents would like to see implemented in the hotel

The Future Innovations The Respondents Would Like to See In The Hotel
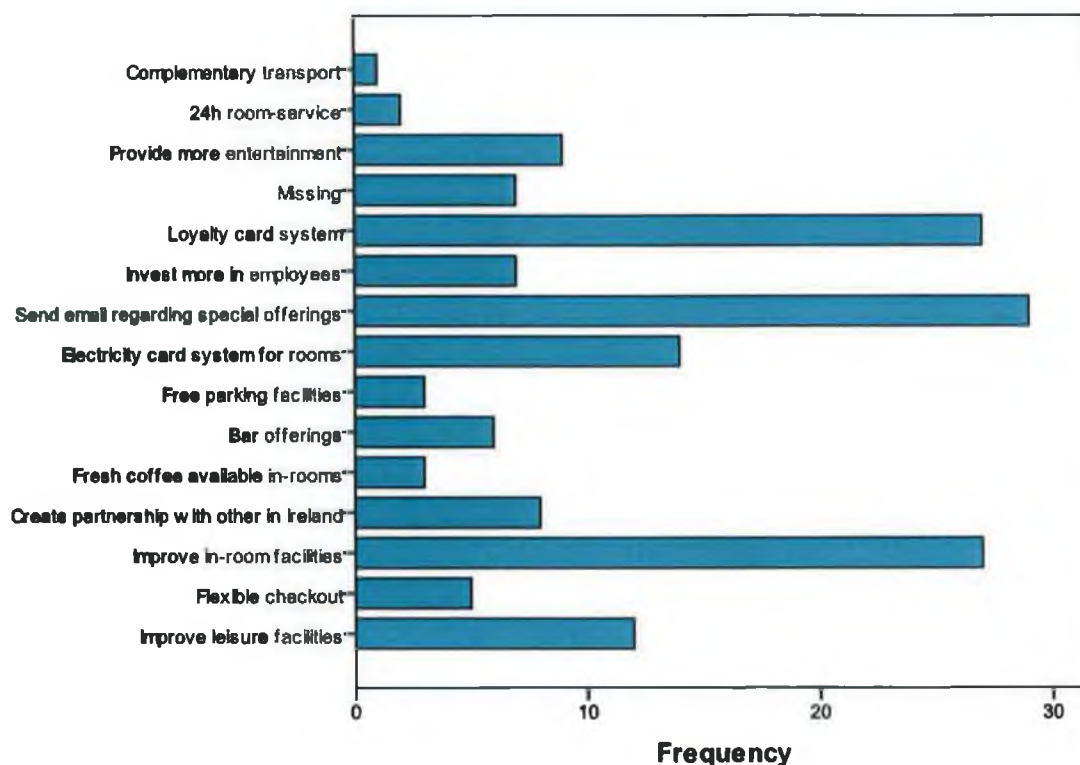
Figure 4.10   The future innovations respondents would like to see implemented in the hotel

The next question the respondents were asked was in relation to the future innovations they would like to see implemented in the hotel in order to gain more custom or repeat business. This question, as with the previous two was qualitative based, where the respondents were given the opportunity to freely express their views. The overall findings from this question reveal three prominent answers The largest response recorded was where the respondents stated that the hotel should "send e-mails

regarding special offers" with 18%. The two next most prominent answers given were, "improve in-room facilities", and "loyalty card system" for guests, both with 17% of the overall sample. These findings are quite significant purely due to their large percentage sample, however given the trend of the research study, not surprising. Further popular answers recorded were; "electricity card system" with 9%; "improve leisure facilities" with 8%; and "provide more entertainment" which received 6%. Two further findings are rather interesting, 5% of respondents suggested that the hotel should "create as partnership with another hotel in Ireland", which is unusual, but could be greatly beneficial. It is also worth noting that only 4% of respondents believe that the hotel should "invest in employees" as a future innovative priority. This is surprising as over 46% of respondents, when asked what was the most important factor in determining the success or failure of hotel innovations choose "strategic human resource management".

The main findings from this question reveal that according to the guests surveyed, in order to attract greater custom and/or repeat business in the future hotels must; firstly, advertise promotional offers through emailing potential customers; secondly, the hotels must improve the in-room facilities for their guests; and lastly they must operate a guest loyalty system, where frequent stays are rewarded with discounts and complementary offerings.

The gender of the guests surveyed is shown in figure 4.11 and outlined in section 4.14.

4.14 The respondents' gender
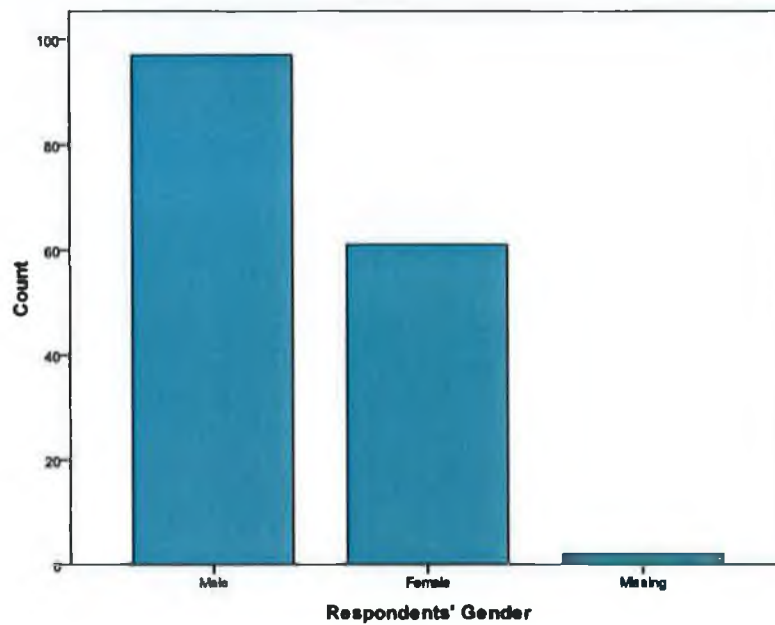
Figure 4.11   The respondents' gender

From the sample of one hundred and sixty respondents, there were ninety seven male respondents, sixty one female respondents, and two missing responses. This was not a significant finding of the study, nor did it have any substantial effect on the innovations ascertained, and therefore the researcher believed that it did not warrant any further investigation

Section 4.15 below outlines the findings of the respondents' age profile, which are displayed in figure 4.12.

4.15 The respondents' age
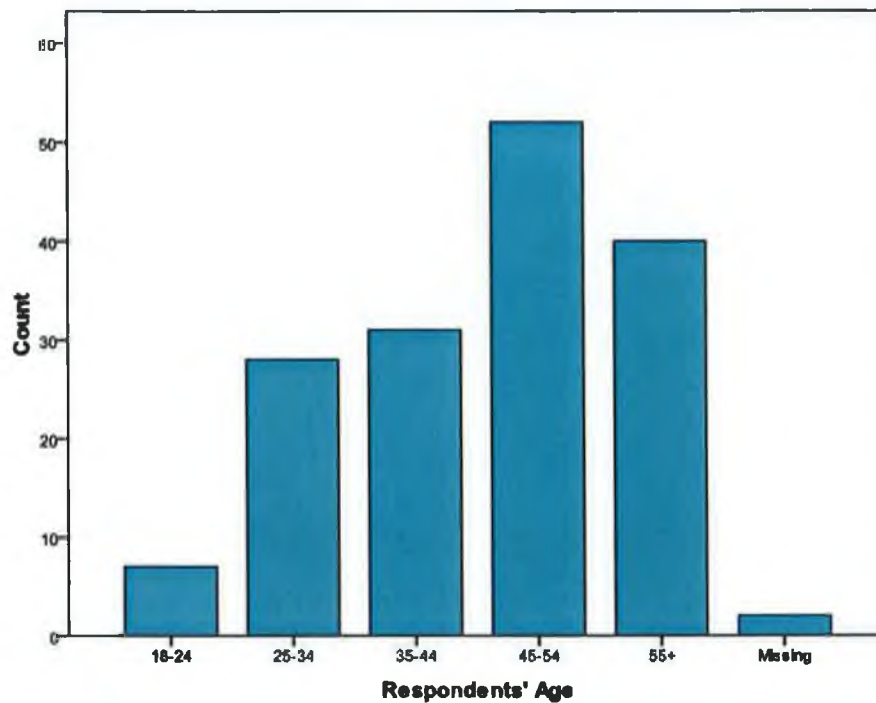
Figure 4.12   The respondents' age

The figures recorded for the respondents' age were as follows; 5% were aged between 18-24 years; 18% were aged between 25-34 years; 20% were aged between 35-44 years; 52% were aged between 45-54 years; 40% were aged over 55 years; while there was a 1% non-response rate recorded. The age classification of the respondents was quite close to what was anticipated. The 5% recorded for the 18-24 years category is expected, particularly considering three out of the four hotels surveyed were done so mid-week. The largest age category recorded was for those aged between 45-54, these respondents consisted of both corporate and holiday guests with quite similar figures for both. Interestingly, 40% of the overall hotel guests surveyed were aged over 55 years, and considering the vast majority of these were leisure guests, indicates a potentially lucrative customer group.

