# Discovering Customer Hidden Needs of Inbound Beach Tourists of Sri Lanka

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**ABSTRACT— *In this paper, we describe unarticulated needs of inbound beach tourists of Sri Lanka and also describe factors that led to customer dissatisfaction in relation to tourists' accommodation sector in Sri Lanka. Study uses online customer complaints and positive feedback as tool to analyze their hidden needs. After a detailed analysis using laddering techniques, researchers provide recommendations for each tourist accommodation type with special emphasis on star class hotels in Sri Lanka, whereas there is volatility in room occupancy rates over the last few years.***

**Keywords—** Accommodation, Customer needs, Complaints, Preferences.

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## 1.  INTRODUCTION

Tourism is one of the main sectors, out of the four sectors in Sri Lankan economy and also a priority area for Sri Lankan economic development. In 2011, Sri Lanka Tourists Development Authority (SLTDA) introduces a special segment called beach tourists (Pristine) to Sri Lankan tourism industry. Beach tourists are a special kind of tourists who has special requirements during their visit.

Travel, tourism and hospitality industry consists with eight sectors, out of that, the main concern of our study focuses on accommodation sector. According to the SLTDA classification, tourist accommodation categorized into two sections. They are tourist's hotels such as star class hotels and unclassified hotels and other one is supplementary establishments such as guest houses, rented homes and apartments and home stay units.

Even though there is significant growth in tourist arrivals in Sri Lanka, Star class hotel accommodations couldn't grab the opportunity. The main performance measure related to the hotel sector, room occupancy rates are drastically varying for Star class hotels over the last 5 years, whereas the occupancy rates of supplementary establishments are continuously increasing, but it's also not a significant increase as shown in the table 1 below. There is a contradiction between the beach tourists' actual demands and what is being supplied to them as accommodation. Therefore, accommodation providers need to focus on identifying tourists' unarticulated needs with regard to coastal accommodation preferences.

**Table 1:** Room occupancy rates

| Class of accommodation | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|
| Star class hotels | 48.8% | 70.7% | 77.1% | 69.7% |
| Unclassified hotels | 46.3 % | 67.7% | 76.8% | 78.6% |
| Supplementary establishments | 50.7% | 66.2% | 70.3% | 76.2% |

*(Source: SLTDA Annual statistical reports)*

## 2.  REVIEW OF LITERATURE

Identify the customer needs is one of the challenging areas in modern business environment, because customers often have difficult in articulating their real needs. Needs that customer face difficult to articulate are called customer hidden needs (Szwejczewski et al. 2011).  These are the requirements that customers have not even recognised, which exist at the subconscious level, and are hard to articulate (Goffin and Lemke, 2004).

Traditional methods are considered to be ineffective when it comes to trying to identify the hidden needs of the customer (Szwejczewski et al. 2011). The study of Szwejczewski et al. (2012) emphasised, some drawbacks of traditional market research methods as follows. They are Respondents are not able to identify their needs, they may not be able to articulate their thoughts and views, or may be unaware of their problems and issues, People are generally highly unreliable reporters of their own behaviour. Customers and users base their views on current products and may not be able to imagine future (e.g. technological) solutions to these issues, Traditional market research methods are not applied in the customer's, user's natural environment. It is only in such locations that their interest and motivation can really be investigated and Customers have multiple experiences (e.g. buy the item, use it etc) with products which traditional methods do not address.

Another limitation of traditional methods is that customers base their answers to market research questions on their knowledge of current products and so have difficulty in imagining possible future solutions and products. This is because most customers have a limited frame of reference; they base their answers on their experiences, and cannot imagine what emergent technologies will bring (Szwejczewski et al. 2011). Because of these drawbacks there are new set of methods to listen to the customers well. Some of these tools are already used by some best practice and reputed companies. To a limited degree, the literature has addressed some customer listening tools including: relationship surveys, transaction surveys, customer complaints, total market surveys, focus groups, in-depth interviews, and observation (Garver, 2001). Out of all listening tools, customer complaints are most relevant to for all companies and also highly used in service sector.

