

Quality Dimension for Elderly Service in Taiwan Hotel Industry

Dr. Chung-Chieh Lee

Assistant Professor, Dept. of Senior Citizen Service Management, Chia Nan University of Pharmacy & Science, No.60, Sec. 1, Erren Rd., Rende Dist. Tainan City 71710, Taiwan, R.O.C.

Dr. Feng-Hua Yang

Associate Professor, Dept. of International Business Management, Da-Yeh University, Changhua County, Taiwan, R.O.C.

Dr. Chih-Jen Chen

Assistant Professor, College of Liberal Education, Shu-Te University

DOI Link: <http://dx.doi.org/10.6007/IJARBSS/v3-i2/100>

Published Date: 20 February 2013

Abstract

The author conducted a questionnaire survey on randomly selected elderly tourists from three hotel groups in Taiwan: international group, domestic-business group, and domestic-tourist group. Based on the literature, the author developed a questionnaire and asked these tourists to rate the hotels in which they were staying on three quality dimensions: brand awareness, hotel facilities, and hotel services. Through the questionnaire survey, the author wanted to determine the performance of the three hotel groups according to the perceptions of their elderly tourists and any significant differences in tourists' perceptions on the three quality dimensions. We found statistically significant differences in perception among the abovementioned three dimensions.

Keywords: Brand Awareness, Service Quality, Domestic-Business Hotels, Domestic-Tourist Hotels, Customer loyalty, Customer Satisfaction

1. Introduction

Taiwan's hotel industry has faced immense environmental challenges in the last decade. For instance, the soaring popularity of leisure farming and hot spring lodges has increased competition in the hotel industry, and even five-star luxury international tourist hotels have been forced to change their competitive strategies to survive this fierce competition. Nevertheless, Sun and Lu (2005) argue that there are significant variations in managerial style, occupancy, and catering efficiency among different classes of hotels. In fact, many of the hotels in Taiwan fail to identify their own competitive positions on brand

awareness, facilities, and service quality. The Taiwan hotel industry appears to be unclear on the needs of their elderly tourists or the perceptions of these tourists on hotel service (Min, 2005).

The World Travel & Tourism Council (WTTC) ranked the Taiwan travel and tourism market 27th among the 174 surveyed economies worldwide in 2005, with an annual market demand of approximately US\$35.6 billion, which accounts for about 0.6% of the worldwide market. However, in terms of market growth in 2005, Taiwan was ranked 60th worldwide. More disheartening is that Taiwan's percentage of the total GDP in the travel and tourism segment was only 5.7%, which is far below the world's average of 10.6%. The WTTC figures indicate that Taiwan has been lagging behind many countries in terms of the industrial development of travel and tourism. During the implementation of the Six-Year National Development Plan, in effect from 1991 to 1996, the Taiwanese hotel industry saw immense development after experiencing a business cycle with an initial high. However, the hotel industry shrank during the 2003 outbreak of the Severe Acute Respiratory Syndrome (SARS). At this time, though, among other external and internal factors, the services of the hotel industry saw an improvement as more and more tourists required these services (Global Hospitality News Archive, 2003).

According to Chen and Wang (2004), Taiwan's hotel industry can be delineated into international and domestic hotels based on business ownership. Domestic hotels can be further subdivided into domestic-business hotels and domestic-tourist hotels according to the scale of the operation and the ownership of the hotel. International and domestic hotels differ in many ways: services provided, allocation of resources, and strategies to achieve business goals. Domestic-tourist hotels are at a disadvantage when competing with international hotels. High overhead costs, low building appeal, bad locations, limited number of rooms, and other factors prevent them from meeting tourists' unpredictable, any-time demands. Therefore, this competition poses a constant challenge for domestic-tourist hotels to sustain high accommodation rates. In the face of tough competition in the hotel industry, some important questions that require study are as follows: How can a domestic hotel, regardless of its size, deliver intangible values as a core competency to attract elderly tourists? How can a domestic hotel enhance brand awareness recognition to sustain and promote the loyalty of its elderly tourists?

1.1 Statement of the Problem

Many academics and marketers state that brand equity represents a value related to brands or symbols that increases the value of the products or services offered (Aaker & Joachimsthaler, 2000). For instance, in the context of this study, brand equity can be defined as the elderly tourists' overall perception of the brand—including the relationship among factors such as product quality, financial status, elderly customer loyalty, and elderly customer satisfaction with the brand. The perception of brand equity is associated with not only the feelings of elderly tourists but also the feelings of hotel employees and shareholders. Recently, numerous studies on the hotel industry have focused on branding, elderly tourists' satisfaction, and service quality. Several contributions have also been made in relation to various mechanisms for improving and using elderly tourists' satisfaction. Barsky and Labagh (1992) propose a customer-satisfaction matrix as a tool for evaluating guests' information and

attitudes and for identifying related strengths and weaknesses. Moreover, Kirwin (1992) emphasizes elderly guests' satisfaction as a means of increasing sales and profits, whereas Reid and Sandler (1992) examine the use of technology to improve service quality in the hotel industry.

