Shaping the Guest Experience: How Personalized Services Improve Customer Satisfaction in Luxury Hotels and Create a Competitive Advantage

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Affidavit

I hereby affirm that this Bachelor’s Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

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Abstract

All over the world, guests enjoy the superior service offered in luxury hotels. These establishments are usually characterized by their location, high-quality design, a large number of outlets and the outstanding quality of the service they offer. This thesis focuses on how luxury hotels can shape the guest experience through offering personalized services, thereby improving customer satisfaction and creating a competitive advantage.

The objective of this research was to analyze the research question concerning the extent to which the personalization of services in luxury hotels in the areas of humanware, hardware, software and experience design impacts guest satisfaction. Based on an extensive literature review that provides insights into the luxury hotel industry, the guest experience and service quality in hotels and the topic of personalizing the service process as well as the expectancy confirmation theory, the conceptual framework for this thesis was established. Moreover, a mixed methods research design was chosen to test the hypotheses. The results of the expert interviews and the customer questionnaire point out that employee’s behavior, usage of appropriate software tools as well as effective experience design enable personalization and at the same time increase customer satisfaction. Nonetheless, luxury hotels focus on many aspects concerning the customer journey that seem to be irrelevant to consumers. Therefore, it is important that further research, focusing on the preferences of the guests in particular will be conducted.
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List of Abbreviations

- UNWTO – United Nations World Tourism Organization
- ECT – Expectancy Confirmation Theory
- LQA – Leading Quality Assurance
- LQE – Leading Quality Experiences
1 Introduction

Due to worldwide travel restrictions, closed borders, and national quarantine regulations, the tourism sector was brought to a standstill in 2020, thereby being one of the industries most affected by the Covid-19 pandemic (Wang et al., 2022). Looking at the accommodation sector, particularly the hotel industry, a study by Ozdemir et al. discovered that luxury-scale hotels experienced the largest decline in occupancy, average daily rate and revenue per available room (2021).

However, the tourism industry is known to be one of the largest and fastest-growing sectors globally. According to the United Nations World Tourism Organization (UNWTO), the tourism sector was responsible for 28% of global trade in services (UNWTO, n.d.), therefore the regeneration of the hotel sector, among others, is of great importance for national economies to achieve socio-economic stability after the pandemic (Ranasinghe et al., 2020). Looking at recent figures, international arrivals already reached 65% in 2022 compared to pre-pandemic levels (UNWTO, 2022). Statistics align with the development that the pandemic is gradually coming to an end. Therefore, hotel operators must remain resilient and focus on creating a competitive advantage regardless of the financial and operational challenges they are facing (Ozdemir et al., 2021).

Besides the global pandemic, there has been a shift since the 1990s in what is perceived as economic value by consumers. Customers no longer solely purchase standard service packages. Companies need to offer add-on services to their traditional offerings to meet the guests’ desire for unique experiences and at the same time create a competitive advantage (Pine & Gilmore, 1998). In the post-crisis era, the creation of exceptional guest experiences is even more important and is crucial for many companies in the fierce battle for customers. This paper focuses on the luxury segment of the hospitality industry because the ever-growing wealthy population boosts the consumption of luxury services. The luxury hotel market size is forecasted to grow to USD 238.49 billion in 2028 (Fortune Business Insights, n.d.), hence providing luxurious experiences created through unique vacations is a key component in running a successful business.

Pine & Gilmore (1998) stated that tourism activities are not only to be consumed but can be regarded as a way to meet customers’ intrinsic needs. These are driven
exclusively by the individual’s intrinsic motivation which is based on factors like human connection and job satisfaction (Asana, 2021). Meeting the individuals’ needs in the hotel industry can be achieved through offering personalized services. Sixty-three percent of consumers today state that they will stop purchasing products or services from brands that use poor personalization tactics (Dunne, 2022). Therefore, accommodation providers need to adapt to this trend and develop creative tools to ensure guests are provided with a unique experience tailored to their expectations. However, there is still little knowledge about tools that may be used by hotel operators to achieve personalization as well as their effectiveness. Research mainly focuses on shaping the guest experience in general (Bagchi et al., 2021, Chan et al., 2021, Liu et al., 2022). Consequently, this thesis’s goal is to examine one step in the service process in detail. The focus of this paper is to discover how luxury hotels can further advance personalization without compromising the provision of service at the highest level, which makes them stand out from other hotel segments. In addition to that, strategies to personalize services used by luxury hotels in the European market will be assessed. The results of the qualitative- and quantitative research conducted in the course of this thesis should provide companies with effective strategies that will help them to continue to maintain their service standards and meet their guests’ needs, therefore increasing customer satisfaction and creating a competitive advantage. After studying this paper, readers should be able to tell what factors influence customer satisfaction in luxury hotels and guests preferences when it comes to personalization.

**Research Question:** To what extent does the personalization of services in the areas of humanware, hardware, software and experience design influence guest satisfaction in luxury hotels?

The composition of the rest of this thesis is as follows. After the introduction, section two provides a review of the existing relevant literature. Starting with an explanation of the luxury hotel industry, which the author focused on in the following. Afterwards, the history of the guest experience in hotels as well as current and future trends concerning this topic are discussed. Furthermore, the reader receives an introduction to the expectancy confirmation theory and the topic of personalizing services in hotels. Different categories were developed, which allowed the author of this thesis
to allocate personalization strategies according to the categories and develop a conceptual framework. In the subsequent section, the research methodology and development of measurement items are presented. The fourth section focuses on the analysis of data collected through the expert interviews and online questionnaires and a discussion of the findings. In addition to that, the last section presents recommendations by the author and a conclusion.

