

THE CUSTOMER AND HOTEL SERVICE DESIGN AT SAROVA HOTELS

JOHN WAICHIGO

D61/77066/2015

SUPERVISOR: ZIPPORAH KIRUTHU

A PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF
NAIROBI

2017

DECLARATION

This research project is my original work which has not been previously submitted for examination in any university.

Signed Date

JOHN WAICHIGO

D61/77066/2015

This research project has been submitted for examination with my approval as the university supervisor.

Signed Date

ZIPPORAH KIRUTHU

School of Business

University of Nairobi

ACKNOWLEDGEMENTS

I convey my appreciation to various people without whose valuable contributions this research project would not have been successfully undertaken. I sincerely thank my supervisor Ms. Zipporah Kiruthu and the moderator, Dr. X. N. Iraki for their relentless guidance and direction throughout the project. I also thank the management of Sarova Hotels for the support accorded to me starting with Mr. Kuljit Rekhi, the group's director of operations. Through them I was able to obtain data, industry insights as well as guidance all of which was invaluable in achieving the objectives of the research.

My sincere appreciation to my family, treasured friends and colleagues who provided the much needed support, encouragement and motivation. Courtesy of them, I was able to maintain focus and the drive to accomplish the project requirements in time and excellence.

Thank you very much and God bless you all.

DEDICATION

This research project is dedicated to all hospitality professionals in Kenya who genuinely endeavor towards service excellence.

TABLE OF CONTENTS

DECLARATION.....	i
ACKNOWLEDGEMENTS	ii
DEDICATION.....	iii
ABSTRACT.....	viii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.2 Research Problem.....	6
1.3 Research Objectives	7
1.4 Value of the Study.....	8
CHAPTER TWO: LITERATURE REVIEW.....	9
2.1 Introduction	9
2.2 Theoretical Literature Review.....	10
2.3 Voice of the Customer Approaches	13
2.4 Service Design Approaches	14
2.5 Empirical Literature Review	16
2.6 Conceptual Framework	19
CHAPTER THREE: RESEARCH METHODOLOGY	21
3.1 Research Design.....	21
3.2 Data Collection.....	21
3.3 Data Analysis	22
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION	23
4.1 Introduction	23

4.2 Response Rate	23
4.3 Demographic Characteristics	24
4.4 Service Design at Sarova Hotels	27
4.5 Voice of the Customer and Service Design	32
4.6 Quality Function Deployment and Service Design.....	35
4.7 Linking Voice of the Customer, QFD and service design at Sarova Hotels.....	37
4.8 Discussion of Findings	39
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ..	42
5.1 Introduction	42
5.2 Summary	42
5.3 Conclusion.....	43
5.4 Recommendations	43
5.5 Limitations of the Study	44
5.6 Suggestions for Further Research	44
REFERENCES.....	46
APPENDICES	51
Appendix 1: Introduction Letter.....	51
Appendix 2: Interview Guide	52
Appendix 3: List of Sarova units featured in the research	54

LIST OF TABLES

Table 3.1: Sampling Distribution.....	22
Table 3.2: Data Analysis Techniques	22
Table 4.1: Response Rate.....	24
Table 4.2: Distribution by Department	25
Table 4.3: Sarova Stanley Room Nomenclature Changes	29
Table 4.4: Departmental improvements arising from voice of the customer	34

LIST OF FIGURES

Figure 2.1: Lens Model of Customer Choice.....	11
Figure 2.2: Conceptual Framework: Customer and Service design	20
Figure 4.1: Distribution by number of years working at Sarova	26
Figure 4.2: Voice of the customer influence on departmental strategies.....	34
Figure 4.3: Participation in feedback meetings (QFD).....	36
Figure 4.4: Voice of the customer and service design loop at Sarova Hotels	39

ACRONYMS AND ABBREVIATIONS

BOTH:	Back of the House
EGCC:	Electronic Guest Comment Cards
FOTH:	Front of the House
HO:	Head office
GDP:	Gross Domestic Product
OTA:	Online Travel Agency
QFD:	Quality Function Deployment

ABSTRACT

This research was conducted with the objective of establishing the link between the customer and hotel service design through quality function deployment. The research design was a case study of Sarova Hotels. To lay the foundation of the research, theoretical and empirical literature review was conducted which incorporated the Lens Model of Customer Choice and Kano Model of Customer Satisfaction. Primary data was obtained through interviews administered to heads of functions at Sarova Head Office and heads of departments in each of Sarova's operating units. A total of 51 managers were interviewed. Secondary data was collected from feedback reports, service blueprint documents as well as proceedings from business strategy meetings.

The study established that voice of the customer and quality function deployment play an important role in the process of service design at Sarova Hotels. It was noted that Sarova Hotels has taken steps to set up a voice of the customer system that includes collection, sharing, analysis and application of customer feedback information. The majority of managers interviewed also indicated that feedback from the customer is vital in their departmental activities and strategies. The study also identified some gaps and generated recommendations that can ensure tapping of more potential from voice of the customer not only by Sarova Hotels but also managers in the hospitality sector at large.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The significance of customer satisfaction on the overall success of businesses has been reinforced by many studies over the years. Various researchers have shown that sustaining customer satisfaction is linked to enhanced business profitability, growth and survival (Sing, 2006; Hinshaw, 2016; Menor et al., 2002). To be able to satisfy customers, business organizations need to first understand needs and requirements from their customers by developing effective feedback channels also referred to as voice of the customer systems (Griffin and Hauser, 1993; Minkara, 2015). From voice of the customer data, organizations need to put in place effective means of translating this data into valuable insights to be applied in the process of product or service design. Quality function deployment is a useful tool in which cross-functional teams work in collaboration to incorporate information from voice of the customer into practical attributes and specifications of products and services.

In spite of the important contributions that voice of the customer has the potential of generating, many organizations have not been successful in making voice of the work effectively (Morgan et al., 2005; Goodman, 2013). The hotel industry has especially experienced ever increasing competition and changing customer preferences hence the need for increased efforts in understanding guests' needs. Many hotels are struggling to meet and exceed their guests' expectations since they are mostly offering similar range of services as any other players in the industry (Kozak and Acar, 2015). This can be attributed to ineffective utilization of voice of the customer.

1.1.1 Voice of the Customer

According to Griffin and Hauser (1993), voice of the customer refers to the process capturing the needs of customers, organizing the needs into hierarchical structures based on importance to customers and the level of satisfaction with other available alternatives in the market. According to Mazur (1996), voice of the customer is a tool in Quality Function Deployment (QFD) which enhances the understanding of customers' requirements that are incorporated into product and service design. In recent years, the concepts of voice of customer and quality function deployment have been studied and recognized as an effective method for product and process development (Akao, 1994). The concepts have their roots in Japanese quality management in the 1970s where requirements of customers were identified and incorporated into the process of product design. The objective was to create new products and bring them to the market in faster, better and cheaper ways.

Today, businesses adopt voice of the customer programs for a wide array of reasons such as increasing customer satisfaction, managing company brands and supporting top-line revenue growth (Minkara, 2015). There are different approaches that organizations use to gather insights on needs of customers. These include use of interviews, surveys, customer focus groups, observation of trends, as well as evaluation of data about warranties (Crow, 2002). A summary of the identified needs is then used to incorporate requirements of customers into characteristics of the product. The resulting matrix is referred to as 'house of quality' with the objective to convert the needs of customers (the whats), into the characteristics or attributes of the product (the hows). The process of translating customer

needs into product specifications is referred to as quality function deployment which is carried out by multi-functional design teams working together.

According to Gartner Group (2015), factors such as increased business competition coupled with increasing bargaining power of the customer have challenged the conventional approaches of product and service differentiation, thereby making firms to explore new and dynamic means of achieving competitive advantage. Customer experience has emerged as a sustainable source of competitive differentiation, which means that businesses have to consistently deliver better experiences to their customers. To achieve this, executives need to understand the experiences that they are presently delivering to their customers so as to continuously improve. As a result, voice of the customer programs have become a priority for many businesses. Hinshaw (2016) further notes that the ability of an organization to listen to its customers is crucial to the ability of the organization to compete on customer experience.

1.1.2 Service Design

As societies and people interactions have evolved over the years, design has equally evolved on its scope, approach and practice. Design has evolved from being a craft discipline to one that integrates new powerful ways for people to interact with the world and emphasize experiences (Norman, 2016). During the industrial age, the role of design was limited to creating physical objects for mass production. With advent of new technology, globalization, economic growth, as well as social and demographic changes, designers have adopted new techniques from diverse fields and disciplines to respond to changing customer needs and preferences.

In the 1990s, focus starting shifting towards design of services which according to Buchanan (2015) has become the most commonly recognized form of the new interaction design. The definition of QFD has likewise evolved to include development of services. Gaskin et al. (2010) list several benefits of QFD in the design of product or services. These include enhancing knowledge of customer requirements, creating synergy in the all-inclusive teams working together on the product or service development, as well as providing the right design specifications for the new product or service. QFD also serves as a valuable catalyst for innovation.

With time, service industries have evolved to become leading contributors in the economies of many countries (Chuang, 2007). Verma (2000) further notes that as service economy advances, it continues to increase in significance in terms of contributing to gross domestic product (GDP) of nations as well as creating employment. Today, most developed countries are actually generating more than 50% of their GDP from service industries (Menor et al., 2002). With the evolution of service design, consumer expectations likewise continue to undergo transformations. Customers are increasingly expecting service businesses to create impeccable experiences right from the buying process to competent and reliable customer service and support.

1.1.3 Sarova Hotels

Sarova Hotels is a leading indigenous company in the hospitality business in Kenya running hotels, resorts and game lodges (Sarova Hotels, 2017). The company commenced operations in 1974 and has since expanded both in terms of number of properties and presence in the market. The total room inventory currently stands at 1245 spread across 9

locations in Kenya, with more than 1400 employees. The company's portfolio is composed of 4 and 5-star properties including four city hotels, one beach resort and five game lodges. The newest addition to the company's portfolio is Sarova Woodlands Hotel in Nakuru whose management contract was signed in 2017 (Mureithi, 2017; Wanzala, 2017). The company has a head office which is located along Valley Road in Nairobi whose primary role is strategy and coordination of operations across the group.