Consistent with the literature, leading-edge companies recognize that complainers may be innovative customers, just expressing problems that other customers have accepted or cannot articulate (The Global Logistics Research Team at Michigan State University 1995). Complainers can drive innovations and have the potential to supply valuable information, not to mention become loyal customers. Best practice companies proactively encourage customers to complain (Garver, 2001). But, no research has shown explicitly how complaints data is linked to other forms of customer satisfaction data (Garver, 2001).

Word of mouth (WOM), a type of communication exchange between individuals regarding personal experiences, has always been regarded as a powerful marketing tool (Sundaram et.al, 1998). While traditional WOM remains a strong marketing tool, electronic WOM has also become very popular. The Internet, in this respect, has given hoteliers a powerful marketing tool, because through the internet people can access any information without geographical barriers. Previous research indicates that customer comments are valuable marketing tools for practitioners, and should be welcomed and encouraged (Reynolds & Harris, 2005).

## 3. METHODOLOGY

Tourists' unarticulated needs are the unmet needs of the current accommodation providers. Sometimes tourists are aware about those unmet needs and sometimes they are not. If accommodation providers think about those needs of their service, then tourist will be delighted and satisfied. So the direct questionnaires and direct interviews are not going to help to find tourists' unarticulated. Therefore, special methods are needed.

Customers complain about the things that they didn't get during the service, but which they think it's important to have and also the things that valuable to them. Angry tourist is a hidden opportunity to identify unmet accommodation needs of Sri Lankan hotel sector. This method focused on the identify tourists' unmet needs in terms of accommodation.

As past literature emphasized there are lots of customer listening tools, but Out of all listening tools, customer complaints are most relevant to for all companies and also highly used in the service sector. (Garver, 2001). Therefore, to identify tourists' unarticulated towards hotel sector in Sri Lanka can be identified by analyzing customer complaints, because of the increase of the technology usage among travelers. It's better to analysis online complaints in travel websites as well.

According to the table 2 Customer complaints are analyzed over the last 12 months starting from November 2013, by using most popular travel websites such as Booking.com and TripAdvisor.com according to the CNN travel 12 November 2013.

**Table 2:** Most popular travel websites

| Rank | Site | Estimated visits, October 2013 (Millions) | Time on site (In minutes) | Page views per visit | Leading country |
|---|---|---|---|---|---|
| 1 | Booking. com | 108 | 6.33 | 4.87 | USA 10.86% |
| 2 | TripAdvisor.com | 48.5 | 3.59 | 3.71 | USA 48.96% |
| 3 | Hotel.com | 29.3 | 3.25 | 3.56 | USA 34.92% |
| 4 | Expedia.com | 24.3 | 6.18 | 5.58 | USA 79.43% |
| 5 | Agoda.com | 22.6 | 8.12 | 6 | USA 9.40% |
| 6 | Priceline.com | 17.9 | 6.33 | 8.02 | USA 90.63% |
| 7 | TripAdvisor.co.uk | 17.9 | 4.28 | 3.78 | USA  68.74% |
| 8 | Hotelurbano.com | 17.1 | 1.34 | 1.89 | Brazil 90.69% |
| 9 | Kyak.com | 13.3 | 6.08 | 6.04 | USA 82.54% |
| 10 | Ctrip.com | 12.5 | 8.02 | 9.31 | China 89.40% |

(Source CNN travel - 12 November 2013)

This study will focus on complaints done in trip advisor and booking.com by guests for Hotels in Hikkaduwa area, because according to the CNN Travel Hikkaduwa is one of 20 idyllic beach gateways in Asia. According to the table 3, all the SLTDA registered accommodation providers in the Hikkaduwa coastal area will be analysed regarding guest complaints.

**Table 3:** SLTDA registered accommodation providers – Hikkaduwa Area

| Category | Number | Percentage | Sample size |
|---|---|---|---|
| **Hotels** | | | |
| One star and Two stars | 4 | 12% | 2 |
| Three stars and Four Stars | 7 | 25% | 2 |
| Unclassified  hotels | 4 | 12% | 2 |
| **Supplementary establishments** | 16 | 50% | 4 |

Customer complaints analysed and presented using a Fishbone diagram to identify causes for tourist's decision making process about the tourist accommodation.  After that, laddering technique also referred as means end chain theory is used to identify hidden needs related to tourists' complaints.