The next section 4.16 explains the findings of the respondents' occupation, in which a large non-response rate was recorded.

4.16   The respondents' occupation

The respondents were given an opportunity to indicate their occupation at the end of the questionnaire. However it was described that this personal information was optional and as a consequence there were a significantly high number of non-responses. The results show that there was a 61% non-response rate. The researcher believed that this particular question was therefore not worthy of any further analysis. Section 4.17 describes the hotel manager interview questions.

4.17   Hotel manager interview questions

The researcher believed that a semi-structured interview with each of the four participant hotel managers would be greatly beneficial to the overall research study. It was held that the interviews would bring a divergent perspective to the study, and that the manager responses could be compared and contrasted with those recorded for the hotel guests where appropriate. Furthermore, and probably most important, the managers' input were necessary to answer the second of the research aims; to assert the perceived importance the participant hotel managers place on customer innovation. A draft of the manager interviews, along with transcripts, and detailed analysis is contained in the appendices of this dissertation.

The next section 4.18 provides an overall conclusion to chapter four, where the main findings are summarised.

4.18   Conclusion

The main conclusions drawn from this chapter are now outlined. The study found that the main reason guests stayed in the hotel was because their organisation choose it for them, furthermore these guests were not soley from the corporate market, and included holiday guests and guests partaking in charitiy events. The study further revealed that the hotel type, namely its star rating has clearly the largest impact on the respondents' choice of hotel with a significantly large 53% of the overall sample. It was found emphatically that according to the respondents' Strategic HRM is the biggest contributory factor to the success or failure of hotel innovations. In addition, a substantial majority of guests surveyed advocated the use of information sharing among

hotels and customers as the most important CRM activity in developing hotel innovations. The findings further disclose that word of mouth is still the most successful advertising tool in advertising the hotel offerings; the use of the internet has emerged as a significant contributor also. In addition to this the respondents believe that to improve the hotels advertising strategies, they should promote more attractive and competitive offerings such as; complementary meals; discounts on multiple night stays; family discounts; group discounts; and complementary offerings for frequent guests. Moreover, a large number of respondents endorsed undertaking national advertising campaigns as a way of increasing effectiveness.

One of the most significant findings of the study discovered that 33% of overall respondents declared that they saw no current innovations in the participant hotels. Despite the hotel managers' proclamations that they are firmly committed to innovation, the findings disclose that hotel guests surveyed hold a rather contrasting perspective. While these particular responses were recorded highest in hotel number two and hotel number four, it reflects rather poorly on the Sligo hotel industry in general terms. Another key finding in the research study was uncovered regarding respondents' perceptions on future innovative activity in the hotel industry. Respondents declared that in order to attract more custom or indeed repeat business the hotels should send e-mail regarding special offers prospective customers regarding special offers; the hotels should improve the in-room facilities for their guests; and they should introduce a loyalty card system rewarding guests for frequency of stays.

The findings of the semi-structured interviews found that the despite the assertions of the managers who state their continuous commitment, the guests surveyed reveal that a lack of significant innovative activity exists in the Sligo hotels.

Chapter 5.0 now follows where the overall findings of the dissertation study are disclosed, while a number of suitable recommendations are formulated thereafter.

5.0 Findings and recommendations

5.1 Introduction

The purpose of this research study was to ascertain innovative ideas from a sample of hotel customers' from four participant hotels in Sligo in order to enhance hotel service offerings.

The researcher conducted a comprehensive exploration on the previous literature regarding the topic. The literature disclosed that given the ever changing nature of the hotel industry, and needs, and desires of hotel guests those hotel operators must increase the value of their offerings to prosper (Victorino et al., 2005, p. 556; Fitzsimmons and Fitzsimmons, 2001; Olsen and Connolly, 2000). The researcher noted that while there were some studies to advocate the importance of customer innovation in the hotel industry such as Johns and Mattsson (2003); Preissl (2000); Jones (1996), they were limited and only a minute number directly related to the Irish hotel industry (Ottenbacher and Gnoth, 2005).

Given the knowledge and through witnessing the current difficulties that the Irish hotel industry is experiencing the following research question was formed.

'What innovations can be ascertained from hotel customers to rejuvenate the Sligo hotel industry?'

This chapter will outline the aims of the study in section 5.2, while the subsequent sections, 5.3, 5.4, and 5.5 will analyse the overall findings of the study under each of the research aims. A number of suitable recommendations are then formulated in 5.6 before chapter conclusions are made in section 5.7.

5.2 Aims of the research study

In order to achieve the overall purpose of the study three key research questions were formed which guided the study.

- To examine the innovations the participant hotels in Sligo are currently implementing.
- To assert the perceived importance the participant hotel managers place on customer innovation.

- To ascertain the innovations customers wish to see implemented in hotels in order to enhance the service offerings.

5.3 The innovations the participant hotels in Sligo are currently implementing

The researcher retrieved data from two different perspectives in order to answer this question. The data gained from the customer questionnaires were analysed, while the data gained from the semi-structured manager interviews were analysed and cross-referenced with those of the respondents and similarities and discrepancies were highlighted where present.

The findings of the study reveal that the perceptions of the participant hotel managers and customers differ quite strongly. Overall the hotel managers proclaim that they are firmly committed to innovation. The managers affirm that they are continuously looking at new ways of "doing things" and "marketing themselves". References are made to online innovations; including, online booking services, online advertising, and social networking websites. The hotel managers further herald the provision of in-room facilities, in particular the availability of Wi-Fi internet access. There is a strong expression of as one manager described "the personal contact" particularly for the corporate customers, where rewards are given for frequent stays through the "guest recognition scheme". These rewards include reduced rates; room upgrades; and complementary offerings.

However, after analysing the data from the customer questionnaires it is revealed that 33% of respondents see no current innovations in the hotels. The study further reveals that an additional 18% of respondents gave no response for this question, prompting assumptions that given the high percentage recorded for "None" the 33% received could in reality be higher. Nevertheless when the researcher conducted a breakdown of results for this response for each hotel a different picture emerged. From the overall response of 33%, hotel number two received 13%, while hotel number four received 14%, with hotel number one and hotel number three recording 6% between them. When these findings are presented it reflects negatively on both hotel number two and four, considering that 50% of the respondents from hotel number two, and 58% of respondents from hotel number four identify no current innovations.

On a more positive note overall, 14% of respondents identify innovative in-room facilities, while 13% of respondents identify investment in employees, and Wi-Fi internet access in the hotels as current innovations being implemented.

The subsequent section 5.4 discusses the overall findings of the study for the perceived importance hotel managers' place on customer innovation.