With over 40 years of operation, Sarova Hotels has had a long-standing commitment to the continued development of Kenya's tourism and hospitality industry (Africa Travel and Tourism Association, 2017). The vision and mission of Sarova point towards exceeding guests' expectations, creating personal and career development for staff, improving communities' welfare within the company's locations and adding value for its shareholders. The corporate strategic objectives are to increase value for shareholders, growth, development of dynamic people culture and extending "Refreshing African Hospitality" to guests (Sarova Hotels, 2017). Customer satisfaction and retention is stated as the cornerstone of the overall business strategy.

In the recent past, the hospitality industry in Kenya has witnessed entrance of new players which has in turn fuelled heightened competition for indigenous brands like Sarova Hotels. According to PricewaterhouseCoopers (2016), it is expected that sixteen new international hotel brands will soon enter the Kenyan market which will see an increase of the hotel room capacity by 14%. Some of the new international brands expected in Kenya include Marriot Hotels, Hilton Hotels, Sheraton Hotels and Resorts, as well as Movenpick Hotels and Resorts. This in turn means that indigenous brands like Sarova Hotels will have to adopt new technologies and marketing approaches to remain

relevant. Creativity, product differentiation as well as tailor-making of services in line with the dynamic needs and preferences of customers will be key survival determinants among players in the industry (Chepkoech, 2017). Application of voice of the customer data is valuable in achieving this competitive edge.

1.2 Research Problem

As noted by Goodman (2013), few organizations have managed to create voice of the customer systems which utilize the whole array of the generated data and information. In the context of hotels, (Kozak and Acar, 2015) note that hotels have embraced service design as an increasingly important element of value enhancement endeavors. Various attributes of service design like quality, improvements, innovation as well as guests' expectations have been important to hotels. They however note that despite the advancements achieved in hotel service quality, there has been limited improvements in customer satisfaction. Hotels have also registered a tendency of becoming alike in terms of products and service options.

According to Frehse (2005), hotel guests today are primarily seeking hotel service that exactly meets their needs. Gronroos (2007) further states that even though the physical attributes in a hotel are significant contributors in determining the customers' perception of quality, emotional or psychological attributes of service design also play a crucial role. The guest experience is therefore increasingly becoming a core of the service design, an area in which there has been limited studies. In an evaluation of studies relating to experience design in tourism, Tussyadiah (2014) argues that many of the studies on hotel service design have mainly focused on technical aspects and internal processes such as

aesthetics, technology, productivity or duration. Other significant attributes like guest expectations, needs or experiences have been left out.

In the local Kenyan context, no comparative studies were found with focus on voice of the customer, quality function deployment and hotel service design. Ogot and Okudan (2007) evaluated the application of QFD but focused on the context of course quality in the college of Architecture and Engineering at the University of Nairobi. In light of these gaps and using Sarova Hotels as a practical case study, questions that this study sought to address were; what does the service design process entail in a hotel? How does voice of the customer and QFD get applied on service design process of a hotel? Finally, what is the link between voice of the customer, QFD and the process of hotel service design?

1.3 Research Objectives

The general objective of this research was to determine the application of voice of the customer in the process of service design at Sarova Hotels. The specific objectives of the research were as below;

- i. To identify the service design process at Sarova Hotels.
- ii. To determine how voice of the customer data is translated into the process of service design.
- iii. To determine how quality function deployment is applied in the process of service design.
- iv. To establish the linkage of voice of the customer, quality function deployment and service design at Sarova Hotels.

1.4 Value of the Study

The research had the aim of generating valuable insights for managers not only in hotel and hospitality in Kenya but also in other sectors of the service industry. In the wake of increased competition and changing customer needs, the insights brought forth by this research will help managers to have a clear understanding regarding effective incorporation of voice of the customer and QFD in design and delivery of services. This will enable them to not only meet but also exceed their customers' expectations and hence gain competitive advantage (Fitzsimmons and Fitzsimmons, 2001; Gartner Group, 2015; Chepkoech, 2017). By sustaining customer satisfaction, service businesses will achieve enhanced success in terms of profitability and growth which is essential to the economy (Pearce, 1995; Gaileviciute, 2011). In addition, the study generated new knowledge on the aspect of service design through customer experience thereby filling the aforementioned gaps. One of the contributions of the research to new knowledge was the generation of voice of the customer and service design loop (figure 4.4) from primary and secondary data collected. The study built on concepts generated from existing studies that link voice of the customer and product design and applied these in the context of service design.

CHAPTER TWO: LITERATURE REVIEW

This chapter reviews previous studies and publications that have been generated on the topics of voice of the customer, quality function deployment and service design as the researcher aims at linking the two in the process of hotel service design. In the theoretical literature review, the researcher reviewed the Lens Model of Customer Choice (Gaskin and Hauser, 1993) and Kano Model of Customer Satisfaction (Sauerwein et al., 1996).

2.1 Introduction

Various publications have explored the topics of voice of customer and quality function deployment but mainly focusing on product and process development. Such publications include Ulrich and Eppinger (1995), Griffin and Hauser (1993) as well as Wheelwright and Clark (1992). There has however been limited studies in the context of services. According to Griffin and Hauser (1993), voice of the customer process constitutes of four aspects. The first aspect is determination of customer needs, the second is putting these needs into a hierarchy of importance, the third is setting of priorities, and the final one is managing performance taking into consideration customers' perceptions and availability of alternatives in the market. Ulrich and Eppinger (1995) also discuss voice of the customer and quality function deployment in product design by identifying five aspects that effective product design process should address. These are product quality, product cost, development time, and development cost and development capability of the team involved.

On the topic of service design, several publications have been generated and emphasized the importance of effective service design for quality enhancement, competitive

advantage and satisfaction of customers (Dervojeda et al., 2014; Fitzsimmons and Fitzsimmons 2001; Edvardsson, 1997; Goldstein et al., 2002). Service design in the context of hotels has been explored by several publications such as Clow et al (1994), Callan (1995, 1998), (Arrifin et al., 2013), Pearce (1995) and Otegbulu and Tenigbade (2011). However, the focus of the studies has mainly been on technical aspects and internal processes in hotels while being limited on emotional attributes like guest expectations, needs or experiences (Tussyadiah, 2014).

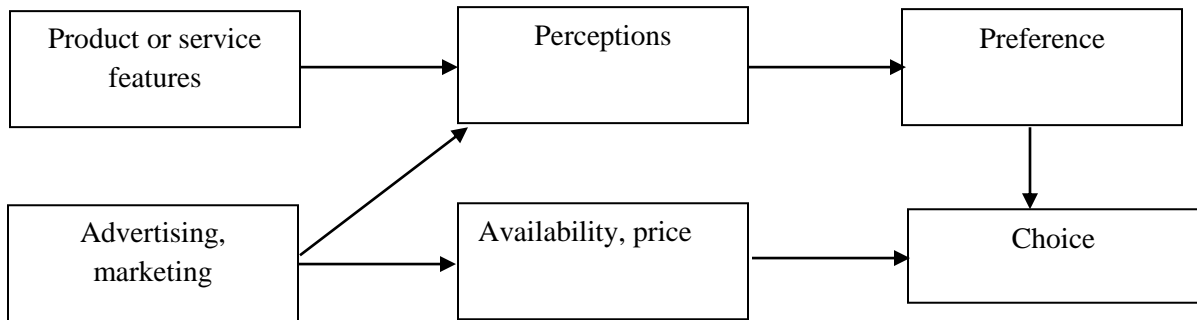
2.2 Theoretical Literature Review

Two models have been created by previous authors in a bid to link the customer and service design. The first model is the Lens Model of Customer Choice which was described by Egon Brunswick in 1952. The model states that customers see the world through the lens of their perception “their needs” (Gaskin and Hauser, 1993). The other model is Kano Model of Customer Satisfaction (Sauerwein et al, 1996) which plots a chart with categories of expected product or service features and the respective effect on customer satisfaction. These two models are discussed below.

2.2.1 Lens Model of Customer Choice

The Lens Model argues that the choice of a product or service by customers is determined by their preference of the particular product or service over another alternative, given the product or service chosen is available to them in the market.

Figure 2.1: Lens Model of Customer Choice



Source: Modified from Gaskin and Hauser, 1993

Perceptions are not only created by product features but also by aspects of advertising, packaging, word of mouth as well as social context. The customer perceptions lead to preferences, preferences lead to choice and then choice is reinforced by the availability and price. The Lens Model is valuable in the Kenyan hotel context since the increasing number of hotel establishments mean increasing alternatives for customers. Effective voice of the customer systems aid managers to identify customer needs and the overall importance of those needs in forming perceptions and preferences.

2.2.2 Kano Model of Customer Satisfaction

This model is accredited to Professor N. Kano and was developed in the 1980s. It explains the kind of information regarding customer expectations that influence satisfaction in varying degrees (Gustafsson et al., 1999). In a service sector like hotel and hospitality, customer recognition and retention as a result of customer satisfaction is a key factor in business success. Businesses need to find out the primary drivers of their customers' satisfaction, as well as find out which feedback channels are most effective (Gaileviciute, 2011). The Kano Model identifies three categories of product attributes or

features that have varying influence on satisfaction. These are attractive or excitement features, performance or one-dimensional features and the Threshold or Basic features (Sauerweinet al., 1996).

Threshold or basic attributes refer to those attributes of a product that a customer expects to find as a basic minimum. In a hotel context for instance, this could be availability of a restaurant or a swimming pool. Increasing the provision of these attributes does not increase satisfaction of the customer. Rather, it creates diminishing impact on satisfaction. However, the absence of these attributes would result in extreme dissatisfaction. Performance or one-dimensional features are described as those features of a product or service that the customer knows of and expects before buying (ReVelle et al., 1998). The price that a customer is willing to pay is closely tied with this category of attributes, and it means the more the availability or provision the better. Most of the needs that customers will verbalize will fall under this category. An example in a hotel context would be the buffet variety in the restaurant.

Attractive or Excitement features of a product or service are unspoken and unexpected by customers but can lead to high levels of customer satisfaction. They present opportunities for innovation, differentiation and competitive advantage since they address the unknown customer needs. Their absence however does not lead to dissatisfaction. Examples in a hotel and hospitality context include personalized welcome cards, bed decorations for special occasions or surprise celebration of guest anniversaries.