Because of emerging issues related to hotel service, the author of the present paper aims to determine the differences between the performances of international and domestic hotels in Taiwan based on their brand awareness, service quality, and facilities. This study investigates how hotels in Taiwan use branding in their marketing strategies, a topic that merits attention because the Taiwanese hotel industry has reached a stage in development where branding is claimed, by many writers and practitioners, to be critical to competition among hotel chains.

1. Specifically, this study seeks to answer the following questions: What are the differences in brand perception of hotels between elderly tourists and elderly travelers in Taiwan? To what extent do elderly travelers account for price, variety of facilities, and quality in their perceptions of the hotel's brand name and product differentiation? What are the levels of elderly travelers' awareness of hotel brands in Taiwan? How does this brand awareness translate into their choice of hotel? Are there any significant differences between the perceptions of elderly tourists in international and domestic hotels in relation to brand awareness, service quality, and facilities?

1.2 Purpose of the Study

In an attempt to examine the differences among international tourist hotels, domestic-business hotels, and domestic-tourist hotels in Taiwan, this study seeks to establish quality dimensions related to the Taiwanese hotel industry, and to then analyze the main factors according to which hotels maintain and determine a competitive advantage: brand awareness, facilities, service, price, and customer satisfaction. Because this research deals with the Taiwanese hotel industry, the author focuses on international tourist hotels, domestic-business hotels, and domestic-tourist hotels in Kaohsiung, Taiwan, including some major urban areas. For the purpose of research, the author visited selected five-star hotels and small domestic-tourist hotels in Taiwan to gather information on accommodation over the previous two years. This study focuses on quality factors that influence brand awareness, customer satisfaction, and customer loyalty; using the findings of this research, a domestic hotel, regardless of its size, can develop a competitive edge to attract elderly tourists and establish itself firmly among its competitors. In the context of the Taiwanese hotel industry, this research aims to discuss (1) service quality and the factors influencing brand awareness, (2) the connection between service quality and its influence on elderly customer loyalty, and (3) the influence that brand awareness has on elderly customer loyalty.

1.3 Significance of the Study

The purpose of elderly customer relationship management is to create initial value for elderly customers and then maintain a life-long relationship with those customers. To gain a competitive advantage, hotels must improve customer service for and customer satisfaction of their elderly tourists. To this end, the hotel industry must develop strategies suitable for

continuous relationship marketing, an approach that seeks to deepen and broaden relationships with existing and potential elderly tourists by targeting, tailoring, and measuring outcomes. As a result, the service quality offered by the hotel industry will improve. As long as hotels can increase elderly customer satisfaction, they will ensure the continued patronage of elderly tourists, which will boost the hotel industry's profit, overall. This is currently one of the most important approaches for the hotel industry in Taiwan.

Once the author has identified the relationship among the factors influencing brand awareness, customer loyalty, and customer satisfaction, the findings can be applied by all international tourist hotels, domestic-business hotels, and domestic-tourist hotels, which can develop databases, conduct trend analyses, and use various marketing tools to drive efficiency. Service quality can then become more personalized, attracting more loyalty from the elderly tourist base, thus improving operating profits. This will result in a win-win situation for both tourists and lodging providers. Elderly tourists will benefit because all the hotel's improvements are geared toward providing them with high-quality services. These benefits are also more holistic in nature; they will not benefit only a particular group or sector but will affect all levels, from the hotel's administrators to its employees and, especially, elderly tourists. This study details methods that will boost Taiwan's hotel industry and result in an upsurge of interest in and returns to not only that industry sector but also the country as a whole. I believe that when the country benefits from the rewards of the Taiwanese hotel industry, the elderly Chinese citizens of Taiwan will also experience improvements in their standards of living. Because this study belongs to the field of hotel resources management, it will also contribute greatly to international hotel and human resource management as a case study and as a study of the historical development of the hotel industry.

2. Literature Review

2.1 The Taiwan Hotel Industry

According to the Taiwan Tourism Bureau, Taiwan's hotels fit every budget, from opulent international-standard tourist hotels to bargain "bed-and-board" hostels. The better hotels compete to offer the best services; to encourage competition, the Tourism Bureau regularly evaluates the facilities and services of all tourist hotels on the island. The best hotels are awarded four or five plum blossoms, which correspond to the stars awarded in the West (Geron, 1997). Taiwan's quality hotels generally have elegant shopping arcades (where credit cards are accepted), magazine or book stands, hair salons, fitness centers, cocktail lounges or nightclubs, guest rooms with televisions (playing Western movies), business centers (providing complete business services), and meeting and banquet facilities (for groups of two to 2,000). Hotel tour service providers are informative and helpful; they arrange entire trips, from bus or airline tickets to round-the-island tours (McCool & Martin, 1994). In this sense, Taiwan's hotel industry is an elderly customer-centered one. Companies that enter this industry must be prepared to place elderly tourists' considerations above and before profit making, understanding that this is a means to making profits in the long term. This implies a large investment of capital, time, and effort to create an image that will eventually lead to patronage. For example, Kim, Kim, and An (2003) stress that brand image is an important factor for hotels to consider if they want to achieve elderly consumer-based brand awareness. Brand image affects the development of the hotel's elderly customer base, consequently

affecting improvements in financial performance. In addition, most hotels worldwide use advertising as a means to develop a brand name for the hotel, to give the hotel an image that remains in the tourist's mind, and to encourage the perception of a "personality" for the hotel.

