

CHAPTER I

INTRODUCTION

Rationale

The Serviced Apartment industry has been booming considerably due to the sharp increasing number of new serviced apartment suppliers between 2007 and 2008 with 17.56% and 25.44% and the supply is still increasing year on year (Collier International Thailand Research, 2008). In addition, according to the proportion of tourist arrivals in Thailand as the recorded on 9 September 2011 presented that Thailand gained a 35% improvement in tourist arrivals in August, 2011 (Ttrweekly, 2011).

There are three principal reasons why travelers and visitors choose to stay in serviced apartment are comfort (68.9%) space (65.6%) and ability to cook for oneself (63.9%) (Colliers International Thailand, 2008). It provides services and accommodation including facilities that offer homely environment to residents for instance kitchen, swimming pool, fitness centre & gym, restaurant, 24 hours receptionist and security system. Due to, Lovelock (2009, p.19) stated that the service providers need to pay attention to “safety needs” that is the important factor which refer to security in the residence place that generate the residents feel confidence and safe to stay.

In Bangkok, the demand for serviced apartment has been increasing considerably due to the high proportion of tourist and business traveler arrival in Bangkok as the information from the Office of Foreign Workers Administration (Work Permit), Department of Employment of the total number of expatriates in Bangkok between 2004 and 2007 illustrated that the number of expatriates was estimated that it increased in demand. Therefore, this situation generates high competition in the serviced apartment industry, thus entrepreneurs have to find out their outstanding aspects of their product for attracting more customers. Due to this interest, there is high competition in the industry, since entrepreneurs need to develop their products and service quality as the marketing key component for attracting more customers.

In serviced apartments, there are not only rooms for rental; they also provide a Customer Service Department to satisfy customers' needs. Customer Service Function work as the heart of organization, because of this function needed to dealing with customers directly and generate customer satisfaction as well. Moreover, the customer service function can referred to "cream on the top of the cake" which can add more value to the products and more attractive to customers. Therefore, if the organizations have good customer service staff performance can be another principal marketing key of the organization that attracts more customers and generate good reputation by word of mouth of customer as well.

This research was conducted to investigate how the customer service performance of staff affects customer satisfaction in serviced apartments in order to identify the service performance factors which impact on customer satisfaction. It will be useful for accommodation service providers to developing or improving their product appropriately in terms of service operation. This research can create a model that can be applied more broadly in the industry.

Research Objective

1. The research seeks to understand the role of the service quality dimensions and the relationship between staff and customers
2. The research will create a customer service model that can be used broadly in the industry.

Hypotheses

H1: The five dimensions of service quality of Customer Service Performance namely Responsibility, English Communication, Accommodation, Leadership and Performance Management, Problem Solving and Decision Making, and Adaptability, can jointly predict the changes in Customer Satisfaction with the Customer Services.

H2: The demographic characteristics of customers, namely Gender, Age, Nationality, and Occupation, impact the changes in Customer Satisfaction with the Customer Services.

Research Problem

Customer service staff performance considered a crucial factor which affect directly to customer satisfaction in both positive and negative ways in serviced apartments. Hence, unexpected performance of customer service staff from lack of knowledge and skills of services and lack of understanding of job description will bring negative impacts to the organization' reputation.