2 Literature Review

2.1 The Unique Selling Proposition of Luxury Hotels

Cambridge Dictionary (2022) defines luxury as “great comfort, especially as provided by expensive and beautiful things”. In general, luxury value in the hospitality industry can be either experiential, symbolic, or functional (D’Acunto & Volo, 2021). A product’s core benefit or quality is represented by its functional value. Compared to that, the symbolic value reflects the wealth and status of the owner of the product. Lastly, the experiential value focuses on stimulating creativity and fantasy as well as emotions which are crucial for luxury consumption (D’Acunto & Volo, 2021). Research focuses mainly on luxury goods, however, regarding the industry’s development, it is crucial to consider luxury services. These services are focused on creating experiential and symbolic value, therefore having a significant impact on luxury hotel consumers. Influencing the guests’ staying behavior and thereby creating memorable experiences cannot be achieved solely through the creation of functional value (D’Acunto & Volo, 2021).

Additionally, Bernstein (1999) stresses the importance of the symbolic value luxury services provide to the consumer. The individual’s perception, that one person’s functionality may be another person’s luxury, is stressed throughout the article. The mental component behind purchasing decisions concerning luxury goods is particularly emphasized. To enjoy luxury services or products it requires the person who consumes the product to be in a “luxury state of mind”. According to Bernstein (1999), service concepts should be designed in a way that the service contributes to a heightened sense of enjoyment. This approach highlights the mindset of the traveler as the differentiating factor which the hotel must achieve by providing certain stimuli.
The four categories of stimuli that elicit a sense of luxury within the guest comprise cost, time, prestige, and an aggregate category (Bernstein, 1999). Furthermore, the luxury mindset is shaped by three different factors. If experiences are known and understood to be luxurious among consumers, they belong to the group of *prima facie luxury*. Secondly, *predisposed luxury* includes all the goods that have always been considered luxurious, without that being questioned. This is often associated with brand names and what this brand stands for. Last, some products or services trigger the feeling of being luxurious through a convincing announcement of what the prospective experience will be. These service encounters belong to the category of *anticipatory luxury* (Bernstein, 1999). Moreover, the Regret Theory, that was developed by Loomes & Sugden in 1982 focuses on decision-making under uncertainty, and states that people tend to believe that the more expensive a product or service is, the better the performance should be. Hence, they are willing to spend more money to avoid feelings of regret (Liao et al., 2017).

Post-covid, luxury spending has increased steadily due to higher consumer demand. The fact that the global luxury market is currently estimated to be 1.2 trillion euros, with 80% of that sum contributed by luxury products and services, confirms this development (Padma & Ahn, 2020). The tourism and hospitality industry adapts to this trend, and the concept of luxury within the industry is gaining attention. A study conducted in 2020 found that luxury travel accounts for 20% of global travel spending and is expected to grow to $1,154 billion by 2022 (Padma & Ahn, 2020). D’Acunto and Volos’ (2021) study adds that the luxury segment is showing one of highest occupancy rates. However, it is crucial to mention that only 3% of travelers seek luxury in hospitality services (D’Acunto & Volo, 2021). Consequently, a small group of customers has comparatively strong purchasing power, given the fact that they account for a large amount of spending in the tourism sector. Keeping the recent growth in mind, operating in this segment of the total hospitality market may be appealing to tourism service providers. The impact of luxury travel on the national and global economy leads to many businesses shifting their attention toward focusing on understanding the customers’ behavior in this particular segment (Padma & Ahn, 2020). A study by Gil and Yan (n.d.) confirms this observation and further elaborates on the importance of luxury hotels in the luxury sector.
Compared to economy and midscale hotels, luxury hotels differ from their competitors because employees providing the service recognize each guest’s individuality, observe guests’ preferences and according to that meet each guest’s wishes (Sherman, 2007). Customized contact with employees in luxury hotels is what any customer is looking for in a luxury service, including spas, resorts, and the airline industry (Sherman, 2007). Next to the human interactions with hotel employees, the interaction with other guests at the property is crucial. Respondents of an exploratory study of luxury hotels state that they expect the clientele of the property to be at a certain level (Walls et al., 2011).

The results of research conducted by Shahid and Paul (2022) to examine guests’ experiences in luxury hotels found that in addition to personalization, which was emphasized by Sherman (2007) and Aeberhard et al. (2020), hedonism, ambiance, escapism, and convenience influence guests’ experience. Aeberhard et al. (2020) continue that guests in the luxury sector demand authenticity, sustainability as well as discretion, time, and space. Sherman (2007) states that the emphasis on the service process in hotels in the luxury segment is more on providing a caring service than the physical characteristics of the hotel or its amenities. However, a study by Walls et al. (2011) examined that both ambiance (comfort, cleanliness, landscaping, air quality) and multisensory cues such as scent, temperatures, and visual cues were considered important factors during a luxury hotel stay by most respondents.

Research by Policarpio (2022) focuses on the influences, motivations, and purchase behavior of Philippine luxury tourists. According to his findings, luxury tourism is classified as a form of special-interest tourism, targeting the special interest of a certain tourism market based on their interests, hobbies, perspectives, social status, and cultural upbringing. All these factors cannot be controlled by the hotel management. However, there are strategies to understand consumers’ wants and needs to create distinct offerings based on guests’ special interests.
2.2 Shaping the Guest Experience in Hotels

The Encyclopedia of Tourism (2016) defines an experience as the outcome of what is perceived by an individual, the processes of reacting to a cue by responding to selected features and afterward interpreting those features. The way of interpreting what was experienced is dependent on meanings, understanding, and emotions. However, an experience is not static. The perception of an experience may change over time due to re-consumption, reflection, or the individual’s behavior. Additionally, the experience can also be forgotten after some time (Gnoth, 2016). The authors Pine and Gilmore first mentioned the term "experience economy" in their 1998 book “The Experience Economy”. According to their theory next to the three economic offerings - commodities, goods, and services - experiences can be regarded as the fourth economic offering, providing distinct value to customers.