5.4 The perceived importance the participant hotel managers place on customer innovation

Each hotel manager was asked how important did they perceive customer innovation. The responses recorded overall were quite generalised, managers affirm that they hold customer innovation as crucial. Manager number one expressed that the hotel try to maintain a "constant stream of innovation" from their customers, while manager number two declared that maintaining customer feedback is "so important" if hotels are to improve; search new markets; and provide more extensive range of offerings. Furthermore manager number three stated that the customer is "the one that counts" and that they "must come first". While manager number four proclaimed that the customer is the "priority", and that they "pay all of our wages"

Overall the hotel managers advocate a firm view that customers are an important source of innovation and they proclaim that they have necessary tools in place for generating such innovation. They describe the use of customer comment cards; promotional emails; and social networking websites which are used as feedback mechanisms for innovative service offerings. However it is the researcher's belief that a gaping disconnect exists between what the manager think and what the customers believe and experience. Johns and Mattsson (2003); Preissl (2000); Jones (1996) have pointed out the importance of considering the role of the customer in the conception and advancement of innovation, and the advantages it provides (Orfila-Sintes and Mattsson, 2007). However, in order for innovation to occur, hotels must facilitate its growth, there must be support processes in place (Panayides, 2006).

The managers may hold customer innovation as an important contributor to innovative activity, but unless there is full commitment within the hotel to its implementation and adequate processes are in place they will not succeed.

Section 5.5 now discloses the findings for the final research aim, the innovation customers wish to see implemented in the hotel in order to enhance service offerings.

5.5 The innovations customers wish to see implemented in hotels in order to enhance the service offerings

This is arguably the most crucial element of the entire research study. The two previous research aims address the present situation from both the perspective hotel customers and hotel managers, however this question relates to the future of the industry and how customer innovation can aid in the conceptualisation and delivery of hotel service offerings. There were two questions given in the customer questionnaire which directly related to this research question. The first was quantitative in which the respondents were given eleven options from which to choose, one of which included the "Other" option. The second was a qualitative based question where the respondents' were asked what future innovations they would like to see in the hotel. This was an open ended question in which respondents could freely express their views. The overall findings from the study reveal four prominent innovations that customer wish to see implemented.

Firstly, the respondents stated that the hotel should send e-mails regarding special offers. There were particular references made to offering "package deals". Many respondents stated that given the economic climate, hotels should make more attractive and competitive offerings. Complementary meals; discounts on multiple night stays; family discounts; group discounts; and complementary offerings for frequent guests were also suggested.

Secondly, the respondents declared that they wish to see improvements made to in-room facilities. Throughout the course of the study, particularly the analysis of primary data the researcher discovered that in-room facilities strongly resonate with the hotel guests. There were frequent references made to the availability of Wi-Fi internet access which is linked quite closely to this. Writer such as Olsen and Connolly, (2000); Kandampully, (2006, p.179) have described the changing nature of the hotel industry and the crucial role that technology plays in adding value to service offerings. Despite the fact that 14% of respondents identified in-room facilities as

innovations the hotels are currently implementing, their request for improvements to such facilities merely highlights there importance.

Thirdly, the respondents expressed their wish to see the introduction of a loyalty card system. While the hotel managers interviewed proclaim that rewarding their guests for frequent stays is a current innovation in their hotel, and a high priority, the respondents do not appear to share this view. The hotel managers appear to prioritise corporate guests by rewarding them for frequent stays, however considering that there were a larger number of holiday guests recorded perhaps such offerings should be provided for this potentially lucrative market.

Lastly, the findings indicate that improving leisure facilities is a firm wish from the sample respondents. Two of the hotels surveyed have no leisure facilities at present which may have a strong impact on these findings; however the introduction of complementary leisure activities and offerings are suggested.

Final recommendations of the study are now made in the following section 5.6.

5.6   Recommendations

Based on the findings of the dissertation study, the following recommendations are presented;

Firstly, the hotel's star rating has the biggest impact on customers' choice of hotel. The study reveals that 53% of respondents selected this option in the question adapted from Victorino et al. (2005). Hotels should invest significant resources into this area. These resources should be primarily concentrated on upgrading the hotel facilities, including the provision of Wi-Fi internet access, and an electricity room card system.

Secondly, the hotels should target large customer groups. The study disclosed that 23% of the overall respondents stayed in the hotel because their organisations choose it for them. The study further revealed that these guests were not solely from the corporate sector; holiday guests, and guests partaking in charity events were among those who selected this reason. The researcher recommends that forming strategic relationship with large organisation, both profit and non-profit will provide customers from a variety of markets and could be potentially lucrative in the long term.

Thirdly, the hotels should reassess their advertising strategy. The study revealed that 18% of respondents wish to see the hotels specifically send e-mails regarding

promotional offers. The researcher holds that hotels must provide more attractive and competitive offers to the customers. Given the current economic climate, hotels should provide innovative offerings including, group packages, discounts and complementary offerings for frequent stays.

Fourthly, the hotels should provide sustained investment in employees. The research study disclosed that "Strategic HRM" with 46% of the overall response was the most important factor in the success or failure of hotel innovations adapted from the study conducted by Ottenbacher and Harrington (2007). Competitive advantage through employees is becoming more important because other sources of competitive advantage are easier to access, and therefore, easier to copy (Pfeffer, 1994). The key difference between traditional conceptions of human resource management and strategic human management is the extent to which human resource management is integrated with the strategic decision-making processes that direct organisational efforts to cope with the environment (Bennett et al., 1998).

Lastly, and arguably the most important is the commitment to customer innovation. The managers from each of the participant hotels firmly advocated the benefit of customers as a source of innovation, however the tools and methods for gathering such data was unclear, as was there future plans. The researcher recommends that hotels should strategically plan their future innovative programs, whereby innovative continuity can be maintained in the long-term.

Chapter 6.0, the last chapter in the dissertation study makes the final conclusions based on the findings.

6.0 Conclusions

In summary, these results provide important insights for hotel managers, and indeed managers in general who are involved in innovation activities. Furthermore they contribute academically by providing conceptual based new knowledge about hotel customers' perceptions and desires. The study was guided by a thorough research process consisting of the following steps; review of secondary data; primary research; analysis of primary data; presentation of findings; recommendations; and conclusions. The literature review thoroughly examined; the problems in the Irish hotel industry; the evolution of the hotel industry; innovation in the hotel industry and the influencing factors; influences on customers' choice of hotel; and finally customer innovation in the hotel industry. The extensive review identified literature to advocate the importance of customer innovation (Johns and Mattsson, 2003; Preissl, 2000; Jones 1996, however studies relating to customer innovation in the hotel industry was limited, (Ottenbacher and Gnoth, 2005) and moreover studies relating to customer innovation in the Irish hotel industry were further limited. The following research question was formed;

'What innovations can be ascertained from hotel customers to rejuvenate the Sligo hotel industry?'

In order to achieve the overall purpose of the study three key research aims were formulated. These aims gave the study a solid structure that guided it through each stage of the research process. The research aims were; to examine the innovations the participant hotels in Sligo are currently implementing; to assert the perceived importance the participant hotel managers place on customer innovation; and to ascertain the innovations customers wish to see implemented in hotels in order to enhance the service offerings.

The overall findings of the study reveal that the perceptions of the participant hotel managers and customers differ quite strongly. Hotel managers advocate a firm view that customers are an important source of innovation and they proclaim that they have necessary tools in place for generating such innovations, such as customer comment cards; promotional emails; and social networking websites which they affirm act as feedback mechanisms. However, a significantly high number of respondents see no current innovations in the hotels, which contradicts the managers' viewpoint. It is the researchers belief that a gaping disconnect exists between what the manager think and

what the customers believe and experience, and unless the entire hotel organisation are fully committed to implementing innovation and have the necessary facilitator process in place this will not be achieved.

I was uncovered that there are four prominent innovations which the hotel guests wish to see implemented. These innovations are the following; firstly, more attractive and competitive hotel offerings, including, complementary meals; discounts on multiple night stays; family discounts; group discounts; and complementary offerings; secondly, improvements made to in-room facilities, particularly the availability of Wi-Fi internet access; thirdly, the introduction of a loyalty card system; and fourthly, improving leisure facility offerings.

The future recommendations proposed in this study provide hotel managers with an opportunity to implement radical strategies proactively to the hotel's ultimate advantage. The innovations offered and the method of generation provides a management framework that can guide hotel organisations in their strategic innovative planning, conceptualisation, and delivery of competitive offerings. These offerings can provide a high level of value to hotel guests and enable the hotels to maintain innovative continuity helping them to overcome the challenges confronting them in the Irish hotel industry. However due to a number of limitations principally shortage of time and financial resources the subject of "customer innovation in the Irish hotel industry" requires further research, which is outlined in section 6.1 below.