Conceptual Framework

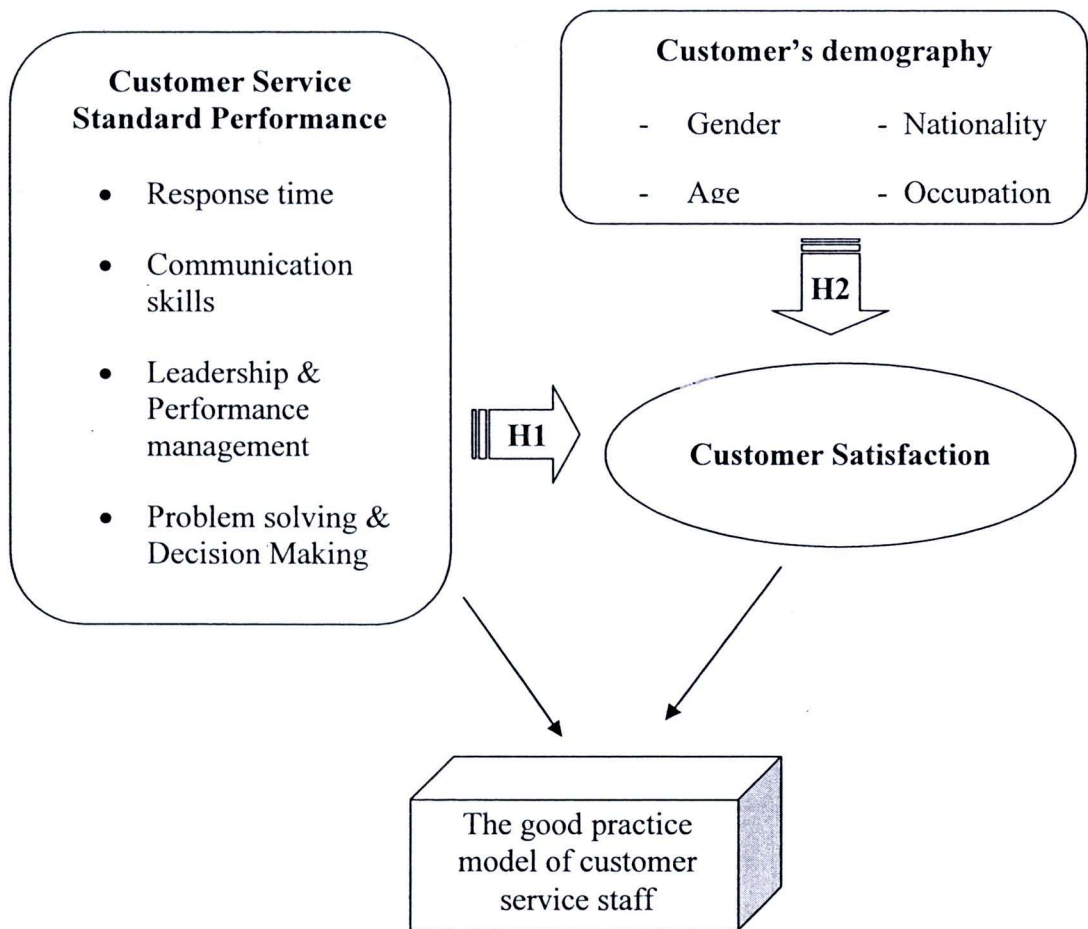


Figure 1 Conceptual Framework

In this research, the factors affecting customer satisfaction will be explored, along with the performance standard of customer service by staff. These independent variables are the factors that affect the customer experience and satisfaction, which is

the dependent variable. It is expected that a good practice performance model can be shaped from the data collected.

Significance of the study

The results of this study should be submitted to serviced apartment entrepreneurs and other service providers because they could gain benefits from this study in term of service development. In addition, the study results could be considered in how to recruit customer service staff and to improve customer service job descriptions in order to add more advantages to their product.

The Scope and Definition of the Study

The focus of this research is an investigation into how staff customer service performance affects customer satisfaction in the long-stay accommodation (serviced apartment). The area of interest is serviced apartments which are categorized to be grade B in Bangkok. Thus this research selected Bangkok Garden apartments which are located on Narathiwat Road, Soi Narathiwat 24, Yannawa, Chongnonsri, Bangkok 10120 as a case study. There are residents of various nationalities staying there in around 289 units. The reason for focusing on one location in this study is that it is my current work place. This opportunity will shape the area of study clearly and provide an easy way to collect appropriate data in a real situation.

This research seeks to investigate the effect of customer service performance on customer satisfaction and as a result, create a customer service model for grade B serviced apartments in Bangkok (Bangkok Garden Apartment). Due to my work experiences at Bangkok Garden Apartment, I have been seeing some customer service staff performance problems that still exist as a result of various factors such as communication, problem solving, and making relationship work. These performances will affect customer satisfaction in both a positive and negative way. Therefore, this research will apply SERVQUAL as an instrument to investigate the customer service staff performance in serviced apartment.

Assumption

In serviced apartments, there are not only room facilities and recreational facilities, also services within the product as well. Therefore, the customer service function is noted to be the important role which presents quality of service to customers, thus the customer service performance is a crucial factor which influences to customer perception. Therefore, service apartment operators should pay attention to the customer service qualification, personalities, and necessary service skills in order to nourish the quality of products and bring more benefit to the organization.

Geographic and Demographic

The serviced apartment locations are divided into four particular areas as below (Colliers International, 2010, pp. 2-11);

1. Central Business District Area (CBD)

Silom Road and Sathorn Road, also included Soi Saladaeng, Soi Convent and Soi Pipat that situated in Silom Road and Sathon Road areas.

2. Central Lumpini Area

Rama I area, Rajadamri, Wireless, Ploenchit and Langsuan Road.

3. Sukhumvit Area

Sukhumvit Road between Soi 1 and Soi 69 to the north and Soi 2 and Soi 42 to the south and Asoke intersection area.

4. Outer Central Business District (Outer CBD) Area

The location along the bank of the Chao Phraya River on Charoenkrung Road and Narathiwas Ratchanakarin and Rama III Road.

This research selected Bangkok Garden Apartment that is located in the Outer Central Business District is Narathiwas Ratchanakarin area. Because this location is more popular nowadays and high investment to building long stay accommodation such as serviced apartments.

Definitions of Terms

Serviced apartment

Serviced apartments in Thailand are classified to be grade A and B by considering to location and the quality and number of facilities. This study examines a serviced apartment which is classified to be grade A or B only.

Customer service

Customer service staffs who work in serviced apartments need to have direct interaction with customers by face-to-face, telephone or electronic mails daily in order to achieve operational efficiency and customer satisfaction.

Customer service performance

The service performance is the interaction between customer service staff and customers either face-to-face or electronic communication, its affect customer satisfaction.

Service Quality

This study will apply the customer service standard performance to be measurement of customer service staff performance in serviced apartment is namely, Response time, Communication skills, Leadership and Performance Management, Problem Solving and Decision Making, and Adaptability (Nicholas, 2010)

Customer satisfaction

According to ISPAS (2010) who examined that customer satisfaction is generally understood as the feeling of customers when compare their primaries expect with the actual obtained product. Therefore the qualities of products (service) have particularly connected with customer satisfaction. This study, customer satisfaction is the satisfaction of residents who stay in serviced apartment in Bangkok only.