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**Influence of Hotel Ambience and Performance of Hotels in
Uganda. A Critical Literature Review**



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Influence of Hotel Ambience and Performance of Hotels in Uganda. A Critical Literature Review

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Abstract

Purpose: Globally, there are over 160,000 star rated hotels with more than 14 million accommodation (rooms) available to millions of customers across low, middle and upmarket hotels. The overall objective of this study was to examine influence of hotel ambience and performance of hotels in upmarket areas.

Methodology: The paper used a desk study review methodology where relevant empirical literature was reviewed to identify main themes and to extract knowledge gaps.

Findings: The study concluded that upmarket hotel managers should improve and maintain consistency in service quality to enhance accommodation performance of their hotels. Upmarket hotel managers should place considerable importance on improving the levels of service reliability/trustworthiness, service reputation/credibility, and service recovery when something goes wrong, service accessibility/flexibility, service professionalism/skills and service behaviour/attitude in their daily operations. Upmarket hotel managers pay more attention to service quality delivery for better room efficiency and customer satisfaction.

Unique Contribution to Theory, Policy and Practice: This study recommended that the hotel regulatory authorities should improve on regulations and control of accommodation facilities to facilitate better accommodation performance of upmarket hotels. Upmarket hotel managers should consistently improve the quality of room facilities and service quality as well as support regulatory control to cause positive and significant changes in accommodation performance of upmarket hotels. The customers should use hotel star rating status as guide in comparing and making decisions on choice of accommodation facilities of upmarket hotels.

Keywords: *Influence, Hotel Ambience, Performance, Hotels, Upmarket Areas.*

INTRODUCTION

Accommodation performance in terms of room efficiency implies the effectiveness of room products capability while customer satisfaction is a post-purchase evaluative judgment concerning a specific buying decision and considered as a major factor to success for accommodation operations of upmarket hotels (Maingi, 2014). Today, upmarket hotels are faced with increased pressure from the need to meet specified rating standards of accommodation that guarantee customer satisfaction. The need for upmarket hotels to catch up with the demand for high quality standards of room facilities and services has modified the concept of accommodation performance to tilt towards achieving room efficiency and customer satisfaction (Murasiranwa, Nield, & Ball, 2010). As such, there are yardstick for the evaluation of upmarket hotel accommodation which is based on some standard rating criteria. Hotel accommodation rating involves some kind of local or international standard criteria which serves as a general guide to draw attention and inform prospective customers of the accommodation facilities, standards and services offered (Chikosha & Vutete, 2012; Australian Motoring Services, 2014; UNWTO, 2014; Qvclub, 2015; Hooff, 2015). Star rating is the most popular of all the accommodation standard rating criteria. The hotel star rating is usually in accordance with the physical facilities established at government or private levels. There are certain basic star rating attributes used as benchmark for the general assessment and rating of upmarket hotel accommodation.

Some of the basic star rating attributes for the assessment of hotel accommodation properties consist of quality of room facilities, service quality, hotel ambience and business service mix (VisitEngland, 2011; Hensens, 2015; UNWTO, 2015). However, hotels with more star rating attributes, attracts higher accommodation rating and the star rating attributes are more obvious in upmarket hotels which account for the luxury accommodation rating status of 4 or 5 stars (Israeli & Uriely, 2020). The star rating attributes of quality of room facilities include both tangible and intangible items in the hotel rooms. Upmarket hotel room facilities supposed to communicate high quality of accommodation standards (Kiplagat, Makindi & Obwoyere, 2014). However, previous literature revealed that the quality of room facilities of upmarket hotels in some cases did not correspond to the star rating categories (Fernandez & Bedia, 2014).

Furthermore, the star rating attributes of service quality is the customers' perceived expectations made up of technical, functional and image dimensions (Gronroos, 2014). The upmarket hotel customers expect high service quality delivery but in some situations the service quality does not match customers' expectations. The inconsistency in service quality delivery affects room efficiency and customers' satisfaction (Madani, Ghadami, & Sarafizadeh, 2018). Satisfying a consumer in the upmarket hotel is a most challenging task as it depends not only on tangible but on intangible service quality. The star rating attributes of hotel ambience consists of the physical accommodation setting in which services are rendered. Hotel ambience is part of the wide-ranging servscape which is eminent as having an influence on customers' satisfaction (Simpeh, Simpeh, Abdul-Nasiru, & Amponsah-Tawiah, 2019). The star rating attributes of business service mix

consists of other essential support services provided either within or outside the hotel accommodation facility.