2.2 Building Brand Image and Brand Awareness among Elderly Tourists

International and domestic hotels will be able to meet the demands of a growing market by making the industry service-based instead of price-based. These types of hotels set prices based on service and not on price alone. The main component of brand management is the implementation of an integrated approach wherein companies inform potential customers of what they can offer relative to their competition, practice what they say they will, keep their promises to elderly tourists, and reaffirm all the above through consistency (Cai & Hobson, 2004). According to Nguyen and LeBlanc (2001), building a hotel's brand image to achieve a competitive advantage requires the management of the hotel to treat the service as an "experience good." By doing this, hotels focus on ensuring that their elderly tourists have a pleasant experience, creating the image that the hotel wants to portray in the market. Hotel administrators set ambitious goals, requiring them to continuously improve performance capabilities. Once the mission and goals are agreed upon and formally stated in a corporate plan, the next step is strategy formulation. Here, hotel administrators analyze an organization's current situation and develop strategies to accomplish its mission and achieve its goals. This involves an analysis of internal factors as well as external factors that may affect the hotel's ability to meet its goals then and in the future (Aaker & Joachimsthaler, 2000).

2.3 Delivering Quality Service

Organizations achieve a competitive advantage by offering superior service quality (Schmenner, 1995), which is more difficult than offering product quality, because many service factors are intangible and cannot be completely controlled, such as the decisions and actions of employees and the outcomes of interactions between employees and elderly tourists. Moreover, Hays and Hill (2000) noted that elderly tourists' judgment on the quality of service is based on their perceptions and expectations; because hotel management may not be aware of these expectations, it becomes difficult for them to identify and correct service failures. Developing a standard quality of service for the organization necessitates the identification of company goals and a process of learning and improvement until the organization is able to establish a service quality that substantiates its brand image. Learning can take place in two ways: through feedback from employees and from elderly tourists. Therefore, organizations should adopt an internal and external approach to learning (Marquardt & Reynolds, 1994). The rate at which organizations learn constitutes a competitive advantage for the organization (Senge, 1990). The delivery of quality service requires both internal and external considerations. Internal consideration involves creating an organizational vision, motivating employees to realize that vision, and establishing a system for evaluating performance to facilitate learning. Offering quality services to substantiate the brand image of the organization is primarily used to achieve elderly customer satisfaction and, eventually, loyalty.

2.4 Improving Hotel Facilities

To improve the service quality of a hotel, hotel administrators need to give due consideration to not only human resources but also the facilities needed by the hotel's elderly tourists. Taiwanese hotel administrators should be aware of the effect that improved facilities can have on the development of the hotel. This affects elderly tourists' choice of hotel preferences as well as the operation cost of the hotel (Lee, 2000). Facilities management is the process by which an organization's physical assets are maintained and used such that their life cycle costs are minimized while sustaining maximum asset performance (Davenport & Hensel, 2002). Professional facilities management begins with the development of appropriate strategies associated with an organization's strategy and mission. Today, there is a growing need for a competitive pool of facility managers, and this is especially the case in Taiwan. There are two reasons for this: (1) There is a relative shortage of competent facility managers who are capable of designing and promoting programs that can enhance the business profitability of the hotel and simultaneously cover any short-term losses that may ensue. (2) Competent facility managers are needed because of the nature of the problems encountered by such managers in designing and implementing strategies (Lee, 2000). However, the structural effects of instituting facility managers may be both undesirable and expensive for hotel managers because of personnel and other adjustments that will have to be made. Moreover, all business organizations, including hotels, have to conduct training and seminars for their personnel; this translates into business interruptions and reduced profits.

2.5 The Definition of Service Quality

According to Levitt (1972), service quality refers to the service result according to elderly tourists' pre-established standards. He further states that service quality is closely associated with materials, equipment, and personnel, along with the manner in which the service is provided: service quality yields the best results. Gronroos (1984) believes that elderly tourists' consciousness of service quality is the result of the course income of expected service and consciousness. Parasuraman, Zeithaml, and Berry (1985) perceive service quality to be the elderly tourists' level of expectation and consciousness of any disparity in that expectation when the service is delivered, namely, service quality = service expected – the service of the consciousness. Therefore, if an elderly tourist's consciousness of the service level is lower than the expected service level, then the quality will be perceived as low. On the other hand, if the tourist's consciousness of the service level is higher than the expected service level, then the quality of service will be high. Parasuraman et al. (1985) attempt to characterize service quality as follows: (a) service quality is more difficult to assess than product quality for an elderly tourist; (b) the recognition of service quality is usually the result of an elderly tourist's comparison of his/her expectation with the real service performance; and (c) the assessment of service quality must include not only the assessment in the course of service but also the assessment of the result.

