

Authors :

Béal Luc, Associate Professor, Excelia Business School, La Rochelle, France

Azais, Marc-Alexis, Doctoral Student, L3i Computer Science Laboratory, Université de La Rochelle, France

Laherrère Jean, President, RMD Technologies, La Rochelle, France

Bodin Mathieu, Chief Executive Officer, RMD Technologies, La Rochelle, France

S08 - Data in Real Estate

Title : Hotel design and financial performance :comparing three competing methods for assessing customer satisfaction with hotel designs.

Abstract : The relationship between hotel design, customer satisfaction, and performance must be analyzed to establish the effect of optimal design on performance, and thus recommend optimal investment decisions. Just as the natural environment, the physical environment, or servicescape, in which customers evolve (Bitner 1992), directly affects their satisfaction. If a customer's presence in such a servicescape is generally brief and purely utilitarian (store, bank branch...), it is in the case of a hotel, more prolonged and of a more hedonistic nature. Good hotel design can affect customers' emotions, intent to revisit, and recommend. The servicescape encompasses the three dimensions of ambiance (temperature, noise, air quality, smells...), spatial and functional configuration (equipment arrangements), and finally signage, symbols, and artifacts, aiming to communicate a certain image or atmosphere, or to guide the user through the various spaces of the building. Historically, investment efforts have primarily focused on the rooms (SOP, 2020), encompassing the most important attributes liable to induce an increase in sales, which explains why investment in room design is a costly, long-term, and decisive decision (Wittman-Wurzer & Zech 2019). For others (Countryman & Jang, 2006; Nanu, Ali, Berezina, Cobanoglu, 2020), hotel lobbies are of primary importance because they create the client's first impression of the establishment.

If hotels invest in design and promote it as a unique selling point, it can be assumed that they expect a positive return on design (ROD). How do hotels formulate their investment decision in the design of a hotel? Is customer satisfaction taken into consideration in design choices?

In this research, we compare three competing methods for assessing customer satisfaction with hotel designs: that of the investor, that of the hotel marketing and revenue management expert, and finally, through a computer-based online review analysis method (Houssou et al., 2023) aimed at inferring satisfaction measures. For 5 French hotels that have undergone significant renovation, we compare in this research the three methods for assessing customer satisfaction with the servicescape, both before and after the renovation. After analyzing the results, we discuss the ability of each method to take into account customer feedback in an investment project. We discuss the quality of the hotelier's decision-making process in their design choices, and the resulting ROI/ROD capability. Finally, we formulate recommendations for improving the hotel investment decision process, with a view to optimal consideration of customer feedback.

References :

Bitner, M. J. (1992). Servicescapes: The impact of physical surroundings on customers and employees. *Journal of marketing*, 56(2), 57-71.

Countryman, C. C., & Jang, S. (2006). The effects of atmospheric elements on customer impression: the case of hotel lobbies. *International Journal of Contemporary Hospitality Management*, 18(7), 534-545.

Houssou, N. L. J., Lallement, J., Coustaty, M., & Béal, L. (2023). Comparing Marketing and Computer-Based Methods for Evaluating Online Reviews. *Information and Communication Technologies in Tourism 2023*, 261.

Nanu, L., Ali, F., Berezina, K., & Cobanoglu, C. (2020). The effect of hotel lobby design on booking intentions: An intergenerational examination. *International Journal of Hospitality Management*, 89, 102530.

SOP, S.A. (2020). A systematic literature review on hotel design. *Turizm Akademik Dergisi*, 7(2), 297-310.

Wittmann-Wurzer, A. J., & Zech, N. (2019). What are the determinants of European hotel room design 2030?. *Worldwide Hospitality and Tourism Themes*, 11(2), 155-165.