The International Business Machines (IBM) Institute for Business Value (2019) disclosed that some upmarket hotels fail to stand out in the area of providing essential services beyond the hotels to customers. The star rating assessment of hotel accommodation is usually conducted either officially by government regulatory agency or privately by professionals and organisations (WTO & IH&RA, 2014). The regulatory control intervention of government in star rating of upmarket hotel accommodation expects to cover issues on quality award, regulations and control by relevant hotel regulatory agencies. Likewise, upmarket hotels are supposed to operate and provide accommodation services to customers not less than the approved official rating standards

The review on star rating attributes of hotel ambience and accommodation performance includes Hooper, Coughlan and Mullen (2013); Jani and Han (2014) studies which indicate that a high quality physical environment using ambient conditions like colours, lighting, good layouts and spacing can make hotel customers more satisfied. Also, Mutisya (2019) study shows that hotel ambience has long been noted as having an influence on customer satisfaction. The study further reveals that decor and ambience of the public areas gives quality to upmarket hotels. Moreira and Iao (2014) study reveals that external appearance of hotel structures plays a great role in influencing customers' rating and use of hotels. The study of Ibumilua (2019) indicates that attractive sights and environment generate recurrent use of hotel accommodation. Ngoc and Trinh (2015) finding list accessibility and quality of service, customer care, customer interaction, customer support, pricing, products and services as the reasons that attract more customers to hotels. Also, Adeleke (2015) study reveals that natural landscape of business environment is recognized as one of the main reasons that attract customers to upmarket hotel.

The study of Sziva (2014) identifies that upmarket hotel attractiveness, environment, infrastructure, safety and accessibility are factors that draw customer to hotel. Asadifard, Rahman, Aziz, & Hashim (2015) study reveals that business environment influenced customer stay and equally expend more than they set out to spend. The study of Tari, Claver-Cortes, Pereira-Moliner and Molina-Azorin (2010) on levels of quality and environmental management in the hotel industry indicates a positive correlation between the number of star rating and performance. Furthermore, various studies by Maingi (2014); Olise, Okoli and Ekeke (2015) recognize hotel image, price, accessibility to infrastructure, safety and security of customer, natural environment amongst others as motivating factors that attract customer to hotel. From the review above, there are no specific literature addressing whether hotel ambience of upmarket hotel tally with efficient use of rooms and customer satisfaction.

Statement of the Problem

Globally, upmarket hotels are faced with increased pressure of measuring up with customers' demand for high quality accommodation facilities. This demand for high quality standards of room

facilities and services has modified the concept of accommodation operations to focus more on achieving room efficiency and customer satisfaction (Murasiranwa et al., 2010). Today, hotel customers are more than ever before increasingly becoming well informed and ready to switch loyalty to perceived better providers of quality room facilities and services. Therefore, the persistent customers' demand for high quality of room facilities and quality service delivery remains a critical challenge for the upmarket hotel operators. Furthermore, the star rating of upmarket hotels is expected to communicate the precise quality of facilities and services to customers (Kiplagat et al. 2014). However, instances of star rating inconsistencies of upmarket hotel accommodation may not only misinform customers but lead to their dissatisfaction and inversely affect capacity utilization of room products and services. Also, in some situations, upmarket hotel general ambience and other support services do not match customer's expectations (Madani et al., 2012). The study conducted in Nigeria by Nwokorie, Akalazu and Olusola (2014) shows that upmarket hotels are expected to offer quality room facilities and services in order to build positive image in the eyes of the customers for better hotel performance. However, the World Economic Forum report on Nigeria in 2016 ranks very low the performance of upmarket hotels based on inept service delivery and poor customer satisfaction (World Economic Forum, 2016). Therefore, there was a need to carry a study that allowed for the exploration of influence of hotel ambience and performance of hotels in upmarket areas.