## 4.  DATA ANALYSIS

Irrespective of the type of the accommodation there are common complaints such as noises that disturb the serenity, front office reception service, cleanliness of bathrooms and rooms and broken bathroom and room equipment. But there are some special complaints for a particular accommodation type than others. There are lots of substitutes for tourists' accommodation in Sri Lanka. Therefore, sometimes some dissatisfies in one accommodation type can be satisfied by another accommodation type also. This analysis focuses on that aspect as well.

As an illustrative purpose, it was decided to use Fishbone diagrams for each accommodation type to analyze their customer complaints. According to the figure 1, online customer complaints for star class hotels can be presented in another different manner also. It can be identified common categories for the above comments in relation to the complaint nature. Those common categories are they want to have a superior guest experience, they want to have food varieties, they want to avoid noise and disturbances, they want to have calmer mind and body, they want a child friendly environment and they more concern about in room facilities and the bathroom.

After indentifying these common categories, then the laddering technique is used to identify customer hidden needs. From that analysis, we found, three customer hidden needs, with regards to beach tourists who stay in star class hotels in Sri Lanka. Identified customer needs are described as follows.
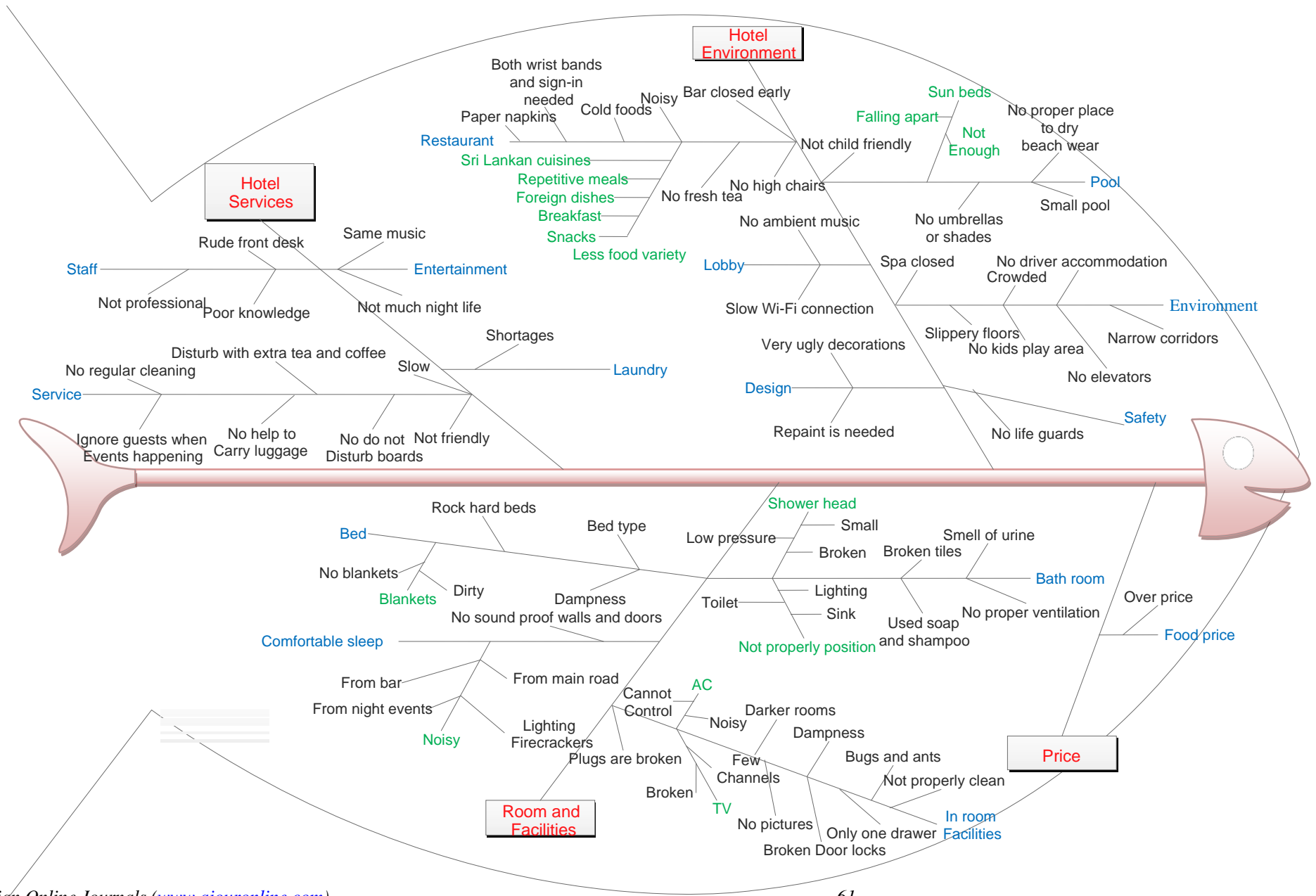
**Figure 1:** Fish bone diagram - Star class hotels customer complaints