2.2.1 Historical Development of the Guest Experience

2.2.1.1 A Brief Summary of the History of the Guest Experience

Economic progress can be divided into three stages of development. The agrarian economy depended on the production and maintenance of crops and farmland. People that lived during that stage, worked with the commodities that were available to them. Next, the industrial economy emerged, which was characterized by combining factors of production to produce material goods for the market. After that, an economy based on the provision of services developed. The service economy includes the travel industry, health care, internet technology, and financial services for example (Pine & Gilmore, 1998).

Research shows that there have been facilities offering hospitality services since early biblical times (Levy-Bonvin, 2003). The industrial revolution in the nineteenth century enabled the construction of hotels, first in city centers and later expanding to holiday resorts along the coastlines. While during the first decades, the hotels largely differentiated themselves through structural developments, in the 1970s business travel became increasingly popular, changing the interior and marketing strategies of many hotels (Levy-Bonvin, 2003). In the 1980s companies took the possibility to build hotels in attractive destinations. Ski-Holiday hotels, Marina hotels, and hotels near airports emerged. At the same time, the first property management systems were
introduced, which lead to operators being more independent from human resources. Furthermore, the guests' wishes were taken into account, guest rooms were designed more generously and the culinary offer of the restaurants within the hotels expanded (Levy-Bonvin, 2003). During this time, certain hotel chains added multiple amenities to the guestroom to provide more luxury. However, because they were often misinterpreted it did not lead to added value for guests (Bernstein, 1999).

Experiences have always been provided in hotels through activities such as dry cleaning or telephone access. However, according to Pine and Gilmore (1999) in 1955 when Walt Disney opened the first Disneyland, he set a new standard for companies that create experiences through entertainment. The theme parks’ approach was to not only entertain guests but enable them to be part of one of the stories they knew from Disney's cartoons. In order to create these unique experiences, the employees, which are referred to as “cast members”, “stage a complete production of sights, sounds, tastes, aromas, and textures” (Pine & Gilmore, 1999, p. 3). Next to entertaining consumers, it became increasingly important to interact with guests to connect with them in a way that is personal and at the same time memorable (Pine & Gilmore, 1999).

2.2.1.2 Current and Future Developments

Today across industries examples of the new experience economy exist. Decades after the initiation of Disney’s theme parks, the company continues to thrive and offer thrills and memorable experiences. In addition to that, travel companies expand their services from offering accommodation only to real-life experiences with tours and classes (MasterClass, 2022). At the same time, guests nowadays expect services to provide memorable events to engage with them in a personal way (Pine & Gilmore, 1999). The experience economy continues to emerge due to rising affluence as well as technological developments which increase competitiveness and establish the need to differentiate the organizations’ offerings from other companies (Pine & Gilmore, 1999). Research by Wong et al. (2020) provides insights into the usage of mobile technologies in the hotel industry and highlights the importance of software in the guest experience process. In an era where most people get their information via the Internet, hotels must have the appropriate technology in place. Nowadays, before even staying at the hotel, the guests’ experience starts by looking at the hotel’s
website. The study examined the relationship between the design of a hotel’s mobile website and the guests’ experience. It was explored that a well-designed mobile website, its functionality, and usability, was a crucial step in satisfying guests’ needs and shaping their perceptions of the hotel (Wong et al., 2020). However, Chan et al. (2021) discovered that key factors that shape the guest experience in luxury hotels include services, room quality and settings, dining, locations, hotel facilities, and environment. The technology of the website is less important in these types of hotels.

The author found it particularly interesting to look at the current developments regarding guests’ demands. Due to the ease of access to information such as online ratings, guests have the ability to research and understand their options. This leads to many customers expecting more services such as high-speed Wi-Fi, expanded in-room technology, and entertainment options and amenities at lower costs (Hoisington, 2017).

The above-mentioned study by Chan et al. (2021) examined the change in the guest experience pre- and amid the covid pandemic in China. Findings show that guest experiences and demands changed tremendously, with services, especially takeaway services as well as check-out time, gaining importance during the pandemic.

2.3 Service Quality in the Hotel Industry

Hotels are institutions that are customer-centric. The service quality delivered to consumers shapes the guest experience and therefore represents an important part of the operation of hotels as their main objective is to meet customers’ needs. Defining the term service quality is difficult, mainly due to the fact that services are intangible. Moreover, quality is perceived differently from one person to another (Da Costa Mendes, 2016). According to Wong Ooi Mei et al. (1999) the three dimensions representing service quality in the hospitality industry are employee behavior and appearance, tangibles and reliability.

To meet customers’ needs and achieve guest satisfaction, hotels can choose from a variety of design options and conduct proper planning, including the choice of servicescape as well as resource flows. Thereby, providing a more enjoyable experience for guests as well as improving revenue flows (Bagchi et al., 2021). Chan et al. (2021) add that guest experiences are cognitive as well as affective. In the
process of creating guest experiences, keeping up with guests’ requirements, preferences, and needs, as well as tracking the customer’s perception of what they experience is essential (Chan et al., 2021). Berry et al. (1985) go into further detail here, specifying that perceptions of the service quality arise as a result of the guests’ comparing the expectations they had before experiencing the service versus the experience itself.