Objective of the Study

The overall objective of this study was to examine influence of hotel ambience and performance of hotels in upmarket areas.

Significance of the Study

The stakeholders in hospitality industry may use the findings of the study to enhance provision of quality accommodation services. The travel agents and tour operators may use the information to guide in making choice of upmarket hotel accommodation for customers. The customers may also make use of the information to compare upmarket hotel accommodation facilities and services. Also, upmarket hotel operators may use the information as guide in marketing, branding and promotion of accommodation facilities and services. The information may assist hotel profession with some frameworks that makes it possible to evaluate a range of accommodation facilities, services and its performance. The government at all levels (national, state and local) may use the information to guide in regulations and control of upmarket hotels. The findings may be useful to other countries most especially developing nations who may be interested in establishing standards and control for their hotel accommodation industry. This therefore underpins the need for this study that allowed for exploration of influence of hotel ambience and performance of hotels in upmarket areas.

THEORETICAL REVIEW

The theoretical frameworks adopted for this study include importance performance analysis (IPA) theory, service quality model and socio-economic theory of regulatory compliance.

Importance Performance Analysis Theory

Importance performance analysis (IPA) theory conceptually underlies the multi attribute models that date back to the late 1970s. The Importance performance analysis (IPA) theory by Martilla and James (1977); Yavas and Babakus (2005) assume that importance performance analysis is the comparison between the importance consumers place on an attribute and performance is in relation to that attribute. The underlying assumption of the IPA technique is that customers' level of satisfaction with the attributes is mainly derived from their expectations and judgment of the product's or service's performance. The interpretation of the importance and performance of star rating attributes is graphically presented on a grid divided into four quadrants in Figure 1.

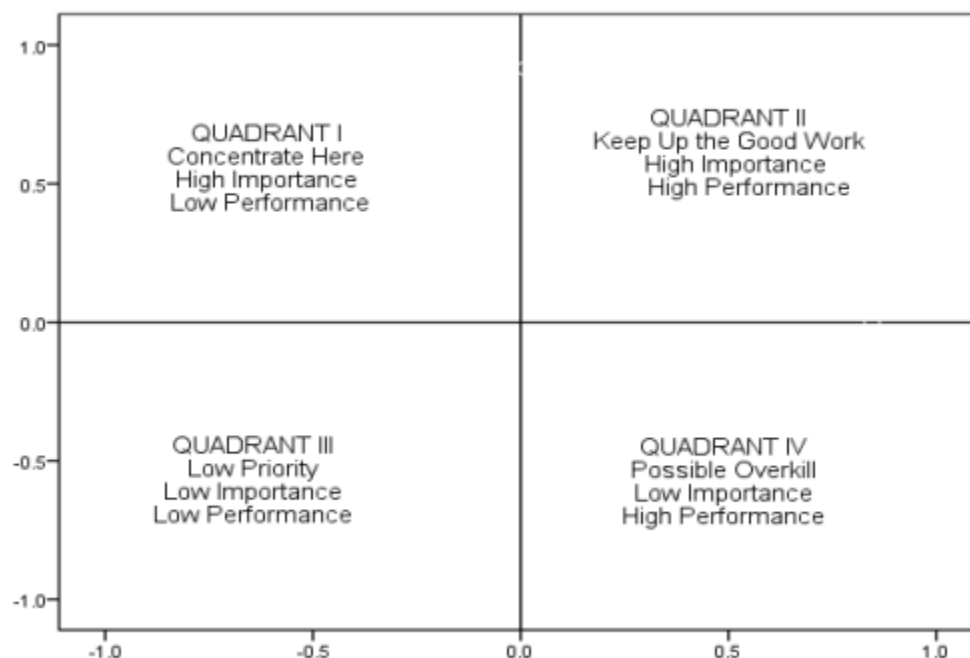


Figure 1: Importance Performance Analysis Grid Figure

Sources: Adapted from Martilla and James (1977); Yavas & Babakus (2005)

The four identifiable quadrants include concentrate here, keep up the good work, low priority and possible overkill. Figure 2.2: Importance Performance Analysis Grid Figure 4 Sources: Adapted from Martilla and James (1977); Yavas & Babakus (2005) In Figure 1 the Quadrant I - Concentrate here quadrant implies the star rating attributes are perceived to be very important to respondents but performance levels are fairly low. This sends a direct message that improvement efforts should