## 4.1 Relaxation

Most of the tourists travel to a particular country as a round trip. Therefore, their vacation consists with culture, touring and total relaxation and with these three aspects they interpret their vacation as a perfect trip. So they need total relaxation just after a long, tiring flight to make their mind for a vacation and also just before a long, tiring flight makes their mind to return to the normal routine. They choose to travel to different countries as a change in their busy work schedule.

When tourists choose star rated hotels they prefer to stay at the hotel all the day, just for relaxation purposes. So they look for activities for their children to engage in when they want to do nothing just relaxing. Therefore, they more concern about the safety and security of the hotel and the pool. They demand more child related activities in the hotel because they want to make their children busy with those activities. Since they prefer to stay at the hotel, they want different kinds of foods to taste rather than same meals, all the daylong and also they demand more facilities for their rooms. For the relaxation purposes, they are looking for hustle and bustle free environment with more comfort attached into it. Therefore they like to stay in more calm and less crowded areas.

According to the figure 3 relaxation need is consists with calm environment, hassle free environment and safety environment.

## 4.2 Love to talk about their experience

According to the figure 2 tourists who stay at the star rated hotels prefer to stay at the hotel all the daylong. Therefore, they demand more varieties. Apart from that tourist demand more local dish because they need to get an experience and want to tell their friends that they know the taste of different food types. They want to tag themselves as a foodie person among their friends.

Tourists don't need to taste the same foods they taste in their home country and they feel the real taste and the real quality of their foods are not met in Sri Lanka. So they prefer to go for a variety of foods rather than their normal routine food types. In their normal routine they consume more instant kind of foods, so during their vacation they prefer to eat more fresh prepared foods and drinks.