2.6 The Definition of Brand Awareness

To take full advantage of the public awareness of a specific brand, a successful brand awareness strategy will highlight an organization's distinctiveness and set it apart from rivals. If potential elderly customers have not heard about a hotel or organization, they will not purchase or avail of its services. Therefore, one of the biggest objectives of any business organization is to create and establish brand awareness, albeit in as cost-effective a way as

possible. In the context of this study, brand awareness refers to elderly tourists' ability to identify a certain brand with a certain name. However, this does not automatically imply that they prefer a certain brand (brand preference) or a brand with high quality, or that their preference is related to any better-quality characteristics of a certain brand; it just means that these tourists are familiar with a certain brand and can identify it under different circumstances. In addition, brand awareness consists of brand recognition and brand recall. The former refers to the ability of elderly consumers to substantiate that they have formerly been exposed to a certain brand. The latter reflects the ability of elderly consumers to name or identify the brand when given the service category, product category, or other related cues. It is difficult to overestimate the importance of branding and brand awareness campaigns on the television in light of the present cluttered media industry and elderly consumer markets. These brand awareness campaigns are perhaps the only means of gaining a spot in a television viewer's channel repertoire.

2.7 The Definition of Facility

According to Lee (2000), *facility* refers to something that is created to serve a specific function, for example, entertainment facilities, gym facilities, and comfort rooms. Sometimes, in hotels, carefully organized facility designs and construction programs too often give way to fragmented, poorly documented operations and maintenance programs (Schlotterbeck & Gillian, 2000). This is because hotel facilities are used continuously under rigorous operational conditions. Therefore, to enhance productivity, the organization of hotel facilities typically requires a detailed specification of the distinct responsibilities of all personnel involved in the organization. Moreover, it is necessary to meet very precise specifications for the nature of the work involved, the personnel assigned, staff hierarchy, formulation of management tasks, organizational setup of the management, and the integration of basic services. This is achieved through effective communication between facility managers and other personnel. One channel of communication is an assembly, at which a quorum is held, followed by the dissemination of tasks. This effectively gives the personnel an opportunity to air their thoughts and concerns, if any (Lee, 2000). Facility managers also have to follow safety codes and are obliged to inspect the premises, which can include buildings, playing fields, walkways, parking lots, and fences. This obligation marks the foundation of all other safety obligations. Generally, the failure to prudently perform this function might mean that the remaining safety obligations have not been effectively accomplished (Lee, 2000).

As indicated in Figure 1, this research consists of three-pronged relations among (a) independent variables (e.g., brand awareness, facilities, and pricing); (b) moderating variables (e.g., service quality); and (c) dependent variables (e.g., customer satisfaction). Through the research, the author aims to intersect the width of this theory and focuses on five main reasons for the influence of service quality, facilities, pricing, customer satisfaction, and brand awareness. The author also intends to refer to the findings of Crosby, Evans, and Cowles (1990) for service quality relationship.

3. Methodology And Procedures

3.1 Research Design

The author conducted a questionnaire survey on randomly selected elderly tourists from three hotel groups in Kaohsiung, Taiwan: international hotel group (international), domestic business hotel group (domestic-business), and domestic tourist hotel group (domestic-tourist). Based on the literature review, the author developed a questionnaire to elicit information on hotels from randomly selected elderly tourists staying at the hotels; the tourists were asked to rate the hotels on three quality dimensions—brand awareness, hotel facilities, and hotel services. Through the questionnaire survey, the author aimed to determine whether the three sample groups (international, domestic-business, and domestic-tourist) performed differently, based on the perceptions of their elderly tourists and whether there were any significant differences in the tourists' perceptions of brand awareness, hotel facilities, and services. The hypotheses of this dissertation are as follows.

H₁: A statistically significant difference is likely in hotel brand awareness among the three surveyed groups.

H₂: A statistically significant difference is likely in the perceptions of hotel facilities among the three surveyed groups.

H₃: A statistically significant difference is likely in the perceptions of hotel services among the three surveyed groups.