In contrast to other sectors such as the manufacturing industry, the hospitality industry provides services that are produced in the presence of the customer. Taking the fact of human error into consideration the quality of these services can vary considerably. Generally, a distinction is made between the service quality at which regular service is delivered and the level of quality that is guaranteed if problems occur. Strength at both levels is required to deliver good service quality (Berry et al., 1988). It was mentioned that service quality itself can be divided into process- and output quality. According to Berry et al. (1988), factors that determine service quality are access, competence, courtesy, communication, credibility, security, understanding the customer (personalization), reliability, responsiveness, and tangibles (physical factors).

Considering these determinants when designing a service concept is crucial to be successful. Nevertheless, certain aspects adversely influence service quality. The hospitality industry is characterized by the fact that there is a lot of customer-facing staff (Berry et al., 1985). Due to that one of the major problems is that the mode the service personnel conduct themselves simultaneously shapes the customer’s perceptions of the service quality. Furthermore, issues like the failure to respond to customers indicate communication gaps within the organization. Given the unique nature of services, they cannot be standardized, hence it is required to consider guests’ emotions and remember that they are individuals and not statistics (Berry et al., 1985). Liu et al. (2022) indicate that in many situations the unpredictability of certain situations causes service processes to fail. As part of their study, they mention that the overall guest experience is often related to occupancy rates. High occupancy rates indicate an over-occupied service team, capacity overuse as well as environmental untidiness. At times when occupancy was lower, the guests are generally more satisfied with their experience (Liu et al., 2022).
To face the problems that may arise Berry et al. (1985) identified strategies that help companies to improve their service quality. Service providers should be able to manage customer expectations realistically rather than overpromising. Furthermore, primary service determinants should be defined and used to develop a quality culture that is implemented across the company uniformly with the help of service standards existing for every facet of the operation. In addition to that customers should be educated about the service and after the delivery of the service, the level of satisfaction should be determined through follow-up strategies. Another method that gained importance during the last years is the usage of technical developments to replace or supplement human efforts to subsequently reduce errors (Berry et al., 1985).

2.3.1 Expectancy Confirmation Theory

The expectancy confirmation theory (ECT) elucidates, that a person’s expectations create a frame of reference. Based on that a person makes a comparative judgment. Applying this theory to the service sector, service processes, as well as the service outcome, may be rated above (positive disconfirmation) or below (negative disconfirmation) the guests’ reference point, therefore determining the customer’s satisfaction level (Oliver, 1980). This level of satisfaction influences the customer’s repurchase intentions thereby creating either satisfied, loyal customers or dissatisfied customers who are more likely to defect. A study conducted by Liao et al. (2017) on factors influencing online shoppers’ repurchase behavior, further elaborates that there are three levels of confirmation and disconfirmation. When a product, service, or technological object exceeds the consumers’ expectations, the (dis)confirmation is positive, therefore this experience that concurrently increases post-purchase and adoption satisfaction, can be assigned to the first level of (dis)confirmation. If the person’s initial expectations towards a product or service are not met the (dis)confirmation is negative. This second level usually results in a decrease in post-purchase or post-adoption satisfaction and dissatisfaction increases. Third, if original expectations are being met, this confirmation leads to maintaining the post-purchase and post-adoption satisfaction (Liao et al., 2017).

While the previous study focused on online shoppers’ buying behavior, there are multiple research papers focusing on the application of the ECT in the hospitality
industry. Research by Jeong et al. (2019) explored the role of emotional service expectations toward the perceived quality and satisfaction of hotel guests. Results confirmed that in cases where guests have assumed that the employee has not shown true emotion towards them, this has negatively affected future interactions with the company. Therefore, companies should provide training on deep acting strategies such as perspective-taking and empathy training to meet customer emotional service expectations. The authors even go further and suggest that the employees’ ability to show genuine emotions and understand the customers’ needs should be considered during the hiring process (Jeong et al., 2019).

Other studies focus more on actions that should be taken regarding the expectations customers have before their stay. One paper focused on predicting satisfaction with the trip experience among first-time visitors from the US to Spain by using the ECT. The results showed that guest (dis)satisfaction can be explained and predicted by taking the travelers’ perceptions and expectations of a trip into consideration (Pizam & Milman, 1993). Other research adds that this affective-cognitive approach provides a deeper understanding of tourists’ expectations and factors influencing their satisfaction level (Boo & Busser, 2018).

Furthermore, a study by Oh et al. (2022) focuses on recent technological developments and explores customer satisfaction in the hospitality industry by combining deep learning techniques with the expectancy confirmation theory. The results indicate the importance of customer review comments and the implication for service providers to consider and analyze these comments to improve customer satisfaction. Furthermore, it is emphasized that it is particularly important for four- and five-star hotels to communicate actual services they provide as well as accurate information about the property to have satisfied guests rather than customers that are dissatisfied because of the disconfirmation of their expectations and experiences (Oh et al., 2022).

Park (2019) also emphasizes the crucial role online customer review comments play in determining satisfaction among customers. During the research, the most important user experience elements that influence revisiting intentions were established: hedonism, expectation confirmation, user burdens, pragmatic values, and social values. Results obtained by using the structural equation modeling method
display that, hedonic values, as well as user burdens, had notable effects, whereas according to this research, other elements including expectation confirmation had weak impacts on customer revisitation (Park, 2019).

In addition to the conclusion by Park (2019), Liao et al. (2017) mention limitations of the theory. The ECT fails to take other aspects such as continuous decision-making into consideration while focusing more on the service- or product providers performance. As soon as repeat purchases become a habit, consumers are expected to make purchase decisions more automatically and unconsciously. Yet, there are purchases to which this phenomenon cannot be applied. The acquisition of luxury goods and services, which will be discussed throughout this paper, is less likely to become a habit because it usually requires more elaboration, thought, and involvement. These customers conduct information searching, need recognition, alternative evaluation, and other pre-purchase stages to encounter positive or negative affect reactions (Liao et al., 2017).