6.1 Further research

The findings, proposed in this research study, have direct practical application in the Sligo hotel industry, and allows for practitioners to adopt, discuss and evaluate the possibilities and advantages of new ways of conducting hotel business, and in particular generating and implementing innovative ideas by focusing on the customer. However, due to the afore mentioned limitations, principally concerning time and resources, while the study identifies the innovative preferences of participant Sligo hotel guests and contributing factors in developing innovation activity, the make-up of the identified essential factors and their contributions and interrelationships are worthy of further consideration and debate. Moreover conceptual and empirical studies in the future will be of assistance in extending the findings of this research, employing a more extensive sample of hotels perhaps encompassing the North West

region of Ireland and additionally to include a greater customer participant sample would be hugely beneficial.

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8.0 Appendices

8.1 Hotel formal letter

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Tel: 087 9137686,
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Date: 20th May, 2010

Ref: Hotel innovation research

Dear

The Institute of Technology, Sligo is currently conducting a research project entitled: *'Marketing the Irish hotel industry in an economic downturn: an exploration into the rejuvenation of the Sligo hotel industry through customer innovation'.* As part of the study we are conducting research with a number of hotels within the Sligo Region.

We are hoping to conduct a series of questionnaires with hotel customers and hold a brief interview with hotel managers to ascertain levels of customer and hotel innovation.

This research could ultimately benefit your business as a copy of the final findings and recommendations will be sent to you once it is published.

If you would like to get involved, I will be calling all the hotels to arrange a time for interviews and questionnaire distribution on the 31st May 2010.

If you have any queries relating to the topic or if you would like to arrange a meeting, please contact me either by email or phone as above.

I look forward to hearing from you.

Yours Sincerely:

_____

James Dillon,
M.Sc. Marketing post graduate student

8.2   Customer questionnaire

Hotel No: ☐

Respondent No: ☐

ITSligo

> The research obtained from this questionnaire will be used to complete a dissertation research project based on 'Marketing the Irish hotel industry in an economic downturn: an exploration into the rejuvenation of the Sligo hotel industry through customer innovation' being conducted by James Dillon, Masters Candidate at the Institute of Technology, Co. Sligo. If you have any questions or queries relating to the topic do not hesitate to contact me, James Dillon at: s00055337@itsligo.ie or my supervisor Joanna Sweeney at: sweeney.joanna@itsligo.ie
> **The questionnaire is designed to take between 2-5 minutes.**

Hotel Customer Survey

1.   **What is the nature of your stay?** *Please tick __one__ of the following:*

Business ☐

Conference ☐

Meeting ☐

Wedding ☐

Party ☐

Holiday ☐

Other   (please specify) ☐

2.   **Why did you choose to stay in this hotel?** *Please tick the Box most applicable to you.*

I wanted to try something new ☐

Hotel facilities are very good ☐

I saw advertising for the hotel ☐

I like the environment ☐

The courtesy and friendliness of the employees ☐

My travel agent recommended the hotel ☐

When I stay in town, I almost always stay at this hotel ☐

This was the only major hotel available ☐

Special Events that are held at the hotel ☐

My organisation chose the hotel ☐

Recommended by a friend/relative ☐

Room rate/package price ☐

I like the location ☐

I like the entertainment ☐

The hotel has excellent facilities for people with disabilities ☐

Other (please specify)_____

3. **From the list below, please indicate which of the following has the biggest impact on your choice of hotel?**

Hotel Type (Star Rating) ☐

Hotel Technology (For example: Online Booking,

Electronic door-lock system, Wi-Fi) ☐

Hotel Customisation (Flexible check in/out times, customised décor

in rooms, child care services) ☐

4. **From your experience as a hotel guest, can you describe any innovative (new) services or ideas you have seen at other hotels? Please specify below:**

_____

_____

5. **From the list below, please identify innovations which you think could be implemented in this hotel?** *Please tick one of the following which is most appealing to you.*

Hotel Leisure and Spa Facilities – e.g. (offering complementary massage, aerobic classes, gym classes, etc) ☐

Hotel Loyalty Program – offering discounts, gifts for frequent stays, etc) ☐

Hotel Bar – providing drinks offers entertainment, etc) ☐

Function Room –providing entertainment such as comedians, Music, bands, etc. ☐

In- Room Facilities – providing plasma television, internet, DVD player, CD player, i pods, mini-bar etc. ☐

Complementary taxi from airport, train/bus station ☐

Car hire discount ☐

Discounts on local retail stores ☐

Hotel organising day trips for guests ☐

Family package offerings ☐

Other hotel innovations (Please give examples)

---

6. **In your opinion, which factor is most important in determining the success or failure of new hotel innovations? Please tick one of the following.**

Market attractiveness – (Hotel targeting their innovations at profitable markets) ☐

Strategic human resource management – (The quality of the employees) ☐

Market responsiveness – (Understanding customer needs and responding to market changes) ☐

Pre-launch activities – (Incentives) ☐

Service advantage (better value for money) ☐

Empowerment – (Allowing employees power to use their

discretion and judgement)

Training of employees – (Employee training given high priority)

Behavior based evaluation – (Evaluating employees based on

performance)

Tangible quality – (Décor, quality and style of the hotel brand)

Marketing synergy – (Including innovation in the hotel's marketing strategy)

7.   In your opnion, which activity is the most important in developing hotel innovations? Please tick <u>one</u> of the following.

Information sharing – (Exchange of information between

 hotel and customers)

Customer Involvement – (Customer involvement in new

product.service development)

Long-termpartnership – (Hotel build strong relationship

with customer through repeat visits)

Joint problem solving – (Hotel and customers collaborating

 to solve problems)

Technology-based Customer Relationship Management –

(Hotel using technology to monitor customer behaviour/relationships

through loyalty programs etc)

8.   Where did you hear about this hotel?

    Sales Promotion

    Sponsorship

    Direct Mail

    Internet

Word of Mouth ☐

Newspaper ☐

Social Networking (facebook/twitter) ☐

Television ☐

Radio ☐

Other

9. **Please identify any improvements which could be made to the advertising of the hotel?**

_____
_____
_____

10 **From your stay at this hotel, can you identify any innovations which the hotel are already offering the customer?**

_____
_____
_____

11. **Could you recommend any future offerings which the hotel should consider in attracting more custom/repeat business?**

_____
_____
_____

Personal Information (Optional)

Gender   Male ☐   Female ☐

Age   18-24 ☐   25-34 ☐   35-44 ☐   45-54 ☐   55+ ☐

Occupation: _____

Sincere thanks for all your time and co-operation.
Information will be treated with the strictest of confidence

8.3 Hotel manager interview draft questions

1. Is this hotel independently owned or part of a hotel group?

2. Can you explain your current methods of diversifying the hotel service through innovation?

3. Do you think customers are an important source of innovation?
4. Why?

5. Do you currently have any process in place for generating customer innovative ideas?

6. Do you have any future plans to implement such ideas in your hotel?

7. Does your hotel publish reports which focus on innovation? Can I have some copies? Thanks very much.

8.4   Hotel manager interviews transcribed

8.4.1   Hotel manager number one

1. Interviewer: Hello, my name is James Dillon. I'm a post graduate marketing student at the Institute of Technology Sligo. This interview is carried out as part of a dissertation research project, entitled, "Rejuvenating the Sligo Hotel Industry through Customer Innovation." Let me start firstly by asking you, is this hotel independently owned or part of a hotel group?

    Hotel Manager no. 1: this hotel is independently owned, this is one of two hotels' owned by this family, and they have a second hotel in Dublin.

2. Interviewer: Can you explain your current methods of diversifying the hotel service through innovation?

    Hotel Manager no. 1: As you know the hotel industry is a crisis at the moment, and like any hotel, or indeed company, we're looking at new ways of doing things. We get this from a number of different methods, the staff here in the hotel, we run an Optimus excellence program, run through Fáilte Ireland and as part of that program we run a number of initiatives, we have staff suggestions monthly, minor suggestions that they can improve service for guests, from that you can get some very good suggestion from those on the frontline who are interacting with the guests, staff that come up with a suggestion that is implemented each month is given an award, which provides an incentive. We also have a staff survey carried out once a year, open-ended qualitative type questions. Our sales and marketing team are interacting with customers and coming up with ideas all the time. We also do customer surveys, one to one interviews with customers.