3.2 Sampling and Data Collection

3.2.1 Sampling

This study was conducted in one of the southern districts of Kaohsiung city, the second largest metropolitan city in Taiwan. The author surveyed certain hotels and classified them as international hotels, domestic-business hotels, or domestic-tourist hotels. The hotels were also classified according to the type of elderly guests and the kind of services offered. There are only three international tourist hotels in Kaohsiung, and the questionnaire survey from these hotels yielded 227 responses. The author randomly selected seven domestic-business hotels, which yielded 243 responses. With regard to domestic-tourist hotels, Kaohsiung has 39, from which the author randomly selected five, yielding 312 responses. Because of the involvement of human participants, the author addressed all issues pertaining to consent, confidentiality, and data protection (Bryman, 1989). Building a rapport with and gaining the trust of the participants were essential as this helps to ensure the cooperation and willingness of the participants to give reliable and adequate data for the study. Even though the participants gave their consent for the research process at the outset, the author assured them that they would be allowed to withdraw from the study at any time, without the need to provide a reason. This freedom facilitated an atmosphere of openness, and participants did not feel coerced to participate (Bryman, 1989). As stated, participant anonymity was maintained in the distribution and collation methods used in the study. A cover letter was given to each participant, explaining the aims of the study and the confidentiality that would be maintained. The results of the interview are provided in question and answer format, whereas those from the questionnaire survey are presented in tabular format, with graphical representations. The questionnaire is provided in the appendix.

3.2.2 Data Collection

The author is a professor at a university in Kaohsiung, and he/she recruited 27 experienced students from the university to administer the questionnaire survey. First, the author provided the students with intense sampling training on how to comply with random selection rules, avoid bias influencing the respondents, maintain high standards of ethics and courtesy, and protect data confidentiality. Second, the author divided the team into three groups—international, domestic-business, and domestic-tourist—on the basis of the research design of this study. Then, the sub-teams were dispatched to the hotels previously identified by the author to conduct the on-site questionnaire survey. Prior to this, the author got the approval of the hotels' management.

3.3 The Analysis of Data Collection

All the data gathered from the interviews and questionnaire surveys were tabulated and coded, following which parametric testing was executed. Parametric tests are more reliable than nonparametric tests, given the sample size, and assuming that the variable(s) being measured are normally distributed among the population. Apart from sample size, though, other criteria have to be met before parametric tests can be conducted. The number of responses from business travelers were low, which could be attributed to (a) lack of time during their stay in the hotels; its (b) lack of interest in the questionnaire, which they might have considered as merely a supplementary form to fill apart from the comment card already provided by the hotel; or (c) lack of commitment on the hotel's part, concerning the administration and subsequent collection of the questionnaires. In line with this, the data have been analyzed on the basis of the descriptive statistics performed during data processing. The content analysis of documentary materials in this study is quantitative because the interpretations and conclusions from the findings depend almost entirely on the output in processing the frequency counts of the respondents' perceptions. Therefore, the occurrences of the respondents' perceptions are tallied one by one, and the analysis and interpretations are based on the frequency of the occurrences. To obtain more details on the respondents' perceptions, they were also interviewed to gain their insights on the topics. The interview results were then used to substantiate their answers.

4. RESULTS AND DISCUSSION

4.1 ANOVA Results

4.1.1 Brand Awareness.

H₁: A statistically significant difference is likely in hotel brand awareness among the three surveyed groups.

The resulting F statistic for brand awareness is 213.59, which is large enough to reject the null hypothesis of no difference. This ANOVA result, indicated in Table 1, shows a statistically significant difference in hotel brand awareness among international hotels, domestic-business hotels, and domestic-tourist hotels. The mean scores for these hotels are 6.55, 4.55, and 2.15, respectively. As seen from the figures, the mean score for the international hotel group, 6.55, is far higher than those for the other groups. This implies that

the surveyed tourists staying at the international hotels have much higher brand awareness of international tourist hotels, compared to the other two groups.

4.1.2 Facilities.

H₂: A statistically significant difference is likely in the perceptions of hotel facilities among the three surveyed groups.

The resulting F statistic for hotel facilities is 352.07, which is large enough to reject the null hypothesis of no difference. This ANOVA result, indicated in Table 2, shows a statistically significant difference in hotel facilities among international hotels, domestic-business hotels, and domestic-tourist hotels. The mean scores for these hotels are 6.29, 4.07, and 2.06, respectively. The mean score for the international group, 6.29, is much higher than those for the other groups, indicating that the guests staying in international hotels perceive a much better facility layout than the guests staying in domestic-business and domestic-tourist hotels.

4.1.3 Hotel Services.

H₃: A statistically significant difference is likely in the perceptions of hotel services among the three surveyed groups.

The resulting F statistic for hotel services is 475.48, which is large enough to reject the null hypothesis of no difference. This ANOVA result, indicated in Table 3, shows a statistically significant difference in hotel services among international hotels, domestic-business hotels, and domestic-tourist hotels. The mean scores for these hotels are 6.28, 4.09, and 2.09, respectively. The mean score for the international group, 6.28, is much higher than those for the other two groups, indicating that the surveyed international hotels provide much better services compared to their two other counterparts.

4.2 The Discussion of Hypotheses

H₁: A statistically significant difference is likely in hotel brand awareness among the three surveyed groups.