2.2.3 Summary of Theoretical Literature Review

As observed in both the Lens Model and Kano Models, different needs carry different weight with regard to satisfaction of customers. Hotel service developers ought to take these priorities into consideration when balancing design, costs and the desirability of the services to fulfil needs of their customers. Customer needs are broken into a hierarchical order with primary, secondary and tertiary needs. Primary needs require response at the strategic level of the organization while secondary needs inform tactical level responses. Tertiary needs on the other hand give detail to the operational level. In a hotel context for instance, tertiary needs in the operational level provide details to the functional departments like front office, housekeeping or engineering on the set of tasks and operational standards to incorporate so as to satisfy secondary and primary customer needs.

2.3 Voice of the Customer Approaches

Cooper and Dreher (2010) note that organizations need conscious, systematically structured, and well managed approaches for creating revolutionary ideas for new products or services. It is such ideas that will enable organizations achieve aggressive revenue growth, profitability and competitive goals that they set for themselves. Various approaches are utilized in the voice of the customer process. These include ethnographic research, customer-visit teams, focus groups, customer brainstorming, as well lead user analysis all of which purpose to identify and respond to needs of customers. Another approach is the user design approach in which organizations leverage on information technology developments to invite customer groups across different geographical regions to take part in designing new attributes of a product or service.

Use of customer advisory boards or panels is another approach in which panels of selected customers or users are used to advise on product or service features and drive improvements. There is also a relatively new voice of the customer approach which is referred to as open innovation. In this approach, new ideas are generated from partners, vendors, external scientific communities as well as other businesses. Martin Jr. and Horne (1994) identify an additional approach referred to as internal idea capture from an organization's employees. They state that since employees play a key role in continuous customer interactions, their experiences can provide useful insight regarding customer needs.

2.4 Service Design Approaches

According to Fitzsimmons and Fitzsimmons (2001), service design is used to create value for customers as well as serve as a component for competitive advantage in many service industries. Edvardsson (1997) further notes that the aim of service design is to ensure that quality is embedded into the service system from the outset. The process should ensure that each element of the service puts into consideration and addresses a set of customer expectations. Service design can therefore be described as an upstream management from the origin which involves integration of an appropriate mix of tangible and intangible components to address what customers need (Chuang, 2007; Goldstein et al., 2002). It can be observed therefore that effective service design is achieved by effectively identifying customer needs and then satisfying them by optimally allocating resources in the service system.

In his paper entitled 'service is invisible', Burckhardt (1995) argues that design ought to lay emphasis on the value of solutions generated as opposed to materialization. Mager

and Sung (2011) note that there have been two shifts in the world of design. Firstly, the traditional world of design has shifted from being viewed as basic styling to becoming a process and then becoming a strategy. Design has evolved to become a vital part of organizational innovation which needs to be incorporated in the strategic business level. Secondly, design has shifted from the level of tangibles to the level of interactions, then to the level of experiences then finally to services. It can therefore be stated that design today has its focus on strategies and structures, processes and interactions which is the essence of service design. The goals of service design are founded on two perspectives; the user perspective and the provider perspective. This means that service providers need to design services that meet the requirements of customers while also being effective, efficient and different.

Kozak and Acar (2015) discuss two approaches of service design namely expectation-based approach and service-based approach. Expectation-based approach entails incorporating the customer feedback and demographic attributes of customers in the process of service design. In service businesses like hotels, customers normally rate the overall experience in the hotel even if different components of the service may carry different significance to them. Since service design is mainly aimed at increasing the value offered to customers, the process of designing service components should be aligned to the role of those components in the service value chain. Holmlid (2007) further emphasizes the customers' inputs to the development of service components by noting that modern design concept has its basis on the user orientation. Martin Jr. and Horne (1994) emphasize the contribution of employees in design by highlighting the significant role played by employees in the customer interaction. Hjalager and Nordin (2011) note

that customer feedback and participation plays a significant role in the customer expectation-based approach.

The second service design approach is service-based approach where the basic design input is delivery technology, laws and regulations, materials, as well as core strategies and policies of the organization. Tonchia (2008) discusses this approach by stating that different factors both internal and external to the organization do impact the design process. Environmental attributes create different impacts to different organizations based on characteristics such as type of the sector, competition, technology, social and cultural aspects, operating assets, as well as internal policies. Timmerman (2010) further adds to the internal factors influencing service design by including employees' qualifications and competencies, culture of the organization as well business approaches. In both approaches however, it can be noted that the end point is identification of the need for new services and transforming this need into service components or features that meet customer expectations.

2.5 Empirical Literature Review

Clow et al (1994), Callan (1995, 1998) and Arrifin et al (2013) have conducted studies that sought to group hotel attributes that matter to hotel guests. The major groupings of these attributes include location, security, service quality, staff competence, reputation, physical appearance, price/ value, facilities as well as ancillary (additional) facilities. Their findings showed that different attributes within a hotel's physical environment have varying impacts on the customer's opinion about the overall experience of the hotel. By putting in place a successful voice of the customer system, a hotel company is able to effectively group these attributes of service into a hierarchy of operational, tactical and

strategic needs. Further, Scott (2008) and Otegbulu and Tenigbade (2011) note that hotel investors at the strategic level must be able to recognize attributes that matter to their guests in terms of preferences and set them in order or hierarchies of priority.

In studies conducted to assess hotel attributes that influence customer loyalty and choice, Dube and Renaghan (2000) observed the highest scoring items to be convenience of location, brand name and reputation. Bowen and Shoemaker (1998) ranked service features higher than physical attributes. Dolcinar and Otter (2003) describe service features that include staff friendliness, professionalism, customization, personalization, appearance of staff, responsiveness as well as speed of service. Physical attributes on the other hand include aesthetics, architecture, cleanliness, size, comfort, sound proofing as well as maintenance. In light of this, it is vital for an organization to have an understanding of which products or services fulfill the requirements of customers the best. There also needs to be an understanding of how well the needs are being addressed as well as identification of any shortfalls that may exist between an organization's product or service offers and the competing products or services in the market from the perceptions of customers. In their study to evaluate quality function deployment and improvement of course quality, Ogot and Okudan (2007) observed that QFD approach significantly increased student satisfaction. The study was conducted at the College of Architecture and Engineering at the University of Nairobi, where QFD was successful in reversing negative student ratings and dissatisfaction with a course that had previously undergone a major revision in content and delivery.

In studies to determine effectiveness of customer feedback programs in organizations across different industries, several shortcomings have been revealed. Despite many

organizations investing in various ways and means of collecting customer feedback to measure satisfaction, many times no action is implemented with regard to improving product and processes or enhancing customer experiences (Brandt, 2008). In a survey by Maritz Research in 2007 that targeted blue chip companies in a variety of service industries in the USA, 81% of the executives mentioned that their organizations encountered difficulties or failed to get concrete action points from feedback generated from their customers (Brandt, 2008). In another study to evaluate firms' understanding of usage of information from customer satisfaction, Morgan et al (2005) observed several challenges. These include the failure to identify root causes to guide action planning as well as failure to share the information from voice of the customer with front line staff or other key section leaders so as to drive quality improvements. Another challenge is the tendency to use customer satisfaction data in a narrowed tactical approach and failing to expand its application on the wider scale of strategic level actions.

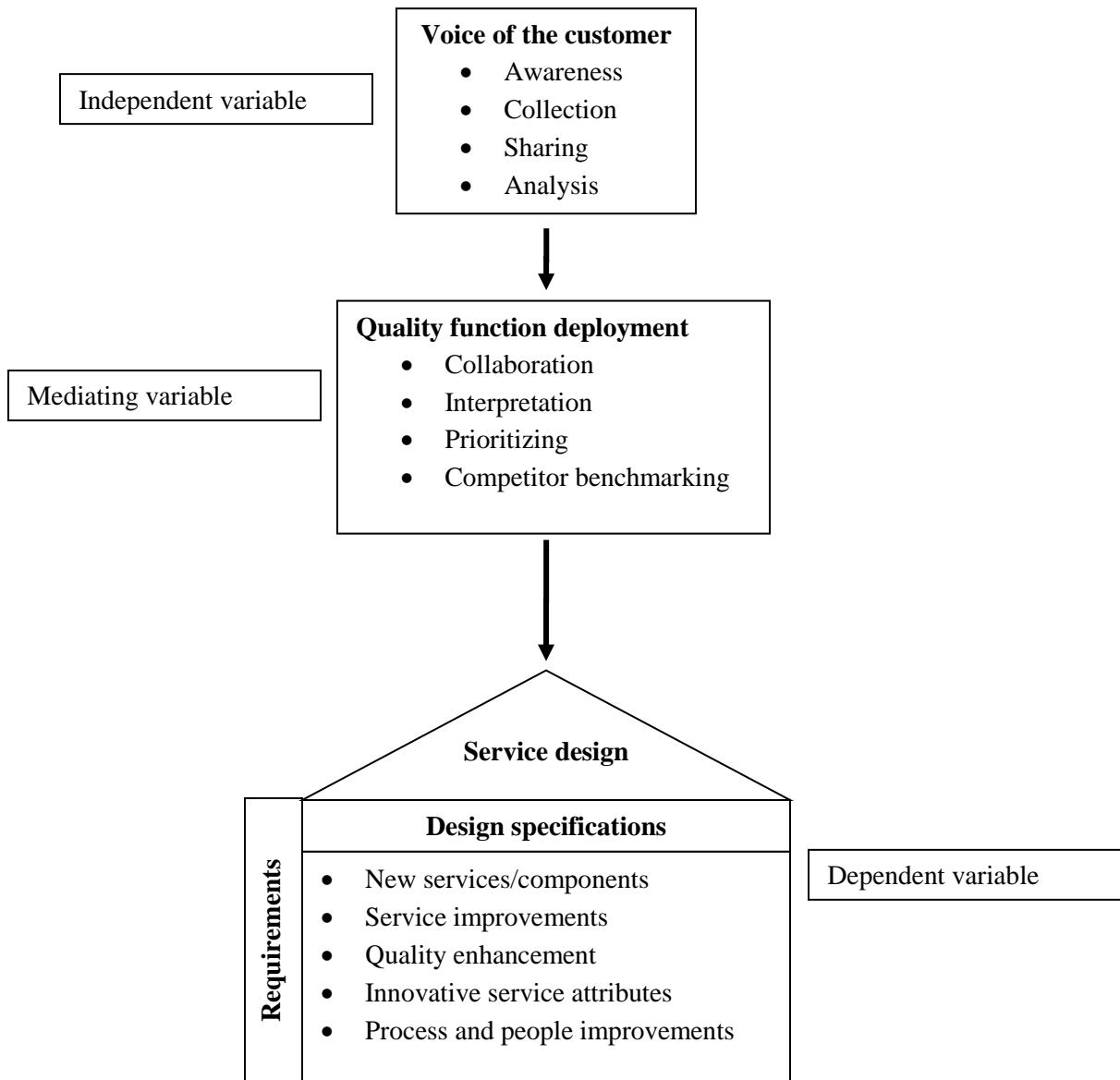
Likewise, The Gantry Group in their 2008 study to establish the best practices for customer satisfaction programs in diverse industries identified two main challenges common in organizations. The first challenge is the failure to generate sufficient details that can lead managers to the root sources of problems within the overall business processes. The other is failure to distil the extensive data from voice of the customer into specific and impactful action points. These challenges indicate that many business organizations have not been successful in developing holistic approaches to convert voice of the customer insights into impactful actions. To be able to overcome these challenges, organizations need to fully embrace the tenets of quality function deployment so as to

link voice of the customer with the right people, design the right product and services and achieve the right improvements in business processes (The Gantry Group, 2008).

