

## EXECUTIVE SUMMARY

**The objectives of this study were (1).** To define the success factors in managing a hotel in Guangzhou, China. **(2).** To define the most powerful values that are motives behind customers' purchase decision, and the values that are contributing to the customers' satisfaction in this sample **(3).** To identify the gaps between the perception of customers & the perception of managers on what were important to a hotel.

**This study followed a 2 steps procedure: Phase I data collection – customer survey,** the selected sample size is 175, five hotels have been identified to be successful hotels in Guangzhou, they were: White Swan Hotel, Garden Hotel, China Hotel, Dong Fang Hotel & Bai Yun Hotel, further study in the next phase would concentrate on these 5 hotels. **Phase II data collection – manager survey.** The selected sample size is 266, the source of respondents were from all the top ten hotels in the ranking list, the allocation of respondents covered all levels of the management hierarchy and all functional areas of the top ten hotels. **The frame work** followed that of another research -- the Best Practices in the U.S. Lodging Industry Study which was conducted by Cornell University in collaboration with the American Hotel Foundation and American Express in year 1998, for which the objective was similar with this study, it was to identify best practice champions across the U.S. lodging industry.

**Problems** existing in the hotel industry in China were found to be: Paradox of a transitional economy; Government intervention; Lack of motivation and drive; Lack of managerial capacity and resource; Un-mature market mechanism; Low standard and quality of services.

## **Findings:**

**1.Success factors--** The top 10 factors related to effective hotel management were:

1). Building & managing long-term relationships. 2). Managing safety and security. 3). Guest services & relationship management. 4). Managing people and fostering teamwork. 5). Distinctiveness & diversity of F&B. 6). Adapting to local competitive conditions with speed & flexibility. 7). Maintaining quality & developing standards. 8). Cleaning & maintaining physical property. 9). Integration of front office with back of house. 10). Training and development.

**2. Managing people** – the strategy adopted by successful hotels for competitive advantage in service industry.

**3. Sales & marketing** -- the best performed area.

**2. The strategic management of the studied hotels** –creating a clear vision as A leading flag to a team.

**5. Management differences between hotels run by different management groups are:** These 3 hotel groups significantly differed with Functional areas management

and Food & Beverage management.

**6. Service quality – the most contributing value to customers’ satisfaction.**

**7. Consumer groups, consumer satisfaction & dissatisfaction:** There are two customer groups the Quality group & Location group. Customers of these two groups were opposite in satisfaction and dissatisfaction with various hotel service except with the location,.

**8. Motivations to customers’ purchasing decision:** Seven attributes were found to be motivations to customers’ purchasing decision: Quality standard of hotel-stay service; Price; Location; Facilities; Guest room design and amenities; Personnel quality; Efficiency of check in & check out.

**9. Gaps between customers’ perception & managers’ perception:**

**Gap 1-** perception gap on importance of guest service & relationship building.

**Gap 2 –** perception gap on performance of guest relationship and service