2.3.2 Service Quality Puzzle

The Service Quality Puzzle by Berry et al. (1988) focuses on answering fundamental questions about service quality. The authors state that while multiple companies provide the same type of services, the quality deviates strongly. Therefore, service quality has become the most powerful competitive weapon. Customers have certain expectations that an organization should meet or exceed to earn a reputation, otherwise perceived service quality will suffer. Among the expectations that guests have towards service providers are responsiveness, serenity, and empathy. The failure to meet expectations which was stressed in the previous section and the consequences that arise are defined by the Service-Performance Gap. The gap between service specifications and the actual service is often particularly significant in services that are highly interactive, labor-intensive, and performed in multiple locations, such as the hospitality industry. The human factor makes these service providers especially vulnerable to this gap because service quality suffers when employees are unable to perform a service at the required level (Berry et al., 1988).
2.3.3 Designing Customer Experiences in the Hospitality Industry

Clark et al. (2006) first introduced the concept of experience design. They state that it is not sufficient to sell a good product or provide excellent service, the challenge is to design experiences that convince consumers from first impression to disposal. As offerings become increasingly interchangeable, it is crucial to build relationships with customers individually and not target a mass market. Furthermore, experiences should be thought out from beginning to end, not only at the moment the consumer interacts with the product or service (Clark et al., 2006).

2.3.3.1 Hardware

According to Brunner-Sperdin and Peters (2009), there are three categories through which service experiences can be designed. The service environment where the service is offered to the customer is defined as hardware. This includes the architecture, design, lighting, and coloring of hotel properties. In general, all the physical aspects surrounding the service that is offered. The findings of their study on guest emotions in high quality hotels showed a significant relation between company related factors that were classified into the categories of human-, hard-, and software and positive guest emotions which included being happy, contentment and the feeling of being in good hands (Brunner-Sperdin & Peters, 2009).

Hypothesis one (H1) claims that the hardware that enables personalization of the service process in luxury hotels has a positive influence on customer satisfaction.

2.3.3.2 Humanware

Next to that, human resources, the humanware, focuses on the interaction between the employees, the customers, and the service performance. Service performances in hotels can be experienced during different activities such as check-in and out, turndown service in the room, housekeeping, and culinary- or cultural experiences (Brunner-Sperdin & Peters, 2009). These interactions depend on the appropriate employee behavior such as the ability to make the guest feel comfortable, special, and welcome. Results of the research conducted by Brunner-Sperdin and Peters (2009) proposed that factors related to the employees behavior influence guest satisfaction more than other operational aspects.
**Hypothesis two (H2)** states that the interaction between employees and luxury hotel guests, and their ability to personalize the customers stay has a positive effect on customer satisfaction.

### 2.3.3.3 Software

Finally, to ensure that guests have the chance to make memorable experiences, software supports both hard- and humanware with technology and process management (Brunner-Sperdin & Peters, 2009). Technical equipment in the guest room for example smart-home technologies enables operators to adjust settings like light, heat, and Smart TV according to individual preferences. Furthermore, tools like the website design, hotel booking software as well as revenue management software allow a hotel to successfully conduct yield management as well as target their customers more effectively based on data from past visits, therefore creating more satisfied customers (Wu & Liang, 2009).

Deriving from this, **hypothesis three (H3)** implies that the usage of appropriate software and technologies in luxury hotels enables personalization and will lead to having satisfied customers.

### 2.3.3.4 Experience Design

To meet the challenges that the Covid-19 pandemic entailed, hotel operators invested in creating safe customer experiences. Physical and digital firm-controlled processes were modified based on the following factors: reassurance, quickness, intimacy, and proximity. Technological developments and digital solutions helped to meet those needs and enabled customers to have a fast and efficient service delivery (Bonfanti et al., 2021). To successfully design new customer experiences, as were required during the pandemic, Rahimian et al. (2021) designed a four-stage framework for customer experience management in the hotel industry. These stages include customer identification, customer experience design, customer experience implementation, and customer experience measurement. The different factors are influenced by the organizational culture and structure as well as human aspects such as employees and leadership style (Rahimian et al., 2021). According to Pine and Gilmore (1999) in order to be satisfied, guests expect memorable events provided through personalized experiences.
Hypothesis four (H4) indicates that designing experiences according to luxury hotel guests’ preferences will lead to increased customer satisfaction.

2.4 Methods to Incorporate Personalization into the Service Process

Ariffin et al. (2018) divide the hospitality industry into five dimensions: personalization, warm welcoming, special relationship, straight from the heart, and comfort. In section 1.2 the reader was introduced to the concept of delivering exceptional experiences to the guest. To create these unique experiences, that the customers expect but often do not demand, the personalization of services can be used (Greiner & Goh, 2021). A study involving 101 luxury hotel guests in Malaysia indicates that from the five dimensions of hospitality only personalization, comfort, and straight from the heart predict guest satisfaction in a luxury hotel setting (Ariffin et al., 2018).

Cambridge Dictionary (2022) defines personalization as “the act of making something suitable for the needs of a particular person”. In the hotel industry personalization is used to tailor specific services to the individuals’ needs (Vesanen, 2007). Surpremant and Solomon (1987) add that personalization denotes any behavior that arises in all communications that have the goal to make the guests feel that they are receiving individual attention. The more guests believe that they are being given special treatment, the higher the rating that they will give to the hotel will be. Ariffin and Maghzi (2012) claim that hospitality is viewed as an enhanced service, which is fundamentally personalization.