2.6 Conceptual Framework

An effective voice of the customer interface enables an organization to capture, share and analyze data from various feedback channels so as to discern requirements of customers. Voice of the customer then creates a valuable input in the process of quality function deployment where these requirements are translated into design specifications. The requirements go through hierarchical structuring, setting of priorities as well as benchmarking of competition (Pekkarinen, 2011). Quality function deployment involves cross functional teams drawn from different departments like marketing, sales, operations as well research working in collaboration. The output of this process entails new services or service components, quality enhancement, innovative service attributes as well as process and people improvements. This is depicted in figure 2.2 below:

Figure 2.2: Conceptual Framework: Customer and Service design



(Modified from Pekkarinen, 2011)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

A typical case study approach of Sarova Hotels was used. With this approach, the researcher aimed at generating real-life practical insights which according to White (2000) may be absent in other types of investigations. Choice of Sarova Hotels as the ideal case study was informed by the fact that it is Kenya's largest fully indigenous hotel chain, one of the oldest by operation years and consistently one of the top hotel brands in Kenya by traveler ratings (Trip Advisor, 2017; Wang'ondy, 2016; Wanzala, 2016; World Travel Awards, 2015).

3.2 Data Collection

Both primary and secondary data was collected. Secondary data was obtained from guest feedback reports, strategic plan documents as well as minutes from strategy meetings. Primary data was collected through structured interviews targeting all heads of functions at Sarova Head Office and heads of departments at each of Sarova's eight operating units as shown in table 3.1. This is because managers are the key drivers of strategic service design initiatives in dynamic business environments (Aosa, 2011). Sarova's newest unit (Sarova Woodlands) was excluded from the research since its systems and processes are still in the formative stages.

Table 3.1: Sampling Distribution

Sarova Unit	Target respondents
Sarova Head Office	11
Sarova Stanley, Panafric and Whitesands	8 in each unit
Sarova Mara, Lion Hill, Shaba and Taita Hills	5 in each unit
Total target respondents	55

Source: Researcher

3.3 Data Analysis

Descriptive statistics was applied on the qualitative and quantitative aspects of data through the use of frequencies and percentages. This enabled the researcher to describe and summarize the data in a meaningful way and infer arising patterns and trends. Content analysis was then conducted so as to make in-depth inferences towards the accomplishment of the study objectives as shown in table 3.2 below. From the analysis, interferences and information obtained was presented in the form of text as well as graphical charts.

Table 3.2: Data Analysis Techniques

Objective	Data source	Analysis
1	Service blueprint documents, strategic plan documents	Content analysis to infer the process of service design
2	Guest feedback reports, section C of the interview responses	Content analysis to infer awareness, opinions, weight accorded to customer needs and application of feedback data.
3	Minutes from strategy meetings, section B of the interview responses	Content analysis to infer collaboration and application of QFD
4	Findings from objectives 1, 2 and 3	Create linkage model

Source: Researcher

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and discussion of findings as laid out in the objectives of the study and the research methodology. Primary data was collected through interviews targeting top executives at Sarova Head Office and the heads of departments in each of Sarova's operating units. The interviews were arranged and conducted face-to-face at the city units and over the telephone in the lodges due to distance and time factors. Secondary data was obtained from periodical feedback reports, available strategic plan documents and minutes from strategy meetings availed by management. Computer tools including Google Forms and Microsoft Excel were then used to record, organize, tabulate and conduct descriptive and content analysis on the responses to gain inference from the data collected.

4.2 Response Rate

The study targeted a total of 55 managers from across the Sarova group. The total number of respondents was 51, representing a 93% response rate which was deemed excellent for the analysis and reporting according to the sufficiency scale described by Mugenda and Mugenda (2003). They note that 50%, 60% and 70% response rate is sufficient, good and excellent respectively. The respondents and percentage per unit is show in table 4.1 below. The high response rate was driven by face-to-face interaction and the personalized reach out approach that was utilized.

Table 4.1: Response Rate

Sarova Unit	Target respondents	Actual respondents	Response %
Head Office	11	11	100%
Stanley	8	6	75%
Panafric	8	8	100%
Whitesands	8	7	88%
Mara	5	5	100%
Lion Hill	5	4	80%
Shaba	5	5	100%
Taita Hills	5	5	100%
Total	55	51	93%

Source: Researcher

4.3 Demographic Characteristics

Various demographic characteristics were analyzed with the aim of obtaining background information of the respondents.

4.3.1 Distribution by department

From the interviewees across all units including head office, 28 of them (55%) were from back-of-the-house (BOTH) departments while 23 (45%) were from front-of-the-house (FOTH) departments. This composition enabled the researcher to define the frequency of guest interactions which in turn influences the frequency of directly obtaining and implementing guest feedback insights as presented in section 4.3.3. The higher BOTH composition arose due to inclusion of head office managers in the study. These results also imply that the researcher was able to achieve a sense of balance in the sample cutting across front of the house and back of the house managers. This supports the argument by Evans (2016) that all managers ought to be role models by taking keen interest in embracing activities that are geared towards customer experience and processes improvement.

Table 4.2: Distribution by Department

Distribution by Department		
Department	Location	Count
HR	BOTH	9
Engineering	BOTH	6
ICT	BOTH	4
Administration	BOTH	3
Finance	BOTH	4
Sales	BOTH	2
F&B	FOTH	9
Front Office	FOTH	7
Housekeeping	FOTH	6
Health Club	FOTH	1
Total		51

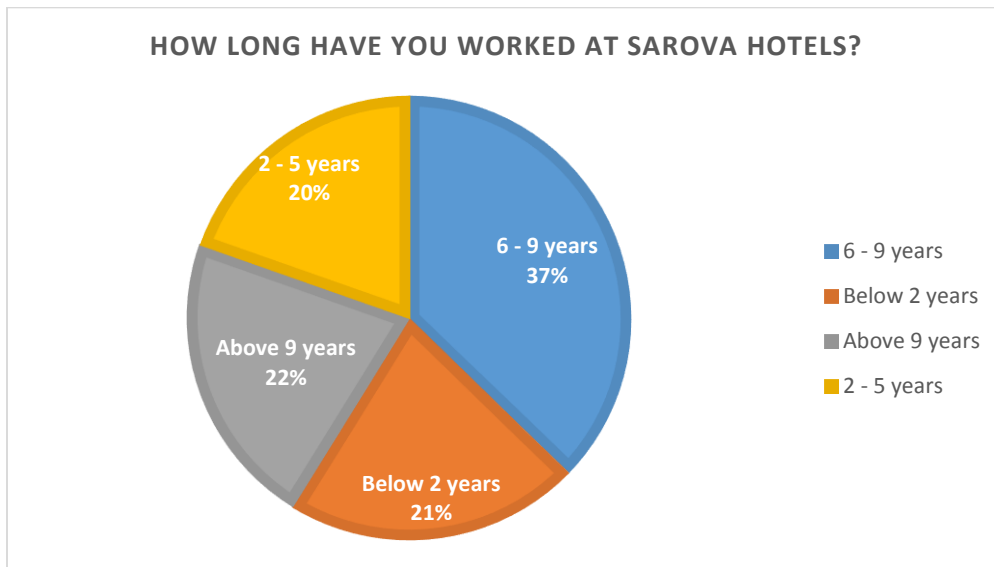
Summary	
FOTH proportion	45%
BOTH proportion	55%

Source: Primary Data

4.3.2 Distribution by number of years at Sarova Hotels

As shown in figure 4.1 below, 22% of the managers were found to have worked with Sarova Hotels for more than 9 years while 37% have been with Sarova for between 6 to 9 years. Between 2 to 5 years represented 20% while the balance have been with Sarova for less than 2 years. This shows that the majority of managers (59%) have been with Sarova for more than 6 years. This indicates that management is stable, experienced and that there is entrenchment of organizational culture where service design approach and procedures are concerned.

Figure 4. 1: Distribution by number of years working at Sarova



Source: Primary data

4.3.3. Distribution by frequency of interaction with guests

To assess how frequently each of the managers interacts with guests on their line of duty, it was established that 82% of managers at the head office seldom interact with guests face-to-face. 9% percent do so once in a while and only 9% interact face-to-face with guests on a daily basis. In the units on the other hand, 67% of managers interact with guests face-to-face on a daily basis, 13% of them once in a while and only 20% seldom interact with guests directly. However, indirect guest interactions through email, telephone and the internet was noted to increase for head office managers where 45% reported daily telephone or email correspondences with guests, 27% once a while and the balance 27% seldom. The comparative percentages in the units were 28% for daily interactions, 43% once in a while and 30% seldom.

The contrast in these percentages can be explained by the fact that even though most of the managers in the units will certainly be in direct touch with guests, there are restrictions when it comes to email, telephone or internet correspondences. There are specific managers assigned the role of correspondence with guests through email and other indirect channels. The overall significance of this observation is that the units play a critical role in generating customer feedback for service design planning. This supports the internal idea capture feedback method discussed by Martin Jr. and Horne (1994) which emphasizes the key role of employees in the feedback process.