The result for H₁ shows that the F statistic for international hotels, domestic-business hotels, and domestic-tourist hotels is 213.59, which is large enough to reject the null hypothesis of no difference. The mean scores of the three surveyed groups on brand awareness are 6.55, 4.55, and 2.15, respectively. The results indicate that from among the three groups, elderly tourists have the highest brand awareness of international hotels, with a mean score of 6.55. In fact, the surveyed elderly tourists for the international group may have been drawn to these higher-class hotels because of their outstanding brand images. The domestic-tourist group has the lowest mean score, 2.15, which is significantly lower than those for the other two groups. Despite the low-price strategies adopted by domestic-tourist hotels, the surveyed elderly tourists were not familiar with these low-price hotels and did not have high brand awareness of them. Many hotels in Taiwan use advertising to build a strong brand image that lodges firmly in the minds of elderly tourists and inspires or brings about a "personality" for the hotel. This is an effective way of attracting tourists.

H₂: A statistically significant difference is likely in the perceptions of hotel facilities among the three surveyed groups.

The result for H₂ shows that the F statistic for international hotels, domestic-business hotels, and domestic-tourist hotels is 352.07. The mean scores of the three surveyed groups on hotel facilities are 6.29, 4.07, and 2.06, respectively. Based on the mean scores, it can be said that the international group is perceived as having better facilities than the other two types of hotels in which elderly tourists stayed. Because international hotels charge much higher room rates, they have to provide better facilities to match their pricing. However, the author was somewhat surprised to note the mediocre performance of the domestic-business hotels with regard to facilities. Many domestic business hotels in Taiwan have attempted to upgrade their facilities to attract business travelers or even to match international standards in facility requirements. However, in this survey, the elderly travelers who stayed in domestic-business hotels still rated these hotels' facilities as mediocre; although this is higher than they rated the domestic-tourist hotels, it is significantly lower than their ratings for international hotels.

One possible reason for this mediocre rating is that domestic-business hotels in Taiwan tend to renovate or upgrade facilities based on their own perceptions, after internal "closed-door" meetings, without asking for the input from their customers. For example, business travelers will prefer to have a work desk with an Internet connection in their rooms; however, domestic-business hotels will tend to move out desk furniture to make room for bigger beds, although business travelers do not really need this luxury (Chen & Wang, 2004). It appears that the respective managements of the surveyed domestic-business hotels do not incorporate a full marketing assessment in their planning and development strategies.

H₃: A statistically significant difference is likely in the perceptions of hotel services among the three surveyed groups.

The result for H₃ shows that the F statistic for international hotels, domestic-business hotels, and domestic-tourist hotels is 475.48. The mean scores for the three surveyed groups on service quality are 6.28, 4.09, and 2.09, respectively. In terms of service quality, the international hotels have the highest mean score, 6.28, whereas the domestic-tourist hotels have the lowest, 2.09. Here again, the performance of the domestic-business hotels was mediocre, and the mean score fell between those for the other two groups. Domestic-tourist hotels in Taiwan are infamous for the low quality of service delivered to elderly tourists. For example, the morning call service is not reliable, and the check-in/check-out front desks are not well managed. Nevertheless, because they offer the lowest prices available in the marketplace, they still manage to attract tour groups or bargain-seekers. Further, although the elderly tourists in this research did complain about the service quality, they did not have high expectations to begin with.

5. Conclusion

The present study aimed to determine the performance of three hotel groups—international, domestic-business, and domestic-tourist—based on the perceptions of their elderly tourists, and report any significant differences in tourists' perceptions on three quality

dimensions—brand awareness, facilities, and service quality. The author arrived at the following conclusions. First, there are statistically significant differences among the three surveyed groups in terms of brand awareness, facilities, and service quality. The management of the hotels in these groups should take note of these differences and adjust their strategic deployment accordingly. For example, luxury international hotels should ensure their leading edge so that their high prices do not deter elderly travelers, whereas domestic hotels (business or tourist) should strive to close the performance gap between their hotels and international ones.

Second, marketing continues to be of utmost importance. Domestic hotels, particularly domestic-tourist ones, tend to use pricing as their primary competition strategy in the marketplace. They tend to ignore the importance of the three other Ps: place, product/service, and promotion. Because the hotel industry is becoming more competitive, if hotels continue to lower room rates, this strategy will eventually wipe out these hotels from the marketplace as there will be no margin for business. Domestic hotels should go back to fundamental marketing thinking and seek to identify the needs of their elderly tourists. International hotels should also use comprehensive marketing programs to sustain their competitive advantage in the market. In short, marketing continues to be the name of the game for hotel competition in Taiwan.

Third, brand is equity in the hotel industry. Brands, particularly in the hotel industry, “work” for elderly tourists for many familiar reasons: brands simplify everyday choices, reduce the risk of complicated buying decisions, provide emotional benefits, and offer a sense of community. Building strong brands, therefore, are extremely important to senior managers, whose interest is fed by the numerous numbers of books and articles available on the subject. However, anyone who seriously considers branding soon realizes that there are essentially two kinds of strong brands: those that are focused and those that are diversified.