## 4.3 Superior guest experience

According to the figure 4, they want to have one to one attention with superior guest experience.
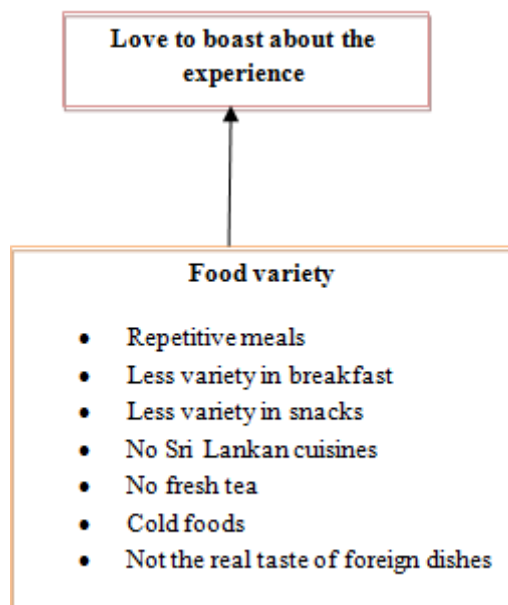
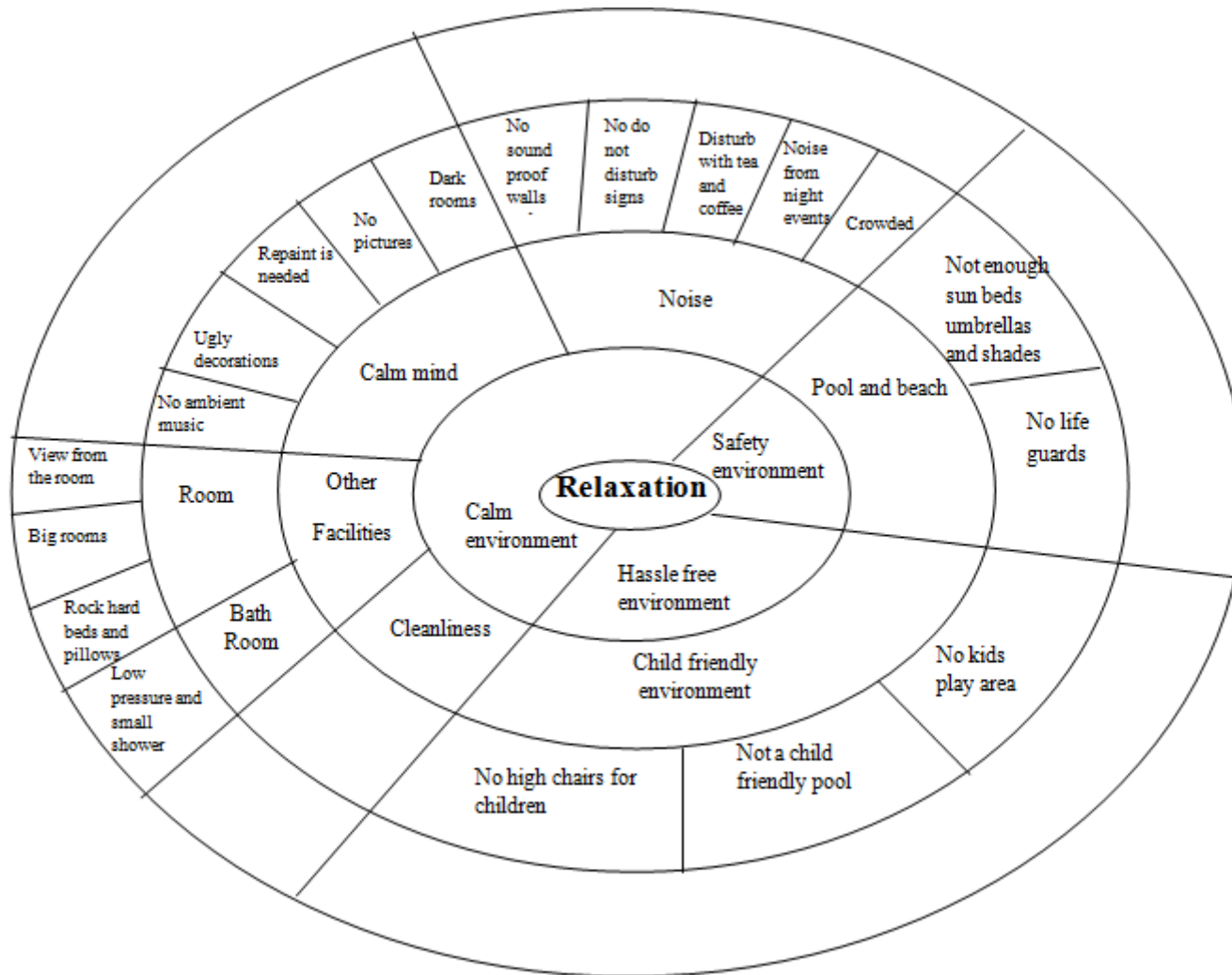**Figure 2:** Love to talk about their experience - Customer hidden need

**Figure 3: Relaxation - Customer hidden needs**

**Figure 4**: Superior guest experience - Customer hidden needs

According to the figure 5, online customer complaints for unclassified hotels can be presented in another different manner also. It can be identified common categories for the above comments in relation to the complaint nature.

By analyzing the cause and effect diagram (figure 6) for unsatisfied unclassified hotel customers' we can illustrate above complaints in a different manner. It can be identified common categories for the above comments in relation to the complaint nature. Those common categories are cleanliness, less variety of breakfast and noise.