4.4 Service Design at Sarova Hotels

In the bid to decipher the service design process at Sarova Hotels, the researcher obtained and evaluated a sample of four service blueprint documents from different units that were noted to have outstanding characteristics of service design. Reports with proceedings from business review meetings from 2015 to 2017 were also obtained and evaluated. The documents are listed below:

- i. Room nomenclature and service design blueprint for Nairobi units – 2016
- ii. Service design for Sarova Stanley 1902 Lounge – 2017
- iii. Proposed service design for Sarova Mara club tents – 2017
- iv. Festive season service design for city units and lodges – 2015 and 2016
- v. Proceedings from Quarterly Business Review Meetings (BRM) – 2015, 2016 and 2017

The documents were studied to establish the components of service design and also infer the service design approach used by Sarova Hotels. From content analysis of information

in the above documents, it was noted that the key attributes of service design included categorization of rooms, pricing matrix, room amenities, loyalty and recognition plans, meal plans, complimentary services, delivery processes, equipment and technology, value addition and standard operating standards. In agreement with the categorization by Chuang (2007) and Goldstein et al. (2002), these attributes comprise tangible and intangible characteristics. Equipment for instance is a tangible element while loyalty program is an intangible element. It was established that long-term service strategies cover five years which are revised annually during the business planning period. Service design planning is done in forums involving unit general managers and head office executives.

There are also quarterly tactical meetings referred to as Business Review Meetings (BRMs) through which performance is evaluated and the attributes of service design adjusted to respond to new trends of guest needs, opportunities, competition and industry trends as well as performance gaps. In these meetings, various heads of functions and the general managers of units make presentations regarding their respective functions' strategies. An average of 12 presentations were observed to be made in each BRM agenda by heads of functions mainly ICT, human resources, operations, finance, internal audit, F&B, sales, marketing and procurement. Each of the general manager also presented their respective units' review. Each of the blueprint is discussed in detail in the sections below.

4.4.1 Room nomenclature and service design blueprint for Nairobi units

The room nomenclature for both Sarova Stanley and Sarova Panafric was changed in 2016, along with updates to the standard services offered to guests in each room category.

Sarova Stanley was transformed as below;

Table 4.3: Sarova Stanley Room Nomenclature Changes

Previous nomenclature	New nomenclature
Deluxe Rooms	Stanley Rooms
Club Rooms	Stanley Club Rooms
Executive Rooms	Stanley Premium Rooms
Suites	Heritage Suites

Source: Secondary data, Sarova Hotels (2016)

The objectives of these updates were to enhance Sarova Stanley’s positioning as a heritage hotel, review the room amenities and value additions per room category, as well as align pricing, product and service with changing expectations of the unit’s mainly business clientele. While for instance booking a Stanley Room (entry-level) entitles a guest to normal check in procedure, normal room turn-down service in the evening and limited Wi-Fi bandwidth, a Premium Room booking comes with added benefits including complimentary airport pick-up, express check-in, complimentary snacks (petit-fours) provided during evening turn down and unlimited Wi-Fi bandwidth.

4.4.2 Sarova Stanley 1902 Lounge

Between 2016 and 2017, the concept an executive lounge known as the 1902 Lounge was launched for Sarova Stanley. As a hotel mainly targeting business clientele, the 1902 Lounge was designed to be used by top level corporate guests who book room categories

above the Stanley Club. The lounge offers a wide array of exclusive and executive services that respond to this category of guests. The range of services include express check-in, private lounge area, private boardroom, all-day food and beverage choices, unlimited internet access and secretarial services.

4.4.3 Proposed service design for Sarova Mara club tents

While this is still in the proposal stage, it was noted that the objective of this change is to offer exclusivity and added luxury to guests who book the premium-priced club tents at Sarova Mara. The new service design seeks to create separate welcome and check-in location for club tent bookers, separate high-end restaurant as well as an executive lounge. Other value additions will include unlimited Wi-Fi access, personalized guest relations and luxurious in-room amenities.

4.4.4 Festive season service design for city units and lodges

It was observed that service design for festive seasons is reviewed every year. Each unit comes up with a unit-specific theme with main focus on food and beverage offers, animation/entertainment, family rate packages, room amenities, giveaways and transportation packages. It was noted for instance that in 2016, Sarova Whitesands introduced a new concept on festive meal plan referred to as “Eat all you want, any time you want”. This was a departure from the traditional half-board plan and also the normal full-board plan that other resorts in Mombasa such as Voyager Beach Resort have. The new concept created flexibility for guests to be able to have unlimited meals any time of the day at designated restaurants. This was in response to guest needs for flexible dining while enjoying the holiday offerings at the vast resort. Similarly, it was noted that lodges

introduced more elaborate entertainment options including for children since the festive season records an upsurge of family bookings.

4.4.5 Findings on Service Design Approach at Sarova Hotels

From the elements of service design discussed above, blending characteristics of both expectation-based and service-based service design approaches were observed. The room nomenclature and service changes for instance were adopted to enhance to positioning of Sarova Stanley as a heritage-themed hotel in Nairobi to set the hotel apart from competition. As a company strategic direction, this is a characteristic of service-based service design approach. The hotel also responded to needs of its business clientele by incorporating an exclusive lounge, expanding the array of service value-additions such as complimentary transfers, expanded Wi-Fi as well as secretarial services. This is a characteristic of expectation-based service design approach.

Further, evaluation of proceedings from the Business Review Meetings found that from the average of 12 agenda items per meeting, about 80% of the presentations had customer satisfaction index sections to evaluate how their activities impacted customer satisfaction. This implies that customer satisfaction is central to the majority of business functions at Sarova Hotels both front-of-the-house and back-of-the-house. The other sections of the presentations had components of internal processes, competition analysis as well as policies and procedures application. This further supports the inference that both expectation-based and service-based service design approaches are applied at Sarova Hotels.

4.5 Voice of the Customer and Service Design

To infer the application of voice of the customer in service design, reports from customer feedback channels between 2014 and 2017 were availed and evaluated to infer how guest feedback information is generated, shared, processed and followed through on application. The interviewees were asked questions about their awareness of guest feedback channels in the company, how frequently they access feedback information, how they utilize it. They were also asked how much they read, share and discuss guest feedback with their respective teams. Content analysis on the responses was conducted to determine the manager's opinions and attitudes towards application of guest feedback.

4.5.1 Awareness of feedback channels

On awareness of guest feedback channels available to guests, 100% of the managers were able to name at least three different guest feedback channels that they are aware of. The channels that were most frequently identified were: electronic guest comment cards (EGCC) which are sent electronically to each guest after departure, direct feedback (through word of mouth, email and telephone), social media channels, Sarova website, feedback through online travel agencies (OTAs), Trip Advisor travelers' review site and guest comment books particularly at the lodges. This means that there is overall awareness of guest feedback channels.

4.5.2 Access to guest feedback from various channels

Regarding access to guest feedback starting with Sarova Head office managers, 4 respondents (36%) reported that they receive real-time feedback, 4 (36%) reported that they receive feedback once in a while and the balance 3 (27%) indicated seldom receipt

of guest feedback. In the units, 37 (93%) of managers reported real-time receipt of feedback and the balance 3 (8%) indicated once in a while receipt of feedback. This signifies that feedback is shared more consistently in the units than at the head office.

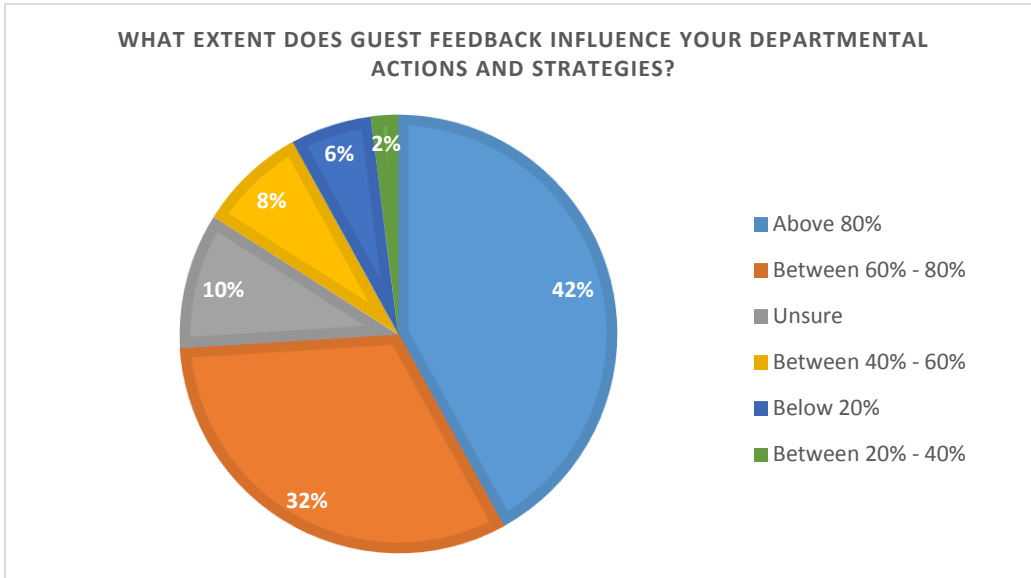
4.5.3 Sharing of feedback with respective teams

Among the head office executives interviewed, 7 reported that they read, share and discuss feedback with their respective teams real-time, 3 reported that they do so once in a while and 1 reported that they seldom do so. This represents 64%, 27% and 9% respectively. In the units, 38 respondents (95%) indicated that they read, share and discuss feedback with respective teams while 2 (5%) mentioned that they do so once in a while. This further suggests that more staff in Sarova operating units have access and awareness of guest feedback as opposed to staff at the head office.

4.5.4 Extent to which voice of the customer influences managers' actions and strategies

The interviewees were asked to state the extent to which voice of the customer information influences their departmental activities and strategies. A high percentage (42%) of the managers both at head office and the units indicated that voice of the customer influences above 80% of their departmental actions and activities. This suggests that indeed voice of the customer adds value to the departmental actions and strategies across Sarova Hotels. Figure 4.2 below presents the overall distribution of the responses. The other factors that were mentioned as influencing managers' actions included company policies, set budgets, internal processes, occupancy levels as well as technological factors.