Finally, strategic adjustment is necessary. Regardless of the grouping, each hotel in Taiwan needs to continually assess its strategic deployment and competitive position in the market. Hotels must adjust their competitiveness strategies to meet new market challenges and the changing needs of elderly tourists. It could prove to be detrimental for a successful international hotel to stick to old strategies, not allowing for flexibility, while its elderly customer base continues to change. For example, if targeted affluent elderly customers become more sensitive to privacy and exclusiveness, then luxury international hotels could maybe improve the lobby and hallway layout so that only elderly customers from the hotel are allowed into elevators leading to the rooms. In this sense, all hotels, whether domestic or international, should strive to adjust their strategies to maximize elderly customer satisfaction.

Acknowledgement

I wish to acknowledge with a deep sense of gratitude to Dr. James Wu, who provided thoughtful, constructive, and detailed written comments for part or all of this research. Without Dr. Wu, whose sharp perceptions and creative suggestions both identified opportunities and solved real and potential problems, I would not be able to complete this

research on time. I am particularly grateful for their follow-up suggestion that prompted the new research questionnaire design.

In addition, my sincere thanks are due to Dr. Martinez Anthony, head of the department, who provided not only the source of ideas but also the insights into the challenges and rewards of conducting this research.

More over, I would like to thank all my friends and the faculty and staff of Argosy University, whose direct and indirect support helped me to overcome many challenges that I have had to face in order to complete the research in time. I also gratefully acknowledge all the authors and scholars, whose publications provided me the unique experience and wisdom regarding the research topic. I must not forget all the research participants, whose sincere responses allowed me to conclude this research within time.

Finally and most importantly, I would like to dedicate this research to my parents, brother, and sisters to whom I owe a deep gratitude. Without their understandings, supports, and encouragements, I would never be able to fulfill my study much less than complete this research.

References

- Aaker, D. A. & Joachimsthaler, E. (2000). *Brand leadership*. New York: The Free Press.
- Barsky, J. D. & Labagh, R. (1992). A strategy for customer satisfaction. *The Cornell Hotel and Restaurant Administration Quarterly*, 33, 32-37.
- Bryman, A. (1989). *Research methods and organization studies*. London: Unwin Hyman.
<http://dx.doi.org/10.4324/9780203359648>
- Cai, L. A. & Hobson, P. (2004). Making hotel brands work in a competitive environment. *Journal of Vacation Marketing*, 10(3), 197-208.
<http://dx.doi.org/10.1177/135676670401000301>
- Chen, Y. P. & Wang, Y. Z. (2004). An analysis of Taiwan's hospitality industry: An overview of the hotel business in Taiwan. *Taiwan Global Perspective Monthly*, 142-182.
- Crosby, L. A., Evans, K. R., & Cowles, D. (1990). Relationship quality in service selling: An interpersonal influence perspective. *Journal of Marketing*, 54, 68-81.
<http://dx.doi.org/10.2307/1251817>
- Davenport, K. & Hensel, D. Q. (2002). Survey shows most facility managers support green workplaces. *International Facility Management Association*.
- Geron, K. (1997). The local/global context of the Los Angeles hotel-tourism industry. *Social Justice*, 24(2), 84+.
- Gillian, J. & Schlotterbeck, J. (2000). *Facility management in corrections today*. New York: Palgrave Macmillan.
- Global Hospitality News Archive. (2003). *Global Hospitality News*. Retrieved September 2005 from <http://www.ehotelier.org/archive/jan03a.php>.
- Gronroos, C. (1984). A service quality model and its marketing implications. *European Journal of Marketing*, 18(4), 36-44. <http://dx.doi.org/10.1108/EUM0000000004784>
- Hays, J. & Hill, A. (2000). A preliminary investigation of the relationships between employee motivation/vision, service learning, and perceived service quality. *Journal of Operations Management*, 250, 1-15.