3. Interviewer: Do you think customers are an important source of innovation?

    Hotel Manager no. 1: Yes, absolutely.

4. Interviewer: Why?

    Hotel Manager no. 1: Ten years ago we wouldn't have served any food in the bar, but over time customer perceptions have lead us to doing so, we now have

a new bar kitchen, dining area as a result. From a promotional point of view we also offer promotional deals, offering perhaps two nights bed and breakfast, which may include and evening meal or adventure trip such as horse riding, or a seaweed bath. We try to maintain a constituent stream of innovation.

5. Interviewer: Do you currently have any process in place for generating customer innovative ideas?

   Hotel Manager no. 1: We carry out customer questionnaires on a daily basis, reception carry out interview with guests, we try and target 7 in a month. It is through these mechanisms that we get back any new ideas that the guests would like to see.

6. Interviewer: Do you have any future plans to implement such ideas in your hotel?

   Hotel Manager no. 1: Yes of course, however it is hard to say what specific area we will be implementing innovation. Over the last number of years there have being many major innovative trends in the Irish hotel industry, we built our leisure centre almost 20 years ago, and were one of the first to do so in the area, then following that spas became the new thing and they were innovation in a way, but now the way the economy has gone, the cost of such innovations may be evaluated and perhaps over less expensive innovations may be the way forward. Any innovations we do are around our packages and how we market and sell our packages. We are offering the family packages for the summer, giving Irish families the opportunity to choose an all-in package and what's included, and that's what people are looking for at the moment. It is hard to come up with new ideas all the time but we strive to find new ways of doing things.

7. Interviewer: Does your hotel publish reports which focus on innovation? Can I have some copies?

   Hotel Manager no. 1: We don't publish any reports on innovation, but we hold monthly board meetings, which primarily deal with finance, however in these meetings we also discuss how the hotel is operating and perhaps how we can

do things differently. We have a strong management structure, and hold monthly management meeting, and daily staff briefings but we don't publish any reports.

Interviewer: Thanks very much.

8.4.2   Hotel manager number two

1. Interviewer: Hello, my name is James Dillon. I'm a post graduate marketing student at the Institute of Technology Sligo. This interview is carried out as part of a dissertation research project, entitled, "Rejuvenating the Sligo Hotel Industry through Customer Innovation." Let me start firstly by asking you, is this hotel independently owned or part of a hotel group?

    Hotel Manager no. 2: It's both really, it was part of the larger Clarion Hotel Group, but recently the owner has taken back the ownership of the hotel, it now operates under the franchise of the Clarion Hotel Group and works under their management.

2. Interviewer: Can you explain your current methods of diversifying the hotel service through innovation?

    Hotel Manager no. 2: I suppose even by the way we market the hotel, we have totally reconstructed our website, we have established a presence on social networking sites such as facebook and twitter. The reservation supervisor holds responsibility for this and updates it daily. We see this as a huge area for generating custom. We continuously seek new ways to sell the hotel, we feel it's important at this time to look at all areas, not just the we're expanding our focus from just our traditional corporate market, for example targeting leisure customers, like hen nights, stag nights, and pyjama parties. We have certainly looked at the range of activities that we offer guests. We have updated the leisure facility offerings, where we now offer Tai Chi, yoga. We offer make-up classes and have also introduced a kids club.

3. Interviewer: Do you think customers are an important source of innovation?

    Hotel Manager no. 2: Absolutely.

4. Interviewer: Why?

    Hotel Manager no. 2: Regular feedback is so important if we are to improve, search new markets, provide more extensive range of offerings.

5. Interviewer: Do you currently have any process in place for generating customer innovative ideas?

    Hotel Manager no. 2: We have the customer comment cards, which are placed in each room, at reception, in the restaurant, spa, and in the leisure centre. These are given to customers regularly; they can also be filled out online. We are affiliated with trip advisor, which can be quite insightful, with both positive and negative responses. These provide us with continuous feedback which we feel is extremely important. Our customer comment cards are read out at daily staff meeting and are taken very seriously.

6. Interviewer: Do you have any future plans to implement such ideas in your hotel?

    Hotel Manager no. 2: We're always looking to innovate, you simply can't afford not to. I can't say right now that we have plans, but we're open to change most certainly.

7. Interviewer: Does your hotel publish reports which focus on innovation? Can I have some copies?

    Hotel Manager no. 2: As I said we hold regular staff meeting in which innovation is discussed but we don't publish any reports.

    Interviewer: Thanks very much.

8.4.3   Hotel manager number three

1. Interviewer: Hello, my name is James Dillon. I'm a post graduate marketing student at the Institute of Technology Sligo. This interview is carried out as part of a dissertation research project, entitled, "Rejuvenating the Sligo Hotel Industry through Customer Innovation." Let me start firstly by asking you, is this hotel independently owned or part of a hotel group?

Hotel Manager no. 3: Privately owned, yes the hotel is privately owned. There are two owners.

2. Interviewer: Can you explain your current methods of diversifying the hotel service through innovation?

   Hotel Manager no. 3: Well for example with our corporate market, many of the local businesses use the hotel; we keep their information on record, like frequency of stays. If customers stay in the hotel, say 10 times they could be upgraded to a suite. This is our guest recognition scheme, where stays are rewarded. In addition to our upgrades we also offer complementary gifts such as an evening meal; however this is only done every so often. In terms of our advertising, we focus on one to one, the personal contact which \I think is far better. We manage these ourselves by making sure that regular guests are looked after. We also write a personalised welcome card which is left in each room for our corporate guests. We have redeveloped our website where we now have a new online booking centre, it's important that this service is simple to use and convenient for the customer.

3. Interviewer: Do you think customers are an important source of innovation?

   Hotel Manager no. 3: Very much so.

4. Interviewer: Why?

   Hotel Manager no. 3: Well the customer is the one that counts. They must come first. They must be happy, and they can give you quite a bit of information. The majority of customers that have stayed in this hotel have stayed in other hotels before. They're used to travelling, so they know what they want.

5. Interviewer: Do you currently have any process in place for generating customer innovative ideas?

   Hotel Manager no. 3: We have a guest comment card in each room and each guest is asked when checking out to fill out a card if they haven't already done so. Our general manager would see those every day and they are discussed at staff meetings each morning. If there are any guests that aren't happy, we

follow up on it with a letter or phone call on that day. We have just set up on facebook and twitter; those are predominantly for updates on our latest food and beverage and entertainment offerings. Theses social networks allow for regular feedback also.

6. Interviewer: Do you have any future plans to implement such ideas in your hotel?

   Hotel Manager no. 3: Innovation is obviously important, and will continue to be so, however I feel personally that it's important to get the basics right. Make sure the service is right, the rooms are clean, guests are made to feel welcome. Once you get the basics right you can build from there.

7. Interviewer: Does your hotel publish reports which focus on innovation? Can I have some copies?

   Hotel Manager no. 3: No we don't publish any reports like that.

   Interviewer: Thanks very much.

8.4.4   Hotel manager number four

1. Interviewer: Hello, my name is James Dillon. I'm a post graduate marketing student at the Institute of Technology Sligo. This interview is carried out as part of a dissertation research project, entitled, "Rejuvenating the Sligo Hotel Industry through Customer Innovation." Let me start firstly by asking you, is this hotel independently owned or part of a hotel group?

   Hotel Manager no. 4: Independently owned, yeah.

2. Interviewer: Can you explain your current methods of diversifying the hotel service through innovation?

   Hotel Manager no. 4: Am, there is a complementary Wi-Fi service in the rooms. We have a loyalty system in place for our customers for lunch, every 10 punches will reward them with a free lunch. Any corporate guests that use the hotel on a regular basis will get a reduced rate. We feel this is a form of incentivising the customers. In terms of advertising we do a certain amount

through the local newspaper, however budgetary constraints dictate this. We advertise quite a lot in Northern Ireland, this is a good market for us. We are trying to do most of our business online, in particular through our own website as a high commission charge is paid to other companies through referrals.