44 concentrate more on the cell. Quadrant II - Keep up the good work quadrant, the star rating attributes are perceived to be very important to respondents and at the same time the hotel seems to have high levels of performance on these activities. The message here is to keep up the good work. Quadrant III - Low Priority quadrant, the star rating attributes are with low importance and low performance. Although performance levels may be low in this cell, managers should not be overly concerned since the attribute in this cell is not perceived to be very important as such limited resources should be expended on this low priority cell. Quadrant IV - Possible Overkill quadrant contains the star rating attributes of low importance but relatively high performance. Respondents are satisfied with the performance of the organisations but managers should consider present efforts on the attributes of this cell as being over utilised. The theory enhances the mapping of performance in relation to customer importance of variables over-performance and under-performance (Crompton & Love, 1995; Yavas & Babakus, 2005; Fallon & Schofield, 2006). However, the application of the theory within the hotel accommodation enterprise has been limited (Yavas & Babakus, 2005). The extension of the technique into the hotel industry provides opportunities for individual upmarket hotels to evaluate their performance. The importance performance analysis enables an understanding of the dimensions where hotels meet, exceed or under-perform customer importance.

These provide a greater understanding of how customers perceived the performance of upmarket hotels. The analysis offers opportunities for upmarket hotel managers to understand how different consumers see the hotel accommodation experience. The gap in this theory is that, the selection of attributes and evidence of their impact on accommodation performance differs from one upmarket hotel to another. Nevertheless, the study used the Importance Performance Analysis theory to examine the study variables and determine customers' level of accommodation importance and performance of upmarket hotels in Abuja territory.

Service Quality Model

Gronroos (1984) develops the service quality model which suggests that the perceived service quality should consider those quality dimensions which can substitute the physical characteristics of products. The model outlines two aspects of service quality which include the technical quality (what service is being delivered?) and the functional quality (how is the service delivered?). The model considers that the way out for satisfying customers is by removing the gap between the expected and perceived service and when that is achieved it will reduce the difference as much as possible (Caruana et al. 2000). Gronroos (1991) proposes six criteria for shaping service quality and these criteria include service professionalism and skills, behaviour and attitudes, accessibility and flexibility, reliability and trustworthiness, recovery or capacity of taking corrective actions when something goes wrong, reputation and credibility. If the perceived service is of high quality only then the six criteria are achieved (Murasiranwa, et al. 2010). Therefore, the perceived service quality is the outcome of an evaluation process in which the customer compares their expectations with what they perceived is really being rendered (Murungi, 2013). However, the objective of the

model was to proffer answers to customer problems when the products are intangible. Nevertheless, the study adopted the model to measure service quality in relation to accommodation performance of upmarket hotels in

Socio-Economic Theory of Regulatory Compliance

The socio-economic theory of regulatory compliance by Sutinen and Kuperan (1999) states that the willingness to comply comes from moral obligation and social influence so also on the perceived legitimacy of the authorities charged with implementing the regulations. Some facts suggest that the main determinant of perceived legitimacy is the fairness built into the procedures used to develop and implement policy. The regulatory authority ought to determine what policies and practices are judged fair by those segments of the people or organisation subject to regulations (UNWTO, 2015). Only effective enforcement can reverse and prevent this undesirable result (Sutinen and Kuperan, 1999). The theory implies that more attention should be put to the basic issues of institutional design policy makers. The gap identified here is that, the mere fact that an institution is formed under a piece of legislation does not necessarily confer on it legitimacy. However, the study adopted the theory to measure the relationship between regulatory control and accommodation performance of upmarket hotels