Figure 4.2: Voice of the customer influence on departmental strategies



Source: Primary Data

To further qualify the application of voice of the customer information in various departments, the interviewees were asked to mention key improvements arising from the voice of the customer. The improvements in table 4.4 below were listed across various departments;

Table 4.4: Departmental Improvements arising from voice of the customer

Department	Key improvements
HR and Training	<ul style="list-style-type: none"> Enhanced training by generation of training needs Adding value to staff recognition schemes Incorporating voice of the customer as performance evaluation tool
Engineering	<ul style="list-style-type: none"> Product upgrades and maintenance approach by initiated the concept of preventive maintenance (PPM) New product aspects for example media hubs in rooms, multiple power outlets in rooms and in-room lighting control changes

ICT	<ul style="list-style-type: none"> • Simplification of internet log-in procedure across the group; • Preventive maintenance schedules for guest service systems; • Increased bandwidth and inclusion on in-room access points
Finance	<ul style="list-style-type: none"> • Alignment of finance policies with customer requirements for instance flexibility of billing formats for corporate clients • Streamlined billing procedures thus moving from reactive to proactive
Sales and Marketing	<ul style="list-style-type: none"> • Alignment of communication channels for example introduction of social media and real-time chat tabs on the website • Alignment of booking correspondences such as inclusion of check in requirements, guests' expected times of arrival (ETAs) as well as park regulations in booking correspondences • Review and improvement of response time
Front of the House (FOTH) departments <ul style="list-style-type: none"> • Front office • Food and beverage • Banqueting • Housekeeping • Health Club 	<ul style="list-style-type: none"> • Realignment of check in and check out times in each unit based on customer feedback • Reengineering of menus and restaurant service interactions • Initiation of courtesy calls to guests as a standard • Update schedules for standard operating procedures • Quarterly training calendars including provision for flash (random) trainings as need be

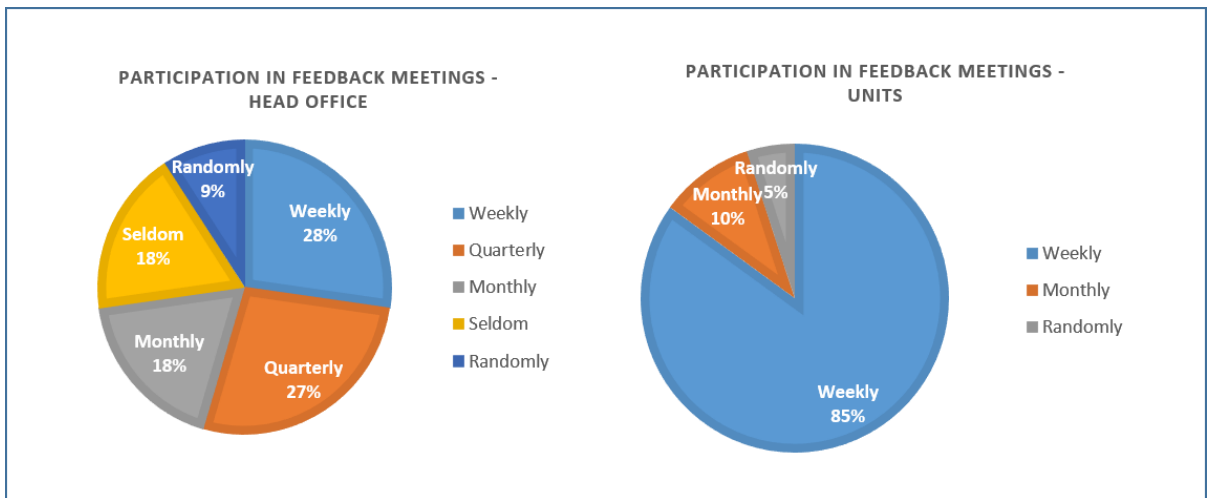
Source: Primary Data

4.6 Quality Function Deployment and Service Design

Evidence of cross-functional team meetings to analyze voice of the customer information was sought in order to establish the application of quality function deployment (QFD). Apart from evaluating proceedings from business review meetings (BRMs), the interviewees were asked to mention how frequently they participate in meetings purposely to discuss guest feedback. It was observed that QFD-equivalent meetings do occur at various levels both at head office and the units. The meetings are referred by

different names with the most frequent terms being *guest feedback meetings* and *share the moment*. Frequency of the meetings ranged from weekly, monthly and quarterly. Figure 4.3 below shows the distribution of responses when interviewees were asked to mention how frequently they participate in cross-functional meetings to discuss guest feedback.

Figure 4.3: Participation in feedback meetings (QFD)



Source: Primary data - head office and units

The findings indicate that the units are leaned more towards weekly feedback meetings which 85% of respondents attend. At head office, feedback meetings are observed to be in scattered pattern happening weekly, monthly, quarterly as well as randomly. Two managers (18%) at head office indicated that they seldom attend feedback meetings. The respondents were asked to mention the key outcomes of these meetings with the objective of establishing the contribution of the meetings to service design at Sarova Hotels. Sample proceedings from the meetings were also obtained from the units and evaluated.

Content analysis of the responses and the proceedings indicated several outcomes of the meetings including Pareto analysis of feedback and generation of priority improvement

areas (product, processes and people), assessment of training needs and review of training calendars to address any skill gaps, benchmarking with other units and competition to drive improvement and competitive advantage and improvements to departmental standard operating procedures and policies. It was also reported that the meetings do enhance cross-departmental synergy to ensure guests receive seamless overall experiences. Some of the generated action points at unit level have to be ratified by Sarova head office especially if they involve investment decisions, change of standard procedures or major changes in product and process attributes. This could explain the observation why QFD at the head office is not as frequent as at the units.

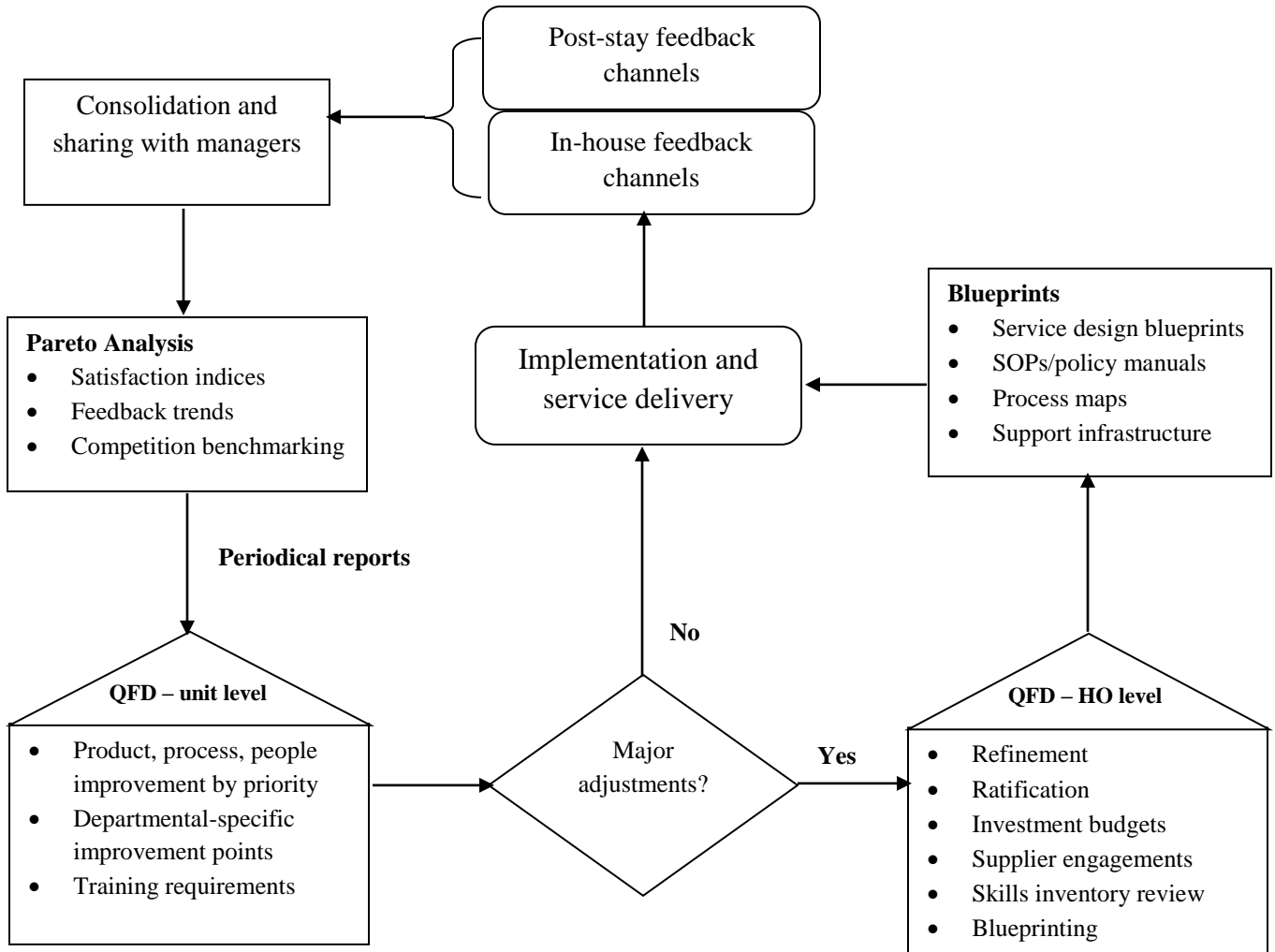
4.7 Linking Voice of the Customer, QFD and service design at Sarova

Hotels

The voice of the customer system at Sarova Hotels can be described as a process made up of various components. As observed in analyzed primary and secondary data, the process starts by collection of guest feedback from various in-house and post-stay channels. Internal feedback channels include courtesy calls, guest link system as well as direct feedback obtained through face-to-face interactions. Post-stay channels include the electronic guest comment cards (EGCC), social media and website, online travel agencies (OTA) websites, direct email and telephone calls as well as Trip Advisor travelers' review page. The feedback is then shared with respective managers from where it is cascaded to the rest of staff. There is also consolidation and Pareto analysis of feedback from the various channels to generate periodical reports which are equally shared with managers across the group.

The analyzed feedback forms a valuable input to management forums referred to as ‘feedback meetings’ or ‘share the moment’ whose characteristics were noted to be equivalent of quality function deployment process. These meetings are held more frequently at the operating units as compared to the head office. During the feedback meetings, the cross-functional teams evaluate the feedback trends and satisfaction indicators and then identify areas of improvement regarding attributes of product, processes and people components of the service. Departmental-specific action plans are generated to drive overall improvement. Head office executives also hold review meetings particularly the quarterly Business Review Meetings (BRMs) to evaluate performance and further refine, ratify and commission the units’ action plans especially where major changes are involved. The outcome of this process is service design and improvement blueprints, standard operating procedures and policy manuals, process maps as well as infrastructural support manuals. The findings here support the voice of the customer process described by Griffin and Hauser (1993) as well as Ulrich and Eppinger (1995). This linkage can be summarized into the model presented in figure 4.4 below.

