Using Market Research Results

The following case study provides information for a hotel chain. They have recently conducted a customer satisfaction survey.

Given these research results and the other information in the case, what advice would you give them? This is a good exercise in utilizing the results of market research.

The Quick-Stop Hotel Chain

Quick-Stop Hotels is a small hotel chain located along on the north coast of New South Wales. This chain consists of five different hotel complexes located several hours drive apart along the main coastal highway between Sydney and Brisbane.

Their prime target market is the family segment. This is because families often choose to drive from Sydney to Brisbane (or Brisbane to Sydney) and back again for their holidays.

As this trip is around a 12-hour drive, many travelers choose to stop overnight in order break up their journey. Therefore, Quick-Stop has deliberately chosen popular stopover towns for their hotels. In line with this location strategy, they promote themselves with the slogan, "the "perfect place for a break".

Their individual hotels vary a little in quality, but all have either a 3 or a 4 star rating. This means that they are either medium (3 star) or good (4 star) quality in terms of facilities and general standard of accommodation.

On average, they each have around 80 rooms and a fairly broad range of facilities (that is, a heated swimming pool, room service, restaurant and bar, a kid's club during school holidays, a small gym, and some have tennis courts and a couple of stores).

In terms of promotion, they are heavy outdoor (billboard) advertisers on the coastal highway. They also advertise in various holiday and travel directories, and on the government tourism website.

As you can see from the table below, they vary pricing throughout the year. Pricing is generally used as a tool to increase demand in the low season and to increase revenue in the high season.

This is necessary as they have highly seasonal demand, being frequently being booked out over the Christmas holiday period, and with very high demand in other school holiday periods.

The table also shows the results of a customer satisfaction survey for Quick-Stop Hotels. On average, 80% of customers indicated that they were satisfied with their stay and 10% were delighted with their stay. However, 10% indicated they were dissatisfied.

These figures vary by season, whether the customer was a first-time customer, and by the quality of the individual hotel. Additionally, the table includes information on average room rates (per night) and occupancy levels. *(Note: The occupancy level is the percentage of rooms occupied per night.)*

Survey Results	Average	Low Season	High Season	1st Time Custom-ers	Repeat Custom-ers	3-star locations	4-star locations
Delighted customers	10%	20%	5%	25%	5%	10%	20%
Satisfied customers	80%	70%	75%	60%	90%	70%	70%
Dissatisfied customers	10%	10%	20%	15%	5%	20%	10%
Average Room Price	$120	$75	$160	$140	$100	$100	$140
Occupancy Level	80%	50%	100%	N/A	N/A	85%	75%

Student Discussion Questions

1. Review the customer satisfaction information. Does it make sense? Why/why not?

2. Given these research results and the other information in the case, what advice would you give this firm?

3. Which of the above metrics did you find helpful? Which did you basically ignore?

4. What other information would have been helpful?