**Figure 5:** Unclassified hotels - Customer hidden needs

By analyzing the above cause and effect diagram (figure 7) for Guest houses customers' we can illustrate above complaints in a different manner. It can be identified common categories for the above comments in relation to the complaint nature. Those common categories are cleanliness, less variety of breakfast and noise.
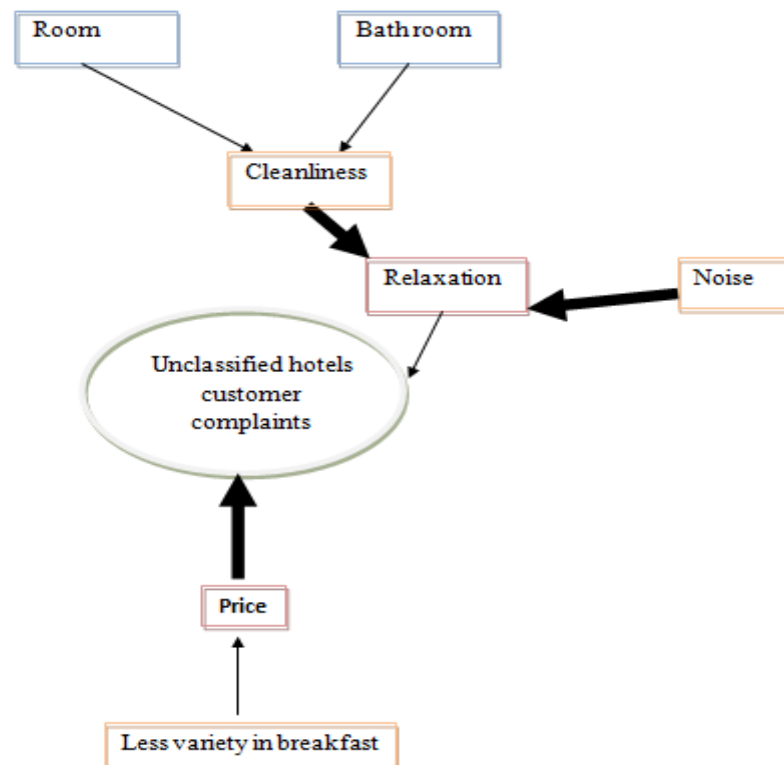
Room and facilities

Dirty    No TV, Fridge and TP

Bed linen          Musty and damp

In room facilities          Pillows

Not working          Holes in Mosquito nets          Small rooms

Water leaking          Bugs and ants

AC

Shower

Broken

Not properly Design

Looks grubby

Bathroom

No window

Price

Over price

Food price

Bed

More historic beds

Noise

From road          From bar

Comfortable sleep

Unsatisfied Customer

Check-in problems

Slow and terrible service

Services

No Wi-Fi

Food

Dishes are poorly washed    Very basic          Less variety in breakfast

Restaurant

Dirty table cloths    Broken chairs

Sun beds occupied with hotel equipments

No elevator    Steep narrow stairs

Pool

Hotel services

Environment

Old property    Limited parking

Hotel environment

Hotel environment

Hotel services

Restaurant
Less variety  Starchy rice
Less Sri Lankan cuisines

Service
Complaints not handle well
Unfriendly service
Slow
No credit card payments
No 24/7 room service

Laundry
Lost laundry

Comfortable sleep
Sounds of vehicles
Staff shouting to each other

Shower
Low pressure
Small shower head
Small head of hot water
Not clean
Leak taps

Noisy
Not clean
No trash cans
Dust and dirt on the surface
Full of sand
Dim lights
No hot water
Mosquitoes
Broken door locks
Annoying AC
Not enough