Research has shown that in the development of smart tourism destinations, creating personalized experiences through offering products or services that meet the customer’s unique needs is essential to improve the overall experience (Buhalis & Amaranggana, 2015). Understanding individuals’ unique needs and wishes has become increasingly important for the competitiveness of not only destinations but also the hotel industry. However, it is not easy to apply personalization because of several factors such as a lack of agreement regarding the meaning of personalization, and human or technical restrictions (Vesanen, 2007).
Using different technologies enables hotels to personalize experiences, as the employees can shift their focus from transactional activity to a more personalized experience (Oskam et al., 2019). Furthermore, in promoting products and services there has been a shift from mass marketing to more personalized, targeted communication. Hotels move from broadcasting and print advertisement to two-way dialogues with guests through mobile apps, websites, and social media (Weinstein, 2020). If businesses succeed in co-creating their services with their guests and allow them to participate in the design of experiences, they will feel connected and emotionally engaged with the hotel, which will encourage them to revisit (Torres et al., 2014). However, the usage of technology can also make personalizing experiences more difficult. Using online check-in programs or robots depersonalizes the guest experience (Oskam et al., 2019).

Other examples of personalization in the hotel industry are provided in a study conducted in 5-star hotels in Delhi, India. The research performed by Verma and Waghela (2022) discovered that the housekeeping department can make the reception of the guest unique by providing special amenities in the rooms such as the reproduction of famous cultural sights in India in the form of a cake. However, personalization is not only a one-time event but can be provided daily by carefully observing the pattern of guest consumption in all departments and taking notes on these behaviors. This knowledge can be used later to adapt certain things in the guest room during their stay or before their next stay. An example of that is knowing the guest’s preferences in tea consumption or minibar items, based on that the employees place particular tea bags or drinks in the room, therefore creating a lasting impact in the guest’s mind (Verma & Waghela, 2022).

2.5 Using Personalization to Create a Competitive Advantage

Customer Satisfaction is considered to be one of the most pivotal determinants of a business’s success. Having satisfied customers may result in an improvement of the firm’s reputation and image, increased attention to customer needs, reduction of customer turnover, reduction in marketing and transaction costs, and more stability of the workforce which impacts a firm’s competitiveness and profit-making (Liao et al., 2017).
The guest experience journey delivered by the hotel determines the hotel’s guest satisfaction. In the previous sections, it was discussed that services provided by hotels stimulate emotions such as pleasure or excitement. The experience value of these services is the dominant factor influencing the customers’ motivation to buy a service. In general customer satisfaction can be defined as the gap between what guests expect and the perceived service delivered. Satisfaction with and re-consumption of the hotel services provided may be driven by attributes, such as staff service quality, amenities, value, and security (Chan et al., 2021). An investigation of the topic by Milman (2009) indicates that other variables impacting consumer satisfaction may be the duration of the service, the individual’s personality, and preferences, as well as the emotional state of the passengers prior to, during, and after the service encounter. A study conducted by Padma and Ahn (2020) supports the above-mentioned factors that drive guests’ satisfaction. The findings of the analyses conducted in the Malaysian luxury hotel market determined the quality of rooms as well as interaction with employees as major drivers of customers’ word of mouth and revisit intentions.

Satisfying customers is crucial for operators not only because they normally provide feedback on their experiences and emotions connected to their stay in form of user-generated content, such as online reviews, which are the main source of information for many guests before they consume a service (Chan et al., 2021). Additionally, a satisfied guest will probably revisit the property and promote the hotel through word-of-mouth publicity, that way generating more revenue for the company. To create a loyal customer the first service encounter must deliver exceptional experiences, therefore gaining a competitive advantage (Verma & Waghela, 2022). Moreover, using personalization to create a competitive advantage among luxury hotels is essential, because most of these hotels, located in the same region, provide high service quality and nearly identical types of infrastructure and facilities (Verma & Waghela, 2022). The confirmation of customers’ beliefs and satisfaction with the service performed, is shaped by the actual service performance. This relationship is particularly captured in four and five-star hotels because easy, rapid, and high-quality services are expected (Lee et al., 2016).
Furthermore, research has shown that personalizing experiences often come with additional sales which will increase the company's turnover and at the same time create opportunities to make new investments that will increase the quality of service or improve the hotel's facilities. The young generation of travelers, the millennials, represents an important future clientele for luxury hotels. These travelers are looking for memorable experiences, that they can share on social media platforms more than any generation before them. Satisfying their needs will help luxury properties to differentiate from their competitor's (Trépanier, 2021).

This research paper will focus on how luxury hotels can use personalization to achieve customer satisfaction and create a competitive advantage. The key emphasis of the analysis will be put on identifying the tools used by different hotels in the luxury segment to personalize their service.

2.6 Conceptual Framework

![Conceptual Framework](image)

Figure 2-1

Influence of Personalized Services in Luxury Hotels on the Customer Satisfaction

Service processes and the service outcome may be rated above or below the customers’ expectations. According to the ECT, these expectations create a reference
point, therefore determining the guests’ satisfaction level (Oliver, 1980). This thesis examines the relationship between personalizing the service process in luxury hotels and its impact on customer satisfaction.

To simplify analysis four categories have been created which allow to classify the companies' personalization strategies according to their nature. The hardware surrounding the service offered in luxury hotels includes all physical aspects related to the service process. This thesis aims to test whether there is a positive influence of the usage of personalized hardware elements on customer satisfaction. Furthermore, the hospitality industry belongs to the service sector. A main feature of this industry is that the quality of the service experience depends on the execution by hotel employees. Therefore, the goal of this research is to analyze the relationship between the interaction of employees with guests and its effect on their satisfaction. For this thesis, the link between software items, not only including technological equipment but process management strategies as well, was examined. The relationship between these systems, their influence on personalizing the guest experience, and customers' contentment will be tested. Lastly, it was tested whether guests expect luxury hotels to design experiences according to their preferences.