Figure 4.4: Voice of the customer and service design loop at Sarova Hotels



Source: Researcher

4.8 Discussion of Findings

On the service design approach, the study established that Sarova Hotels applies a blend of both expectation-based and service-based approaches. This was observed through evaluation of several service design blueprints that had objectives of responding to customer needs as well as enhancement of internal processes. It was established that voice of the customer plays a significant role in the process of service design. Large volume of information from voice of the customer channels is analyzed and shared with managers across the operating units as well as at head office. Pareto analysis was noted to be a useful tool used during the analysis of feedback from which improvement areas were noted to be grouped by priority applying the 80-20 rule.

More activity regarding application of voice of the customer was noted at the operating units as compared to the head office in terms of awareness, sharing with respective teams and application in departmental actions and strategies. This is an area that needs improvement if Sarova Hotels is to fully tap into the potential of voice of the customer information. The findings regarding value of voice of the customer at Sarova Hotels support the assertions made by Scott (2008) as well as Otegbulu and Tenigbade (2011) in their empirical studies. They noted that hotel investors at the strategic level must be able to recognize attributes that matter to their guests in terms of preferences and set them in order or hierarchies of priority.

It was found that information from voice of the customer forms an important input in quality function deployment initiatives at Sarova Hotels. Though the meetings were referred by different names, they were noted to be consistent with quality function deployment in that there was translation of voice of the customer into attributes of service

through evaluation by cross-functional teams. In the meetings, customer requirements are identified after which attributes of product, process and people are adjusted with the aim of driving overall improvement. This finding was consistent with findings of Ogot and Okudan (2007) in their empirical study which concluded that QFD approach significantly increased student satisfaction with university courses which had previously registered high rates of disapproval.

Some of the key outputs of the quality function deployment process was noted as improvement of different attributes of product, processes and people, generation of training needs to address skill gaps, benchmarking with other units and competition to drive competitive advantage, review of standard operating procedures and policies and enhancement of cross-departmental synergy. New service design elements were identified which include the new resident lounge at Sarova Stanley, festive period service design for each unit, proposed service design for Sarova Mara as well as the new room nomenclature and service design updates for Sarova Stanley and Panafric.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter highlights the summation of the research findings, application to theory and practice, recommendations, limitations and suggestions for further research.

5.2 Summary

The general objective of this study was to determine the application of voice of the customer in the process of service design at Sarova Hotels. Data was obtained from secondary sources within the company as well as interviews conducted to heads of functions at the head office and heads of departments in each of the operating units. Findings showed that voice of the customer plays a central role in the design and improvement of the components of service that entail product, process and people. Regarding the first objective which was to establish the service design approach at Sarova Hotels, a blend of both expectation-based and service-based approaches was identified.

The second objective was to determine how voice of the customer data is translated into the process of service design while the third objective looked at application of quality function deployment in the process of service design. It was established that customer requirements are captured through a number of in-house and post-stay voice of the customer channels in the various Sarova units. Translation of these requirements into service design attributes was noted to be achieved through cross-functional team meetings that are commonly referred to as 'feedback meetings' and 'share the moment'. In these meetings, there is analysis of feedback trends and generation of departmental-

specific action points. Besides voice of the customer, other factors that were noted to influence the process of service design include company policies, set budgets, internal processes, occupancy levels as well as technological considerations.

5.3 Conclusion

As players in the Kenyan hotel industry continue to face the challenge of heightened competition from new entrants, it is critical for indigenous players like Sarova Hotels to continuously seek new ways to gain competitive advantage so as to survive. One way to achieve this is to ensure customer-driven strategies for creativity, product differentiation as well as tailor-making of services in line with the dynamic needs and preferences of their customers. The findings of this study can conclude that Sarova Hotels has made significant steps to incorporate the customer in service design process through a well-established voice of the customer system that includes quality function deployment. Room for improvement was also noted at the head office on aspects of sharing, evaluating and discussing customer feedback.

5.4 Recommendations

From the findings of the study, the researcher recommends more participation by managers at the head office level in the process of sharing and discussing guest feedback with all their respective teams similar to what was observed at the units' level. This will enhance synergy with the units which also will mean more robust and speedy response to needs of customers. This also means that in spite of its role of providing strategic direction for the group, the head office cannot work in isolation where service design strategy is concerned.

The company's management also needs to invest in a more real-time feedback platform that can incorporate all the existing multiple channels into a central dashboard. With this, managers can have access to all feedback at-a-glance which will also contribute to better enhanced reports. Management at Sarova Hotels can achieve this by tapping into technology advancements such as business intelligence (BI) software as well as growth of online connectivity.

5.5 Limitations of the Study

One of the limitations encountered in the study was the lack of related studies on voice of the customer, quality function deployment and service design in the hotel industry particularly in Kenya meaning that there was a limited comparison base. The other limitation was the tendency of a number of respondents to have suspicions regarding how their responses would be used. Though this was addressed through assurance that confidentiality would be upheld, it did lengthen the process of securing time for interview sessions with managers. The large volume of qualitative responses from the interview sessions as well as extensive pool of secondary data also presented a challenge when preparing the data for analysis which also lengthened the analysis process.

5.6 Suggestions for Further Research

Since this study focused on Sarova Hotels as a case, there is need for further research on an industry-wide scale. Using the foundational knowledge laid by this study, it would be of interest to study how other hotel chains in Kenya and the region are utilizing voice of the customer information in their service design. For instance, since the festive season is always a focus point for many hotels to attract customers and generate sales volumes, it

would be of interest to carry out comparative surveys on how different hotels conduct their service design for festive periods.

There is also potential for further research to establish how voice of the customer and quality function deployment can impact other components of business operations like growth, customer retention, profitability, value addition or staff motivation. Different studies can also be done to evaluate how service design approaches differ between independent/stand-alone hotels versus chain hotel companies.

REFERENCES

- Africa Travel and Tourism Association (2017). *Accommodation Suppliers: Sarova Hotels*. Retrieved from <https://www.atta.travel/members/>
- Akao, Y. (2012). The Method for Motivation by Quality Function Deployment. *Nang Yan Business Journal*, 1 (01), 1-9.
- Aosa, E. (2011). Strategic Management within Kenya Firms. *DBA Africa Management Review*. 1 (1), 25-36
- Ariffin, A. M., Nameghi, E. N., & Zakaria, N. I. (2013). The effect of hospitableness and Service-scape on guest satisfaction in the hotel industry. *Canadian Journal of Administrative Sciences*, 30(2), 127-137.
- Berger C., Blauth R., Boger, D., Bolster C., Burchill G., DuMouchel W. ... & Walden D. (1993). Kano's methods for understanding customer-defined quality. *The Center for Quality Management Journal*, 2 (4), 2-36.
- Bowen, J. T., & Shoemaker, S. (1998). Loyalty: A Strategic Commitment. *The Cornell Hotel and Restaurant Administration Quarterly*, February, 12-25.
- Brandt, D. R. (2008). Getting More from the Voice of the Customer. *Marketing Management*. (November/ December), 36-42.
- Brown, R. B. (2006). *Doing Your Dissertation in Business and Management: The Reality of Research and Writing*. New York: Sage Publications
- Buchanan, R. (2015). Worlds in the Making: Design, Management and the Reform of Organizational Culture. *The Journal of Design, Economics and Innovation* 1(1), 5-21
- Burckhardt, L. (1995). *Design is Invisible*. Ostfildern: Hatje Cantz Verlag
- Callan, R. J. (1995). Hotel classification and grading schemes, a paradigm of utilization and user characteristics. *International Journal of Hospitality Management*, 14, 271-284.
- Callan, R. J. (1998). Attributional Analysis of Customers' Hotel Selection Criteria by U. K. Grading Scheme Categories. *Journal of Travel Research*, 36, 20-34.
- Chepkoech, A. (2017, April 27th). New trends see Kisumu hotel rates soaring. *Daily Nation*, Retrieved from <http://www.nation.co.ke/lifestyle/>
- Chuang, P. T. (2007). Combining Service Blueprint and FMEA for Service Design. *Service Industries Journal*, 27, 91-104.

- Clow, K. E., Garretson, J. A., & Kurtz, D.L. (1994). An Exploratory Study into the Purchase Decision Process Used by Leisure Travelers in Hotel Selection. *Journal of Hospitality and Leisure Marketing*, 4, 53-71.
- Crow, A. K., (2002). *Customer-focused Development with QFD*. Los Angeles: DRM Associates. Retrieved from <http://www.npd-solutions.com/pdforum.html>
- Cooper, R., & Dreher, A. (2010). Voice of the Customer Methods –What is the best source of new product ideas? *Marketing Management Magazine*. Winter, 39 –48
- Dervojeda, K., Verzijl, D., Nagtegaal, F., Lengton, M., Rouwmaat, E., Monfardini, E., & Frideres, L. (2014). Design for Innovation: Service design as a means to advance business models. *Design for Innovation, Case Number 13*, EU
- De Vaus D.A. (2001). *Research Design in Social Research*. London: SAGE
- Dolnicar, S., & Otter, T. (2003). Which Hotel Attributes Matter? A Review of Previous and a Framework for Future Research. In Griffin, T. & Harris, R. (Eds.). *9th Annual Conference of the Asia Pacific Tourism Association*, Sydney, 1, 176-188.
- Dube, L., & Renaghan, L.M. (2000). Creating Visible Customer Value – How Customers View Best-practice Champions. *The Cornell Hotel and Restaurant*
- Edvardsson, B. (1997). Quality in New Service Development: Key Concepts and a Frame Of Reference. *International Journal of Production Economics*, 52, 31-46.
- Evans, J. R. (2016). *Quality and Performance Excellence: Management, Organization and Strategy*. Boston: Cengage Learning
- Fitzsimmons, J. A., & Fitzsimmons, M. J. (2001). *Service Management: Operations Strategy and Information Technology* (3rd Ed). Singapore: McGraw-Hill.
- Frehse, J. (2005). Innovative product development in hotel operations. In Peters, M., & Pikkemaat, B. (Eds.). *Innovation in Hospitality and Tourism*. Binghamton: Haworth Hospitality Press.
- Gailevičiūtė I. (2011). Kano Model: how to satisfy customers. *Global Academic Society Journal: Social Science Insight*, 4, (12), 14-25.
- Gartner Group (2015, June 4th). *Customer Experience Is the New Competitive Battlefield*. Retrieved from <https://www.gartner.com/doc/3069817>
- Gaskin S. P., Griffin, A., Hauser, J. R., Katz, G. M., & Klein R. L. (2010). *Voice of the Customer*. John Willey and Sons. Retrieved from <http://onlinelibrary.wiley.com>
- Goldstein, S. M., Johnston, R., Duffy, J., & Rao, J. (2002). The Service Concept: The Missing Link in Service Design Research. *Journal of Operation management*,

20(2), 121-34.