In room facilities

Dirty
Towels
Small

Bathroom
Broken toilet seats

Pillows
Small
Rock hard

Bed
Not changing bed linen regularly
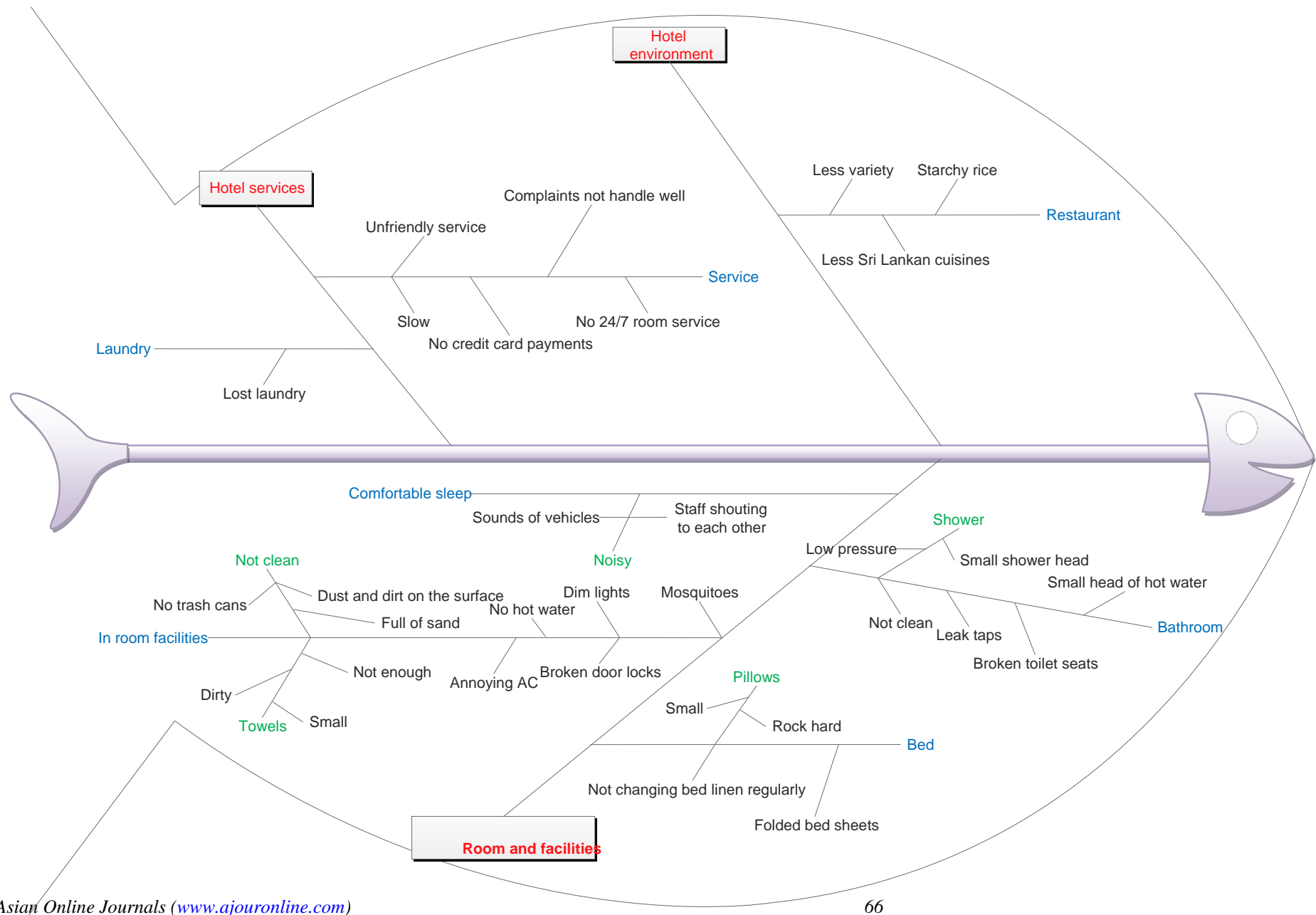Folded bed sheets

**Room and facilities**

**Figure 7: Fish bone diagram - Guest houses**

According to the SLTDA registration for tourist accommodation, supplementary establishments are consisted with guest houses, rented homes, rented apartments and home stay units. Altogether rented homes, rented apartments and home stay units consist with more positive comments with regard to the tourist experience.

**Table 4:** Customer complaints comparison

| Common complaints | Star class hotels | Unclassified hotels | Guest houses | Supplementary establishments (Positive comments) |
|---|---|---|---|---|
| 1) Cleanliness (Room, bathroom and food) | X | X | X | Clean rooms |
| 2) Relaxation | X | | | Big rooms<br>Good mattress and big beds<br>Balcony view<br>Away from busy tourists area |
| 3)Less breakfast variety | X | X | X | Delicious foods |
| 4) Less food variety | X | | | More local dishes<br>Freshly prepared spices<br>Fresh tea<br>More variety of traditional dishes<br>Private dinner |
| 5) Superior guest experience | X | | | Warm welcome<br>Treat like a part of the family<br>Home away home experience<br>Friendly staff<br>Knowledgably about guests and their needs<br>Engaged in day to day activities<br>Participate in cooking lessons<br>Water related activities |

By analyzing the positive comments and negative comments of star rated hotels in other beach destinations, following are the most accept positive comments for star rated category in other beach destinations as shown in table 5.