3 Methodology

The methodology applied during the research process for this thesis is divided into three segments. First of all, an overview of different types of research designs is provided, followed by a brief explanation of the chosen methods that were applied during this thesis, and this author’s inductive approach. In addition to that, the research method used, as well as corresponding questions linked to the different parts of the research problem are stated. Lastly, the data collection and analysis approach are discussed in detail.

3.1 Research Design

This work aims to analyze to what extent the personalization of services shapes the guest experience and is related to the customer satisfaction in luxury hotels.
Research designs are plans that are crucial to set the procedure for the required research when dealing with a research problem. This way the author determines how primary data is collected. When conducting research on a topic, one could either execute a quantitative, qualitative, or mixed methods research approach. The decision which research design is appropriate for the research problem to be studied is based on three important elements: the research problem itself, research strategy and methods as well as philosophical assumptions. Furthermore, it is crucial to take into consideration the audience for whom the research study will be written as well as the experiences of the researcher him/herself (Creswell, 2009). Quantitative research should be used when objective theories are to be tested by exploring relationships among variables. To analyze these variables, using statistical procedures, they should be measured on instruments (Creswell, 2009). Qualitative research focuses on analyzing the emotions or behavior of individuals or groups toward a specific problem. During this method, open-ended data is gathered through interviews, case studies, or narrative research (Creswell, 2009). When researchers aim to combine both the analysis of relationships between variables as well as open-ended data the use of mixed methods is recommended. As this thesis aims to test the relationship between the ECT and the effect the personalization of services in the luxury hotel industry has on guest satisfaction, the author of this thesis decided to conduct both quantitative-, and qualitative research.

To gain preliminary insights into the execution of personalization in luxury hotels, industry experts were interviewed. This enabled a comparison between the different approaches to service delivery and the importance personalizing services has in different luxury hotels. The choice of expert interviews allowed the researcher to investigate the research question from various perspectives. On the other hand, to understand how different personalization measures are being perceived by consumers, they were questioned using a self-administered online survey. This systematic empirical investigation allowed the researcher to determine the importance of different personalized services to individual consumers and the impact of these on their satisfaction with the overall experience.

The independent variables that influence the value of the dependent variable, illustrated in the conceptual framework (Error! Reference source not found.), were
analyzed by the application of statistical and mathematical means. To make precise predictions regarding the topic of personalization in luxury hotels and ensure an accurate data set, a Cronbach alpha test was performed.

Before conducting in-depth research through expert interviews and a questionnaire, existing academic literature was scrutinized. To effectively analyze data, test the hypotheses, and interpret the findings, two different approaches, one for the qualitative-, and one for the quantitative data have been chosen. The qualitative data were analyzed using an inductive approach. First summarizing raw textual data collected in expert interviews, then linking these findings to the research objectives. Quantitative data collected through the questionnaire were analyzed using the statistical software *Jamovi*. The analysis included a sample characteristics presentation, mean comparisons, and normality checks through the Shapiro-Wilk test. Furthermore, to measure the internal consistency of each construct, Cronbach’s alpha was analyzed for every independent variable. After creating a composite variable for each construct hypotheses were tested using either the Pearson-, or Spearman correlation test. Lastly the linear regression was analyzed.

### 3.2 Expert Interviews

On the one hand, data for this thesis was collected via expert interviews (n=4). The method was chosen because it is a more efficient and concentrated method of gathering practical insider knowledge (Bogner et al., 2009). Interview partners were selected based on their expertise in the field and personal connections in the industry due to the prior work experience of the author. The interviews were conducted via the video chat platform Microsoft Teams.

To gain preliminary insights into the development of using personalized services to shape the guest experience in the luxury hotel industry and the effect this might have on building a competitive advantage, experts in the field were consulted. When conducting interviews, there are three different approaches. Researchers can either carry out structured-, unstructured-, or semi-structured interviews. The author of this thesis decided to conduct semi-structured interviews with the guest experience managers of some of the most renowned 5-star hotels in German-speaking countries. This method is a combination of the structured- and unstructured interview approach.
and allows the researcher to ask several key-questions following a certain structure but leaves room for follow-up questions as well. This enables the interviewer to adapt the questions throughout the conversation (Bogner et al., 2009).

The interview partners were asked nine open-ended questions which gave the interviewees the possibility to elaborate on the unique approaches they are following within their companies when it comes to shaping the guest experience. Moreover, whenever it was necessary the interviewer asked follow-up questions to clarify what was being said. The questions posed during the interview sessions were established based on the conceptual framework that was presented to the reader in Error! Reference source not found. This enabled the author of this thesis to determine what measures are already being taken by the companies concerning personalization in the various areas of a hotel, the challenges they face, and where there is still potential for development. Table 3-2 provides a summary of the questions that were raised during the interviews.

3.2.1 Sampling Procedure Expert Interviews

The sampling method used for this thesis was non-probability sampling. This approach is characterized by not all population members having an equal chance of participating in the study (Creswell, 2009). Due to time and cost considerations, participants were chosen based on the subjective judgment of the researcher. Therefore, samples were selected based on the researcher's knowledge and credibility. As the author chose the participants of the interviews, it was ensured that the sample is aligned with the research objectives.