Empirical Review

Kiunga (2021), conducted a study on how clients' cultural preferences affect service quality expectations of 3-5 star hotels in Nairobi, Kenya. This study adopts a cross-sectional survey research design. Pearson correlation coefficients revealed that customer cultural orientation and service quality have a positive and statistically significant association ($r=.574$, $p = .000$). It was further revealed that management role and service quality in the 3-5 star hotels are positively and significantly associated ($r = .600$, $p = .000$). Lastly, research found out that communication strategies is positively and significantly associated with service quality ($r = .598$, $p = .000$). The model summary established the client's cultural orientation, management roles and communication strategies and explained 53.9% of the changes in the quality of service of 35 star hotels. The results may be significant to customers and hotel industry. The study concluded that client cultural orientation, managerial roles and communication strategies significantly affect service quality expectations of clients of 3-5 star hotels in Nairobi, Kenya. The study presented a methodological gap as it was cross-sectional survey while our study will use desktop review approach

Musembi (2021), conducted a study to determine the effect of quality standards and competitiveness of hospitality establishments in Nairobi City County. One-way ANOVA analysis demonstrated independent variables statistically significantly predicted the dependent variable. Classification and branding were statistically significant in hotel competitiveness from the multiple regression analysis compared with eco labels. Eco labels lower influence could be attributed to lack of eco labels by most the hotels in the survey. The study revealed that classification provide avenue for benchmarking with competitors, help in marketing hotel locally and abroad and

improve the quality of service delivery. Also it was revealed that branding influence hotel image, hotel recognition and also customer loyalty in terms of increased attachment. It was established eco labels improve hotel image, attract customers, and improve market share and operational fitness. The study recommended for suppliers in the tourism and hospitality sector to familiarize and implement existing quality standards in a bid to become more competitive. The study presented a contextual gap as if focused on quality standards while our study will focus on examining influence of hotel ambience and performance of hotels in upmarket areas.

Ndungu (2020), conducted a study to establish how value co-creation influences guests' loyalty in classified vacation hotels in Mombasa County, Kenya. The target population included the general managers and guests in classified vacation hotels in Mombasa County, Kenya. The sampling frame consisted of classified vacation hotels in Mombasa County, Kenya. General Managers (n=7) participated in interviews and were selected using purposive sampling from the other managers whereas the guests (n=100) were selected using simple random sampling with 14 guests being targeted from each hotel. However, two hotels were used for pre-testing. The study established that dialogue, risk taking return, access to hotels through ICT and transparency had a significant and positive relationship with guests' loyalty in classified vacation hotels. The study further found that guest satisfaction played a mediating role between value co-creation and guests' loyalty. This means that value co-creation increases guest satisfaction, and in turn guest satisfaction increases guests' loyalty. From these findings, the study recommended that hotel managers and staff should have interactive dialogue with the guests either online or face to face. This will give room for discussion between the two parties hence allowing guests to specify their desires, and needs in the hotels; among other recommendations. The study presented methodological gap as it utilized purposive sampling while our study will use desktop review approach.

Korir (2020), conducted a study on the effect of e-marketing strategies and performance of registered rated hotels in Nakuru County Kenya. The study conducted a census as the population was manageable. The study population was sixty three respondents drawn from eighteen (18) registered rated hotels mainly hotel management, marketing and ICT department. Data was collected using semi-structured questionnaires administered by the researcher in person. The findings indicated that there was a significant positive effect on social media and performance with a top mean of 4.516 against a 0.565 standard deviation, email marketing recorded a significant positive effect on performance of registered and rated hotel in Kenya. Mobile marketing mutually had a significant effect on performance with a mean of 4.2312 against a 0.781 standard deviation. However, Search engine optimization had a less significant effect on performance with a mean of 4.2821 and 0.7238 standard deviation. The findings validated the Electronic commerce domain matrix theory base that rated hotels leverage their investment in internet enables competencies to source precious, uncommon and inimitable to result in sustainable competitive benefit to rated and

registered hotels. However, the study faced certain limitations as it was restricted to rated hotels within Nakuru County that made it impossible to generalize the findings.

Kirima (2017), conducted a study on is to explore how hotel design features may influence customer attraction and retention. A cross- sectional, descriptive survey design, utilizing both quantitative and qualitative research method was chosen. Stratified sample procedure was used for preliminary sampling of hotels in 3-5 star rating. Multiple regressions were conducted both for individual independent variables versus dependent variables and an overall involvement of all the independent variables versus the dependent variables. The three independent variables that were studied explain 74.2% of the factors affecting customer attraction and retention as represented by R Squared (Coefficient of determinant). This therefore means that other factors not studied in this research contribute 25.8% of the factors affecting facility competitiveness.