**Table 5:** Star rated hotels - Positive comments - other coastal areas

| Common complaints | Star class hotels | Unclassified hotels | Guest houses | Star rated hotels (other coastal areas) (Positive comments) |
|---|---|---|---|---|
| 1) Cleanliness (Room, bathroom and food) | X | X | X | Big bathrooms<br>Superb shower with high pressure |
| 2) Relaxation | X | | | Big rooms<br>Decorations<br>View from the balcony<br>Comfortable bed<br>Outward window |

| | | | | |
|---|---|---|---|---|
| | | | | Carefully selected music playlist<br>Relaxing atmosphere blending with colors |
| 3)Less breakfast variety | X | X | X | Great selection of local foods |
| 4) Less food variety | X | | | Traditional Sri Lankan curries |
| 5) Superior guest experience | X | | | Water activities<br>Child friendly environment<br>Life guards occupied by the hotel<br>Cooking lessons in off season<br>One to one attention<br>Senior managers and chefs come near to guests to check upon them |

## 5. RECOMMENDATIONS

Recommendations are presented based on problems that have identified in problem definition in this study. The problem is tourists' accommodation preferences are shifting from star rated accommodation to supplementary establishments. The following recommendations are supported by positive customer comments that tourists stated for supplementary establishments and other star rated beach hotels located mainly other coastal areas of Sri Lanka.

According to this study beach tourists look for places to relax. Therefore star rated hotels need to focus on providing that kind of environment for them. Following are the suggestions that can rise to overcome these problems. Star rated hotels needs to provide rooms and bathrooms with a clean ample space. And also balcony views or big outdoor windows face to beach area. Further their rooms needed to locate in a place away from the busy tourists areas and also away from the noises of events and weddings happening inside the hotel. Star class hotels need to focus on providing child friendly environment and also kids play areas inside the hotel and they need to accommodate life guards around the pool area and also nearby beach area. In order to provide a more relaxing environment star class hotels can focus on playing carefully selected music playlists in the lobby area and also focus on relaxing decorations and colours.

Another area that star class hotels need to focus is providing more variety of traditional dishes rather than providing foreign meals. And also they need to provide local dishes with fresh prepared spices. They want more private dinner than a crowded restaurant area. Star rated hotels need to provide a superior guest experience for tourists with a warm welcome and with one to one attention. And also they need to provide a home away home experience to tourists.

Unclassified hotels and guest houses need to more focus on the budget type of accommodation by providing services as a value for money. Most of tourists who stay in these types of establishments are more price conscious tourists and also they stay in bed and breakfast basis. Therefore, these accommodation providers need to focus on providing more breakfast and brunch varieties to them.

Altogether there are not much negative comment on rented homes, apartments and home stay units. Therefore, these providers need to continuously concern about providing relaxing environment and experience.

## 6. LIMITATIONS

There are some limitations attached to this study. This study is based on online customer complaints. Therefore, not every unsatisfied customer braves enough to complain about their bitter experience. And also this study considers only two most popular websites. Therefore, this study doesn't represent the world beach tourist population. This study didn't consider about the nationality of each tourists who has complained in these travel websites.

## 7. FUTURE WORKS

According to the Hofstede's national cultural dimension, people who from different parts of the world have different views about the same thing. Therefore, future research could be accommodated to find out different requirements regarding beach tourism in Sri Lanka, based on their nationality.

According to the study there are lots of requirements are embedded in the decision making process of deciding a place to stay. Therefore, future research can be carried out to identify what are the critical factors that affects for tourists accommodation preferences.

Based on the study, there is a mismatch between actual tourists' needs and what is being supplied. Therefore, future research should be carried out to do a gap analysis between tourists' expectations and tourism service providers' perception of tourists' expectations.

Hence, Sri Lanka is positioned as a year round beach destination; a future research can be carried out to identify who are the similar product offering countries and how to differentiate Sri Lankan as a beach destination provider.

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