- Goodman, J. (2013). *Driving the Customer Experience and the Top Line with an Integrated Voice of the Customer*. Alexandria: Customer Care Measurement & Consulting LLC.
- Griffin, A., & Hauser, J. (1993). The Voice of the Customer. *Marketing Science*, 12 (1), 1-27.
- Grönroos, C., (1990). *Service Management and Marketing: Managing the Moments of Truth in Service Competition*. USA: Lexington Books.
- Gronroos, C. (2007). *Service Management and Marketing*. West Sussex: John Wiley & Sons.
- Gustafsson A., Ekdahl, F., & Edvardsson, B. (1999). Customer Focused Service Development in Practice. A case study at Scandinavian Airlines System (SAS). *International Journal of Service Industry Management*, 10 (4), 344-358.
- Hauser, J. (2008). *Note on the Voice of the Customer*. Cambridge, MA: MIT Sloan
- Hinshaw, M. (2016). *The Real Value in the Voice of the Customer; The Customer Experience*. Retrieved from <http://www.cmo.com/opinion/articles/>
- Hjalager, A. M. & Nordin, S. (2011). User-driven Innovations in Tourism - A Review of Methodologies. *Journal of Quality Assurance in Hospitality & Tourism*, 12, 289-315.
- Holmlid, S. (2007). *Interaction design and service design: expanding a comparison of design*. Retrieved from <http://www.nordes.org>
- Kozak, M. A., & Acar, D. G. (2015). Service design in hotels: a conceptual review. *Tourism Review*, 63 (2), 225 – 240.
- Lam, T. & Zhang, H. (1999). Service quality of travel agents: the case of travel agents in Hong Kong. *Tourism Management*, 20, 341-349.
- Mager, B., & Sung, T. J. (2011). Special issue editorial: Designing for Services. *International Journal of Design*, 5(2), 1-3.
- Martin Jr., C. R. & Horne, D. A. (1994). Level of success inputs for service innovations in the same firm. *International Journal of Service Industry*, 6(4), 40-56.
- Mazur, G. (1996). *Voice of the Customer Analysis: A modern System of Front End QFD Tools, With Case Studies*. Milwaukee: American Society of Quality
- Menor, L. J., Tatikonda, M. V., and Sampson, S. E. (2002), New Service Development: Areas for Exploitation and Exploration. *Journal of Operations Management*, 20,

135-57.

- Minkara, O. (2015 April). *The Business Value of Building a Best-in-class VOC program*, Aberdeen Group. Retrieved from <http://aberdeen.com/research/>
- Mizuno, S., & Akao Y. (eds.) (1994). *QFD- The Customer Driven Approach to Quality Planning and Deployment*. Tokyo: Asian Productivity Organization
- Morgan, N. A., Anderson, E. W., & Mittal, V. (2005). Understanding Firms' Customer Satisfaction Information Usage. *Journal of Marketing*, 69 (July), 131-151.
- Mugenda, O. M., & Mugenda, A. G. (2003). *Research Methods: Quantitative and Qualitative Approaches*. Nairobi: Applied Research and Training Services Press.
- Mureithi, F. (2017, July 6th), Rivalry up as Sarova launches new hotel. *Daily Nation*. Retrieved from: <http://www.nation.co.ke/lifestyle/DN2/>
- Ogot, M., & Okudan, G. (2007), A student-centered approach to improving course quality using quality function deployment. *International Journal of Engineering Education*, 23 (5), 916 - 928
- Oliver, R. L. (1997). *Satisfaction: A Behavioral Perspective on the Customer*. New York: McGraw-Hill.
- Otegbulu, A. C., & Tenigbade, O. (2011). An Assessment of Lodgers' Value Perception of Hotel Facilities and Services. *Journal of Sustainable Development*, 4 (4), 91-100
- Pearce, P. L. (1995). From culture shock and culture arrogance to culture exchange: Ideas Towards sustainable socio-cultural tourism. *Journal of Sustainable Tourism*, 3 (3), 143-154.
- Pekkarinen, S., & Lin, Y. (2011). QFD-Based Modular Logistics Service Design. *Journal of Business and Industrial Marketing*, 26 (5), 344 – 356
- PricewaterhouseCoopers (2016, July). *Hotels Outlook: 2016-2020*, Johannesburg: PwC. Retrieved from <http://www.pwc.com/>
- ReVelle J. B., Moran J. W., & Cox C. A. (1998). *The QFD Handbook*. Canada: John Wiley & Sons Inc.
- Sauerwein, E., Bailom, F., Matzler, K., & Hinterburger H. (1996). *The Kano Model: How to delight your customers*. Retrieved from: <http://faculty.kfupm.edu.sa/>
- Sarova Hotels (2017). *About Us*. Retrieved from <https://www.linkedin.com/company/27400/>

- Sarova Hotels (2017). *About Us*. Retrieved from <https://www.sarovahotels.com/>
- Scott, B. (2008). 'Hotels', in R. Heyward (Ed.). *Valuation: Principles into Practice*, 6th Ed. London: EG books.
- The Gantry Group, (2008). *Best Practices for Customer Satisfaction Programs*. Retrieved From www.gantrygroup.com
- Timmerman, J. (2010). *Service Innovation Framework*. Retrieved from Rochester Institute of Technology Theses from <http://scholarworks.rit.edu>.
- Tonchia, S. (2008). *Industrial Project Management*. Berlin: Springer.
- Trip Advisor (2017). *Modern Hotels in Nairobi*. Retrieved from <https://www.tripadvisor.com/>
- Tussyadiah, L. P. (2014). Toward a Theoretical Foundation for Experience Design in Tourism. *Journal of Travel Research*. 53 (5), 543 – 564. Retrieved from <http://journals.sagepub.com>
- Ulrich, T. K., & Eppinger, S. D. (1995). *Product Design and Development*. New York: McGraw Hill
- Verma, R. (2000). An Empirical Analysis of Management Challenges in Service Factories, Service Shops, Mass Services and Professional Services. *International Journal of Service Industry Management*, 11(1), 8-25
- Wang' ondu, L. (2016, May 11). 4 Top Hotel Chains in Kenya [Blog post]. Retrieved From: <https://travel.jumia.com/blog/>
- Wanzala, J. (2016, November 3). Sarova, Sun Africa continent's best. *The Standard*. Retrieved from <https://www.standardmedia.co.ke/business/>
- Wanzala, J. (2017, March 23). Sarova to manage new business travelers' hotel. *The Standard*. Retrieved from <https://www.standardmedia.co.ke/business/>
- White, B. (2000). *Dissertation Skills: For Business and Management Students*. Andover: Cengage Learning
- World Travel & Tourism Council (2017, March). *Travel and Tourism: Global Economic Impact and Issues 2017*. London: WTTC, Retrieved from <https://www.wttc.org/-/media/files/reports/>
- World Travel Awards (2015). Kenya Leading Hotel Brands 2015. Retrieved from <https://www.worldtravelawards.com/>

APPENDICES

Appendix 1: Introduction Letter



UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE... 02/10/17

TO WHOM IT MAY CONCERN

The bearer of this letter ... JOHN WAICHIGO

Registration No. ... DG/77066/2015

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

**PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS**



Appendix 2: Interview Guide

Introduction

The objective of the research is to determine how voice of the customer (customer feedback) is applied in the service design process at Sarova Hotels. Kindly respond freely and honestly. The information provided will be used to prepare an academic paper and will be treated with confidentiality.

A. Background

1. Respondent's unit;
.....
2. Respondent's department;
.....
3. Respondent's position;
.....
4. How long have you worked at Sarova Hotels?
Below 2years [] 2 – 5 years [] 6 – 9 years [] above 9 years []
5. In your day-to-day work, how frequently do you **directly** interact with guests?
(*face to face*)
.....
6. How frequently do you **indirectly** interact with guests? (*E.g. through email, telephone, social media etc.*)?
.....

B. Voice of the Customer awareness and sharing

1. What are some of the internal and external channels you know of through which guests can share feedback at your unit and in the group?
.....
2. How frequently is guest feedback from these channels shared with you in your unit?
.....

3. How often do you read, share and discuss guest information with the team in your department?
.....
4. How regularly do you participate in joint management sessions/meetings to discuss guest feedback in your unit?
.....
5. What are some of the outcomes/contributions of these joint sessions in the design or improvement of services in your department and unit?
.....

C. Voice of the Customer Application

1. In your opinion, how effectively is customer feedback information applied in service design/ improvement in your unit?
.....
2. How much would you say customer feedback influences your department's strategies and/or actions? (Use percentage as a guide)
.....
3. Please mention any key improvements in your department resulting from voice of the customer in the recent past; (in terms of product, processes and/or people)
.....
4. Please share any reasons that may be hampering effective application of voice of the customer information in your department and/or unit.
.....
5. Please share any additional comments;
.....

Thank you for your valuable responses.

Appendix 3: List of Sarova units featured in the research

Unit	Location
Sarova Head Office	Nairobi
Sarova Panafric	Nairobi
Sarova Stanley	Nairobi
Sarova Whitesands Beach Resort and Spa	Mombasa
Sarova Mara Game Camp	Maasai Mara National Reserve
Sarova Lion Hill Game Lodge	Lake Nakuru National Park
Sarova Shaba Game Lodge	Shaba National Reserve, Isiolo
Sarova Taita Hills and Salt Lick Game Lodges	Taita Hills Wildlife Sanctuary, Tsavo

Source: researcher