3. Interviewer: Do you think customers are an important source of innovation?
    Hotel Manager no. 4: They are.

4. Interviewer: Why?
    Hotel Manager no. 4: We encourage them to give regular feedback, we are looking to improve our service all the time.

5. Interviewer: Do you currently have any process in place for generating customer innovative ideas?
    Hotel Manager no. 4: We have customer comment cards which we encourage customers to fill out regularly; we also request them to write their e-mail address on the booking form. A day or so after the guest has checked out there are sent an e-mail where they are asked to give feedback. We use these ideas to try and improve the service we deliver. The e-mail address is also used for promotional offers, which we send regularly.

6. Interviewer: Do you have any future plans to implement such ideas in your hotel?
    Hotel Manager no. 4: Oh, of course, at the end of the day the customer is the priority. At the end of the day, the customer pays my wages; they pay all of our wages. If the customers don't come in through the front door we just can't be paid, it's as simple as that. To satisfy them is the key. We in the hotel industry have to take a look at ourselves, as a whole the customer service in the Irish hotel industry over the last five years has gone downhill drastically. Over ninety percent of hotels in Ireland the standard of customer service has been very poor, it didn't matter how bad the service was, because you knew that there was another hundred coming through the door. Customer retention was not a priority. However this has all changed, hotels have to go back to basics, bask to customer service. Hotels have to listen to the customers and

actually start implementing what they want. If they are handing over hard earned money, they expect a certain level of service.

7. Interviewer: Does your hotel publish reports which focus on innovation? Can I have some copies?

Hotel Manager no. 4: No we wouldn't be big enough to do anything like that, but we do run our own reports on how we're doing, where our business is coming from, and equally where its not coming from and how we can improve this. Every customer that walks through the door is asked where they heard about the hotel, we use this information to improve our advertising, where we need to invest more, which is giving us the best return.

Interviewer: Thanks very much.

8.5   Hotel manager interview discussion

8.5.1   Hotel manager number one

8.5.1.1 The current methods of diversifying the hotel service through innovation

Manager number one stated that the hotel industry is in a crisis at the moment, and like any hotel, or indeed company, they are continuously looking at new ways of "doing things". He affirmed that the hotel use the optimise program for business excellence run through Fáilte Ireland and as part of that program they undertake a number of innovative initiatives. These initiatives include; monthly staff suggestions which are minor suggestions that can help improve the service for guests. The manager declared that from these initiatives excellent suggestions can be gained, particularly from those employees on the frontline who are interacting with the guests. He further proclaimed that staff that come up with a suggestion that is implemented each month is given an award, which provides an incentive. The manager stated that in addition to this the hotel also have a staff survey carried out once a year, which are open-ended qualitative type questions. He explained that the hotel have a strong management structure, and hold monthly management meeting which primarily deal with finance, however in these meetings it is also discussed how the hotel is operating and perhaps how they can do things differently.

8.5.1.2 Customers as a source of innovation

Hotel manager number one asserted that he firmly believes that customers are an important source of innovation. Stating that ten years ago, the hotel did not serve any food in the bar, but over time customer perceptions have lead them to doing so, saying that they now have a new bar kitchen, and dining area as a result. The manager further asserted that from using the feedback received from their guests they now provide promotional deals, for example offering two nights bed and breakfast, which may include and evening meal or adventure trip such as horse riding, or a seaweed bath. Manager number one explained that the hotel try to maintain a "constituent stream of innovation".

8.5.1.3 Generating customer innovative ideas

The hotel manager declared that they have a number of processes for generating customer innovative ideas. For example they carry out customer questionnaires on a daily basis, employees at reception carry out interviews with guests, where they target seven per month. He asserted that it is through these mechanisms that they receive any new ideas that the guests would like to see the hotel implement

8.5.1.4 Future plans to implement innovative ideas

The hotel manager proclaimed quite strongly that innovation was a priority for the future, however declared that it is hard to say what specific area they will be implementing innovation. He stated that over the last number of years there have being many major innovative trends in the Irish hotel industry, explaining that the hotel built their leisure centre almost 20 years ago, and were one of the first to do so in the area, then following that spas became the "new thing". He remarked that given the economic climate perhaps the cost of such innovations may be evaluated and less expensive innovations may be the way forward. He affirmed that "any innovations we do are around our packages and how we market and sell our packages".

8.5.2   Hotel manager number two

8.5.2.1 The current methods of diversifying the hotel service through innovation

Hotel Manager number affirmed that the hotel diversifies their service through innovation by the way they market themselves. The manager declared that they have totally reconstructed their website and have established a presence on social networking sites such as facebook and twitter, which is updated daily. She sees this as a huge area for generating custom. She explains that they continuously seek new ways to sell the hotel, further stating how they feel it is important at this time to look at all areas. She professes that they have expanded their focus from just the traditional corporate market, and have begun targeting leisure customers, for example hen nights, stag nights, and pyjama parties. The manager also proclaims that the hotel have updated the leisure facility offerings, where they now offer Tai Chi, yoga, while also offering make-up classes, and kids clubs.

8.5.2.2   Customers as a source of innovation

The hotel manager explained that customers are an extremely important source of innovation. Maintaining that feedback is so important if hotels are to improve, search new markets, and provide more extensive range of offerings.

8.5.2.3   Generating customer innovative ideas

Hotel manager number two explained that the hotel have customer comment cards, which are placed in each room, at reception, in the restaurant, spa, and in the leisure centre. Stating that these are given to customers regularly; they can also be filled out online. The manager further described that the hotel are affiliated with trip advisor, which can be quite insightful, with both positive and negative responses. She explained that these provide the hotel with continuous feedback which they feel is extremely important. The manager stressed that the customer comment cards are read out at daily staff meeting and are taken very seriously.

8.5.2.4   Future plans to implement innovative ideas

The hotel manager expressed they are always looking to innovate, stating "you simply can't afford not to". She explained that they do not have future plans in place right now, but that they are certainly open to change.

8.5.3   Hotel manager number three

8.5.3.1 The current methods of diversifying the hotel service through innovation

When asked about the current methods of diversifying the hotel service the manager makes reference to the corporate market. She describes how many of the local businesses use the hotel, and their data is kept on record for example the frequency of stays. The manager explains how they have a guest recognition scheme, where stays are rewarded, through for example, room up grades, or complementary meals. She affirms that the hotel emphasise as she calls it "the personal contact", where they write a personalised welcome card which is left in each room for their corporate guests. The manager further states that the hotel have redeveloped their website where they now have a new online booking centre, which is simple to use and convenient for the customer.

8.5.3.2   Customers as a source of innovation

The hotel manager states that the customer is "the one that counts" and that they "must come first". She explains that customers can provide quite a bit of information, describing how the majority of customers that have stayed in their hotel have stayed in other hotels before. Therefore "they know what they want".

8.5.3.3   Generating customer innovative ideas

The hotel manager affirms that the hotel has a guest comment card in each room and each guest is asked when checking out to fill out a card if they have not already done so. The hotel General Manager views these comment cards every day and they are discussed at staff meetings each morning. The hotel manager maintains that if there are any guests that are unhappy, they are given a letter or phone call on that day. She further describes that the hotel have recently set up a facebook and twitter page, and while those are predominantly used for informing the customers about upcoming events and entertainment, they also allow for regular customer feedback.

8.5.3.4 Future plans to implement innovative ideas

When asked whether the hotel have any future plans to implement innovation, the hotel manager gave a quite interesting response. She stated that innovation is obviously important, and will continue to be so, however she believes personally that it is important to get the "basics right". She proclaimed "you must make sure the service is right, the rooms are clean, and guests are made to feel welcome, once you get the basics right you can build from there".