- Kim, H., Kim, W. G., & An, J. A. (2003). The effect of consumer-based brand equity on firms' financial performance. *Journal of Consumer Marketing*, 20(4), 335-351. <http://dx.doi.org/10.1108/07363760310483694>
- Kirwin, P. (1992). Increasing sales and profits through guest satisfaction. *Cornell Hotel and Restaurant Administration Quarterly*, 33, 38-39.
- Lee, W. (2000). Facilities management awareness. Property and Facility Management Department at EC Harris.
- Levitt, T. (1972). Production line approach to service. *Harvard Business Review*, 50, 1-52.
- Marquardt, M. J. & Reynolds, A. (1994). *The global learning*. New York: Richard D. Irwin.
- McCool, S. F. & Martin, S. R. (1994). Community attachment and attitudes toward tourism development. *Journal of Travel Research*, 32(2), 29-34. <http://dx.doi.org/10.1177/004728759403200305>
- Min, C. H. (2005). The effect of the SARS illness on tourism in Taiwan: An empirical study. *International Journal of Management*, 22(3), 497-506.
- Nguyen, N. & Leblanc, G. (2001). Corporate image and corporate reputation in customers' retention decisions in services. *Journal of Retailing and Consumer Services*, 8(4), 227-36. [http://dx.doi.org/10.1016/S0969-6989\(00\)00029-1](http://dx.doi.org/10.1016/S0969-6989(00)00029-1)
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implication for future research. *Journal of Marketing*, 49, 41-50. <http://dx.doi.org/10.2307/1251430>
- Reid, R. D. & Sandler, M. (1992). The use of technology to improve service quality. *Cornell Hotel and Restaurant Administration Quarterly*, 33, 68-73; *Restaurant Administration Quarterly*, 37(2), 72-81.
- Schmenner, R. W. (1995). *Service operations management*. Englewood Cliffs, NJ: Prentice-Hall.
- Senge, P. M. (1990). *The fifth discipline*. New York: Doubleday.
- Sun, S. & Lu, W. (2005). Evaluating the performance of the Taiwanese hotel industry using a weight slacks-based measure. *Asia-Pacific Operational Research*, 224, 487-512. <http://dx.doi.org/10.1142/S0217595905000595>
- World Travel & Tourism Council. (2005). Chinese Taipei sowing the seeds of growth – The 2005 Travel & Tourism Economic Research, pp. 3-32.

APPENDIX

Table 1.ANOVA Results for Hotel Brand Awareness

Source	Term	DF	Sum of Squares	Mean Square	F-Ratio	Prob	Power Level (Alpha = 0.05)
A ()		2	58.24	29.12	213.59	0.000000 ^a	1.0000
S (A)		15	2.045	0.1363333			
Total (Adjusted)		17	60.285				
Total		18					

SUMMARY				
Groups	Count	Sum	Average	Variance
International Hotels	6	39.3	6.55	0.115
Domestic-Business Hotels	6	27.3	4.55	0.251
Domestic-Tourist Hotels	6	12.9	2.15	0.043

^aTerm significant alpha = 0.05

Table 2. ANOVA Results for Hotel Facilities

Source	Term	DF	Sum of Squares	Mean Square	F-Ratio	Prob	Power Level (Alpha = 0.05)
A ()		2	160.9937	80.49685	352.07	0.000000 ^a	1.000000
S (A)		51	11.66056	0.2286384			
Total (Adjusted)		53	172.6543				
Total		54					

SUMMARY				
Groups	Count	Sum	Average	Variance
International Hotels	18	113.3	6.294444	0.024085
Domestic-Business Hotels	18	73.4	4.077778	0.139477
Domestic-Tourist Hotels	18	37.2	2.066667	0.522353

^aTerm significant alpha = 0.05

Table 3. ANOVA Results for Hotel Services

Source	Term	DF	Sum of Squares	Mean Square	F-Ratio	Prob	Power Level (Alpha = 0.05)
A ()		2	87.84067	43.92033	475.48	0.000000 ^a	1000000
S (A)		27	2.494	9.237037E-02			
Total (Adjusted)		29	90.33466				
Total		30					

SUMMARY				
Groups	Count	Sum	Average	Variance
International Hotels	10	62.8	6.28	0.041778
Domestic-Business Hotels	10	40.9	4.09	0.021
Domestic-Tourist Hotels	10	20.9	2.09	0.214333

^a Term	Significant	121.1018	60.55089	586.34	0.000000*	1000000
Alpha = 0.05	A ()					
2						
S (A)	42	4.337333	0.1032698			
Total (Adjusted)	44	125.4391				
Total	45					

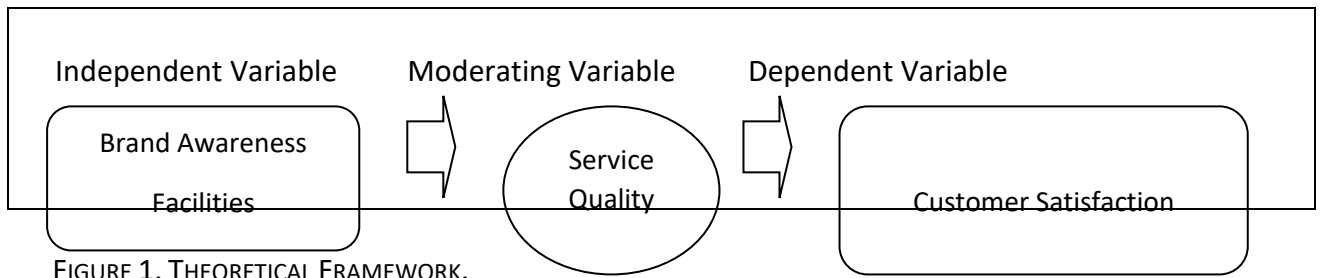


FIGURE 1. THEORETICAL FRAMEWORK.