Were (2020), conducted a study to investigate the tipping consequence of restaurant food service responsiveness. The study employed a descriptive survey approach within Kisumu County in Kenya, with a focus on classified hotel restaurant (dependent). A simple random sampling methodology was applied in the selection of restaurant clients, with a sample size of 384 respondents. According to the study, tipping was found to have an effect on foodservice responsiveness ($P < 0.05$), and thus a clear indication that foodservice responsiveness is dependent on tipping within classified dependent restaurants in Kisumu County, Kenya. The study presented a contextual gap as if focused on tipping consequence of restaurant food service responsiveness while our study will focus on influence of hotel ambience and performance of hotels in upmarket areas.

Kivuva (2016), conducted a study on imed at establishing the levels of guest satisfaction in non-classified hotels. The study site was Mtwapa town in Kilifi County (Kenya) with a population of 25 non-classified hotels. The study adopted a descriptive survey design. The research findings indicated that business guests were dissatisfied with non-classified hotel products in Mtwapa town. Issues such as cleanliness, staff professionalism, speed of guest service, recognition of returning guests among others had low satisfaction levels. The study recommends that non-classified hotels operators should put more efforts in providing quality hospitality products to meet guests' expectations. The study presented a geographical gap as it focused on Kilifi while our study will focus on hotel in upmarket areas

Karobia (2015), conducted a study on determine whether the use of LRF benefits the hotels in increased rate charges, turnover rates in room occupancy, restaurant and conference and also in membership which are indicators of revenue gains. A cross sectional descriptive research design was used to gather information from the respondents. Based on the findings of the study it was concluded that: LRF are essential as either direct or indirect sources of hotel revenue, LRF contributed to the revenue of 3 star rated hotel in Nairobi County Kenya, through direct charges for LRF, rates charged, high turnover rates in room occupancy, restaurant, conference booking and membership fee. The study recommended that hotels should invest more on LRF in an effort to

attract new clients and to maintain the existing ones as they increase the hotels revenue both directly and indirectly. A research on the trends in LRF in hotels was also recommended to help the government realize the way forward in achieving the vision 2030. The study presented a methodological gap as it was descriptive in nature while our study will be desktop review in nature.

METHODOLOGY

The study adopted a desktop literature review method (desk study). This involved an in-depth review of studies related to examining influence of hotel ambience and performance of hotels in upmarket areas. Three sorting stages were implemented on the subject under study in order to determine the viability of the subject for research. This is the first stage that comprised the initial identification of all articles that were based on examining influence of hotel ambience and performance of hotels in upmarket areas. The search was done generally by searching the articles in the article title, abstract, keywords. A second search involved fully available publications on the subject on thematic concerns addressed by influence of hotel ambience and performance of hotels in upmarket areas. The third step involved the selection of fully accessible publications. Reduction of the literature to only fully accessible publications yielded specificity and allowed the researcher to focus on the articles that related to influence of hotel ambience and performance of hotels in upmarket areas which was split into top key words. After an in- depth search into the top key words (influence, hotel ambience, performance, hotels, upmarket areas), the researcher arrived at 8 articles that were suitable for analysis. This were findings from:

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SUMMARY, CONCLUSION AND RECOMMENDATIONS

Conclusion

The study concluded that upmarket hotel managers should improve and maintain consistency in service quality to enhance accommodation performance of their hotels. Upmarket hotel managers should place considerable importance on improving the levels of service reliability/trustworthiness, service reputation/credibility, and service recovery when something goes wrong, service accessibility/flexibility, service professionalism/skills and service behaviour/attitude in their daily operations. Upmarket hotel managers pay more attention to service quality delivery for better room efficiency and customer satisfaction

Recommendations

This study recommended that that the hotel regulatory authorities should improve on regulations and control of accommodation facilities to facilitate better accommodation performance of upmarket hotels. Upmarket hotel managers should consistently improve the quality of room facilities and service quality as well as support regulatory control to cause positive and significant changes in accommodation performance of upmarket hotels. The customers should use hotel star rating status as guide in comparing and making decisions on choice of accommodation facilities of upmarket hotels

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