8.5.4 Hotel manager number four

8.5.4.1 The current methods of diversifying the hotel service through innovation

The hotel manager states that the hotel implements innovation in a number of ways, describing how they provide a complementary Wi-Fi service in the rooms for their guests. He also declares that the hotel have a loyalty system in place for their customers for lunch, in which they are rewarded with a complementary lunch is given for every ten lunches they purchase. The manager further affirms that any corporate guests that use the hotel on a regular basis are rewarded by a reduced rate for their stay. He believes this is a form of incentivising the customers. The manager refers to their advertising, explaining that they do a certain amount through the local newspaper, however budgetary constraints dictate this. He proclaims that the hotel are trying to do most of their business online, in particular through their own website as a high commission charge is paid to other companies where referrals are provided.

8.5.4.2 Customers as a source of innovation

When asked whether he believed that customers are an important source of innovation, he replied "of course" proclaiming that the customer is the priority. He articulated that customers "pay all of our wages". Affirming that "to satisfy them is the key" He explains how the hotel encourages customers to give regular feedback, proclaiming that they are looking to improve our service all the time.

8.5.4.3 Generating customer innovative ideas

The manager affirms that the hotel have customer comment cards which they encourage customers to fill out regularly, further describing how they also request the customers to write their e-mail address on the booking form, which allows the hotel to send an e-mail requesting the customers to give feedback on their stay. The manager explains that this feedback is crucial and the data received is used se ideas to try and improve the service delivery. In addition he asserts that the e-mail address is also used for promotional offers, which the hotel sends regularly.

8.5.4.4 Future plans to implement innovative ideas

The response given by the manager when asked whether the hotel have future plans to implement innovation was extremely insightful and honest. He expressed how "we in the hotel industry have to take a look at ourselves", articulating that as a whole the customer service in the Irish hotel industry over the last five years has gone downhill drastically. The manager professed that in the vast majority of hotel in Ireland the standard of customer service has been very poor, in recent years. He describes how "customer retention was not a priority". However he now explains that this has all changed, hotels are having to "go back to basics", "bask to customer service". The manager further affirmed hotels must begin to listen to the customers and "actually start implement what they want" stating that "if they are handing over hard earned money, they expect a certain level of service".

8.6   Data analysis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business	60	37.5	37.5	37.5
	Conference	6	3.8	3.8	41.3
	Wedding	4	2.5	2.5	43.8
	Party	5	3.1	3.1	46.9
	Holiday	72	45.0	45.0	91.9
	Other	13	8.1	8.1	100.0
	Total	160	100.0	100.0	

Table 8.1 Nature of respondents' stay

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Hotel type	84	52.5	52.5	52.5
	Hotel technology	38	23.8	23.8	76.3
	Hotel customisation	18	11.3	11.3	87.5
	Other	20	12.5	12.5	100.0
	Total	160	100.0	100.0	

Table 8.2   The biggest impact respondents' choice of hotel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Electricity card system for rooms	12	7.5	7.5	7.5
	Hotel Bar offerings	11	6.9	6.9	14.4
	Valet Parking	1	.6	.6	15.0
	In-Room Massage	2	1.3	1.3	16.3
	Childcare service	2	1.3	1.3	17.5
	Air Conditioning in Rooms	5	3.1	3.1	20.6
	Special Offers	5	3.1	3.1	23.8
	Complementory Snacks and Wine In-rooms	4	2.5	2.5	26.3
	Flexible Checkout	7	4.4	4.4	30.6
	In-room facilities	46	28.8	28.8	59.4
	Wi-Fi Internet Access	24	15.0	15.0	74.4
	None	5	3.1	3.1	77.5
	Entertainment	11	6.9	6.9	84.4
	Missing	11	6.9	6.9	91.3
	Leisure Facilities	6	3.8	3.8	95.0
	Welcome gift packs	5	3.1	3.1	98.1
	24h Room-service	3	1.9	1.9	100.0
	Total	160	100.0	100.0	

Table 8.3   Innovations respondents have seen at other hotels

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Hotel leisure and spa facilities	44	27.5	27.5	27.5
	Family packages	5	3.1	3.1	30.6
	Hotel loyalty program	26	16.3	16.3	46.9
	Hotel bar offerings	15	9.4	9.4	56.3
	Function room offerings	4	2.5	2.5	58.8
	In-Room facilities	47	29.4	29.4	88.1
	Complementary transport	6	3.8	3.8	91.9
	Missing	1	.6	.6	92.5
	Car hire discount	2	1.3	1.3	93.8
	Discounts on local retail stores	1	.6	.6	94.4
	Hotel organising trips	8	5.0	5.0	99.4
	Other	1	.6	.6	100.0
	Total	160	100.0	100.0	

Table 8.4   Innovations respondents would like to see in the hotel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Market Attractiveness	25	15.6	15.6	15.6
	Marketing synergy	3	1.9	1.9	17.5
	Strategic human resource management	74	46.3	46.3	63.8
	Market responsiveness	17	10.6	10.6	74.4
	Pre-launch activities	1	.6	.6	75.0
	Service advantage	28	17.5	17.5	92.5
	Empowerment	2	1.3	1.3	93.8
	Missing	1	.6	.6	94.4
	Employee training	4	2.5	2.5	96.9
	Behavior based evaluation	2	1.3	1.3	98.1
	Tangible quality	3	1.9	1.9	100.0
	Total	160	100.0	100.0	

Table 8.5   The most important factor in determining the success or failure of hotel innovations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Information sharing	69	43.1	43.1	43.1
	Customer involvement	24	15.0	15.0	58.1
	Long term partnership	39	24.4	24.4	82.5
	Joint problem solving	13	8.1	8.1	90.6
	Technology based customer relationship management	12	7.5	7.5	98.1
	Missing	3	1.9	1.9	100.0
	Total	160	100.0	100.0	

Table 8.6   The most important activity in developing hotel innovations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sales promotion	7	4.4	4.4	4.4
	Sponsorship	11	6.9	6.9	11.3
	Direct mail	1	.6	.6	11.9
	Internet	45	28.1	28.1	40.0
	Word of mouth	52	32.5	32.5	72.5
	Newspaper	8	5.0	5.0	77.5
	Missing	2	1.3	1.3	78.8
	Social networking	2	1.3	1.3	80.0
	Other	32	20.0	20.0	100.0
	Total	160	100.0	100.0	

Table 8.7   Where respondents heard about the hotel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Hotel phone no. more readily available	2	1.3	1.3	1.3
	Set up on social networking websites	9	5.6	5.6	6.9
	Advertise special offerings	44	27.5	27.5	34.4
	Nothing	9	5.6	5.6	40.0
	More national advertising	31	19.4	19.4	59.4
	Improve the website	11	6.9	6.9	66.3
	Better signage on road leading to hotel	5	3.1	3.1	69.4
	Providing quality service will retain and attract customers	1	.6	.6	70.0
	Target Corporate	11	6.9	6.9	76.9
	Advertise in Industry Publications	10	6.3	6.3	83.1
	Sponsorship of Local Events	4	2.5	2.5	85.6
	Advertise with local radio	4	2.5	2.5	88.1
	missing	19	11.9	11.9	100.0
	Total	160	100.0	100.0	

Table 8.8   The improvements respondents believe could be made to the advertising of the hotel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	In Room facilities	23	14.4	14.4	14.4
	Wi-Fi internet access	20	12.5	12.5	26.9
	Complementary newspaper	4	2.5	2.5	29.4
	None	53	33.1	33.1	62.5
	Investment in employees	21	13.1	13.1	75.6
	Special offers	8	5.0	5.0	80.6
	Missing	28	17.5	17.5	98.1
	Large selection of breakfast	3	1.9	1.9	100.0
	Total	160	100.0	100.0	

Table 8.9   The current innovations the respondents identify in the hotel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Improve leisure facilities	12	7.5	7.5	7.5
	Flexible checkout	5	3.1	3.1	10.6
	Improve in-room facilities	27	16.9	16.9	27.5
	Create partnership with other in Ireland	8	5.0	5.0	32.5
	Fresh coffee available in-rooms	3	1.9	1.9	34.4
	Bar offerings	6	3.8	3.8	38.1
	Free parking facilities	3	1.9	1.9	40.0
	Electricity card system for rooms	14	8.8	8.8	48.8
	Send email regarding special offerings	29	18.1	18.1	66.9
	Invest more in employees	7	4.4	4.4	71.3
	Loyalty card system	27	16.9	16.9	88.1
	Missing	7	4.4	4.4	92.5
	Provide more entertainment	9	5.6	5.6	98.1
	24h room-service	2	1.3	1.3	99.4
	Complementary transport	1	.6	.6	100.0
	Total	160	100.0	100.0	

Table 8.10   The future innovations respondents would like to see in the hotel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24	7	4.4	4.4	4.4
	25-34	28	17.5	17.5	21.9
	35-44	31	19.4	19.4	41.3
	45-54	52	32.5	32.5	73.8
	55+	40	25.0	25.0	98.8
	Missing	2	1.3	1.3	100.0
	Total	160	100.0	100.0	

Table 8.11   Respondents' age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	97	60.6	60.6	60.6
	Female	61	38.1	38.1	98.8
	Missing	2	1.3	1.3	100.0
	Total	160	100.0	100.0	

Table 8.12   Respondents' gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Auditor	1	.6	.6	.6
	Engineer	7	4.4	4.4	5.0
	Manager	5	3.1	3.1	8.1
	Merchandiser	2	1.3	1.3	9.4
	Training consultant	4	2.5	2.5	11.9
	Tour guide	1	.6	.6	12.5
	Construction	5	3.1	3.1	15.6
	Strategist	2	1.3	1.3	16.9
	Housewife	1	.6	.6	17.5
	Retired	10	6.3	6.3	23.8
	Beauty Therapist	2	1.3	1.3	25.0
	Civil servant	2	1.3	1.3	26.3
	Vehicle Inspector	1	.6	.6	26.9
	Salesperson	2	1.3	1.3	28.1
	Finance	4	2.5	2.5	30.6
	Marketing	2	1.3	1.3	31.9
	Legal Firm	2	1.3	1.3	33.1
	Student	2	1.3	1.3	34.4
	Banker	1	.6	.6	35.0
	Journalist	2	1.3	1.3	36.3
	Media	2	1.3	1.3	37.5
	Information Technology	1	.6	.6	38.1
	Business	2	1.3	1.3	39.4
	Missing	97	60.6	60.6	100.0
	Total	160	100.0	100.0	

Table 8.13   Respondents' occupation

Count

	Hotel Number				Total
	Hotel No. 1	Hotel No. 2	Hotel No. 3	Hotel No. 4	
Hotel leisure and spa facilities	5	15	14	10	44
Family packages	1	1	1	2	5
Hotel loyalty program	11	3	8	4	26
Hotel bar offerings	2	6	2	5	15
Function room offerings	4	0	0	0	4
In-Room facilities	10	12	8	17	47
Complementary transport	1	1	3	1	6
Missing	0	1	0	0	1
Car hire discount	1	1	0	0	2
Discounts on local retail stores	0	0	0	1	1
Hotel organising trips	4	0	4	0	8
Other	1	0	0	0	1
Total	40	40	40	40	160

Table 8.14   Hotel number/Innovations respondents would like to see at this hotel cross-tabulation

Count

	Hotel Number				Total
	Hotel No. 1	Hotel No. 2	Hotel No. 3	Hotel No. 4	
Sales promotion	4	0	2	1	7
Sponsorship	2	6	3	0	11
Direct mail	0	0	0	1	1
Internet	15	9	9	12	45
Word of mouth	11	2	19	20	52
Newspaper	3	2	3	0	8
Missing	0	2	0	0	2
Social networking	0	1	0	1	2
Other	5	18	4	5	32
Total	40	40	40	40	160

Table 8.15   Hotel Number/Where respondents heard about the hotel cross-tabulation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Hotel phone no. more readily available	2	1.3	1.3	1.3
	Set up on social networking websites	9	5.6	5.6	6.9
	Advertise special offerings	44	27.5	27.5	34.4
	Nothing	9	5.6	5.6	40.0
	More national advertising	31	19.4	19.4	59.4
	Improve the website	11	6.9	6.9	66.3
	Better sinage on road leading to hotel	5	3.1	3.1	69.4
	Providing quality service will retain and attract customers	1	.6	.6	70.0
	Target Corporate	11	6.9	6.9	76.9
	Advertise in Industry Publications	10	6.3	6.3	83.1
	Sponsorship of Local Events	4	2.5	2.5	85.6
	Advertise with local radio	4	2.5	2.5	88.1
	missing	19	11.9	11.9	100.0
	Total	160	100.0	100.0	

Table 8.16   The improvements respondents believe could be made to the advertising of the hotel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Improve leisure facilities	12	7.5	7.5	7.5
	Flexible checkout	5	3.1	3.1	10.6
	Improve in-room facilities	27	16.9	16.9	27.5
	Create partnership with other in Ireland	8	5.0	5.0	32.5
	Fresh coffee available in-rooms	3	1.9	1.9	34.4
	Bar offerings	6	3.8	3.8	38.1
	Free parking facilities	3	1.9	1.9	40.0
	Electricity card system for rooms	14	8.8	8.8	48.8
	Send email regarding special offerings	29	18.1	18.1	66.9
	Invest more in employees	7	4.4	4.4	71.3
	Loyalty card system	27	16.9	16.9	88.1
	Missing	7	4.4	4.4	92.5
	Provide more entertainment	9	5.6	5.6	98.1
	24h room-service	2	1.3	1.3	99.4
	Complementary transport	1	.6	.6	100.0
	Total	160	100.0	100.0	

Table 8.17   The future innovations respondents would like to see in the hotel

Count

	Hotel Number				Total
	Hotel No. 1	Hotel No. 2	Hotel No. 3	Hotel No. 4	
Improve leisure facilities	3	0	7	2	12
Flexible checkout	1	2	2	0	5
Improve in-room facilities	8	5	2	12	27
Create partnership with other in Ireland	4	0	3	1	8
Fresh coffee available in-rooms	1	0	2	0	3
Bar offerings	0	5	1	0	6
Free parking facilities	0	0	3	0	3
Electricity card system for rooms	3	1	1	9	14
Send email regarding special offerings	9	8	9	3	29
Invest more in employees	3	3	1	0	7
Loyalty card system	2	6	7	12	27
Missing	2	4	1	0	7
Provide more entertainment	2	6	0	1	9
24h room-service	2	0	0	0	2
Complementary transport	0	0	1	0	1
Total	40	40	40	40	160

Table 8.18   Hotel number/The future innovations respondents would like to see in the hotel cross-tabulation

Count

	Nature of Respondents Stay						Total
	Bus	Con	Wedd	Party	Holiday	Other	
Wanted something new	3	0	2	1	9	1	16
Organisation choose hotel	24	3	0	0	2	7	36
Recommended by friends	2	0	0	0	1	0	3
Competitive price	3	0	1	0	12	0	16
Good entertainment	3	2	1	0	10	2	18
Excellent facilities for people with disabilities	0	0	0	0	1	0	1
Hotel facilities are very good	11	0	0	3	12	2	28
Saw the hotel advertised	6	1	0	0	15	0	22
Like the environment	4	0	0	1	3	0	8
Courtesy and friendliness of employees	1	0	0	0	2	1	4
When in town almost always stay	3	0	0	0	1	0	4
Only hotel available	0	0	0	0	3	0	3
Other	0	0	0	0	1	0	1
Total	60	6	4	5	72	13	160

Table 8.19   Nature of respondents stay/Reason respondents stayed in the hotel cross-tabulation

Count

	Hotel Number				Total
	Hotel No. 1	Hotel No. 2	Hotel No. 3	Hotel No. 4	
Wanted something new	2	10	4	0	16
Organisation choose hotel	6	11	7	12	36
Recommended by friends	1	1	1	0	3
Competitive price	3	2	0	11	16
Good entertainment	0	3	8	7	18
Excellent facilities for people with disabilities	0	0	0	1	1
Hotel facilities are very good	11	6	8	3	28
Saw the hotel advertised	14	2	6	0	22
Like the environment	2	2	1	3	8
Courtesy and friendliness of employees	1	0	1	2	4
When in town almost always stay	0	0	4	0	4
Only hotel available	0	2	0	1	3
Other	0	1	0	0	1
Total	40	40	40	40	160

Table 8.20   Hotel number/Reason respondents stayed in the hotel cross-tabulation