For this thesis, potential interviewees were contacted via e-mail and LinkedIn. To be considered as a sampling participant, candidates had to work in a five-star luxury hotel in a German-speaking country. Furthermore, it was preferred that participants, at the time of the interview, work in the guest experience department in a hotel of the mentioned category. In total four experts were interviewed. Three of the four participants are working in luxury hotels in Austria and Germany. One of the interviewees was a former hotel manager who founded a consulting company that is focused on building inspiring leaders. The sample size n=4 is justified by the mixed methods approach that was chosen for this thesis. Because of the information the
interviewees disclosed, fewer participants were needed to achieve significant results.

**Table 3-1** provides a detailed sample description:

**Table 3-1**

Sample Description Expert Interviews

<table>
<thead>
<tr>
<th>Interview Details</th>
<th>Interviewee Details</th>
<th>Business Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview Duration</td>
<td>Interview Format</td>
<td>ID</td>
</tr>
<tr>
<td>25:05 min</td>
<td>Phone</td>
<td>I01</td>
</tr>
<tr>
<td>47:42 min</td>
<td>Online (Teams)</td>
<td>I02</td>
</tr>
<tr>
<td>27:02 min</td>
<td>Online (Teams)</td>
<td>I03</td>
</tr>
<tr>
<td>41:23 min</td>
<td>Online (Teams)</td>
<td>I04</td>
</tr>
</tbody>
</table>

3.2.2 Data Collection - Expert Interviews

Data was collected through expert interviews at an early stage of the research process. The four interviews were conducted within two weeks to make a comparison of the results easier. Moreover, transcripts were prepared immediately after the interviews. This enabled the author to check if there were any follow-up questions arising because of other interviews. The interviews were held in both German and
English, according to the preference of the interviewee. One of the interviews was conducted over the phone because of technical issues of the interviewee. The other interviews were held online but with the camera switched on. The conversations that were recorded and transcribed, were 25 to 50 minutes long, depending on the narrative of the interviewees. The author chose a simple transcription system to guarantee easy readability. After the data was transcribed from speech to text it was categorized into subgroups according to the questions asked and analyzed for commonalities and differences.

### 3.2.3 Interview Questions

**Table 3-2**

*Topics and Interview Questions*

<table>
<thead>
<tr>
<th>Topics</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hardware</strong></td>
<td>• Outside the interaction with the hotel staff, how do you pursue personalization in your hotel?</td>
</tr>
<tr>
<td><strong>Humanware</strong></td>
<td>• Does your hotel have a standard operating procedure when it comes to communication between staff and guests? Please explain the content.</td>
</tr>
<tr>
<td><strong>Software</strong></td>
<td>• What technological tools do you use to ensure that personalized experiences are delivered appropriately?</td>
</tr>
<tr>
<td></td>
<td>• How do you measure guest satisfaction and customer retention without troubling your guests?</td>
</tr>
<tr>
<td><strong>Experience Design</strong></td>
<td>• What makes the guest experience in your hotel unique?</td>
</tr>
<tr>
<td></td>
<td>• Have you noticed any trends and/or changes over the last years when it comes</td>
</tr>
</tbody>
</table>
to personalized services as part of the service process? If yes, please elaborate. Do you think offering personalized services as a luxury hotel is obligatory?

- What is required in your opinion to effectively personalize services and are there any difficulties in your opinion?
- What challenges do you face?

### 3.3 Consumer Online Survey

#### 3.3.1 Measures and Survey Development

Explanatory research is characterized by gathering primary data, therefore an online questionnaire was established by the author of this thesis. The questionnaire items were based on the conceptual framework that was developed for this research. In total, forty-four questions were asked out of which five were general, demographic questions. This survey aimed to measure the influence of hardware-, humanware, and, software items as well as the design of experiences on guests’ satisfaction. That way, the researcher aims to understand the individual preferences consumers have when it comes to personalized services within luxury hotels. It is important to mention that respondents were informed before reaching the main section with questions on personalization that they should answer the questions assuming that they are on a leisure trip or staying in a luxury hotel.

The questionnaire items were established according to the four dependent variables of the conceptual framework. Regarding the construct “Hardware”, 18 questionnaire items were defined. Five questions were developed to measure the construct “Humanware”. The variable “Software” was analyzed through nine measurement items. Lastly, six questions were developed to examine the importance of “Experience Design” and one item explored the dependent variable “Customer Satisfaction”.

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All questions were answered on a five-point Likert scale, ranging from “strongly agree” to “strongly disagree”. The options in between were “agree”, “neutral”, and “disagree”. The option “neutral” was provided to avoid bias in case a respondent wishes to stay abstinent from answering a specific question.

After a detailed analysis of existing academic literature consisting of articles, publications, and books, the questionnaire items were derived. Based on these items the survey was developed. In Table 3-3 the sources for the questions are listed.

Table 3-3
Survey Constructs and Measurement Items

<table>
<thead>
<tr>
<th>Construct</th>
<th>Measurement Item</th>
<th>Item Name</th>
<th>Scale</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hardware</strong></td>
<td>I expect a luxury hotel to provide the following personalized services:</td>
<td>• EMBA_RC</td>
<td>Spt. scale: strongly agree – strongly disagree</td>
<td>Ariffin et al. (2018)</td>
</tr>
<tr>
<td></td>
<td>• Personalized embroidered bathrobes.</td>
<td>• PHO_RC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Framed personal photos in the room.</td>
<td>• PREF_RC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Guest room preferences collected prior to arrival.</td>
<td>• GIFTBA_RC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Welcome gift baskets.</td>
<td>• DECO_RC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Personalized room décor.</td>
<td>• TEMP_RC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Room temperature set to my preferences.</td>
<td>• NEWS_RC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• BAR_RC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• F&amp;B_RC</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• ENT_RC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• BATH_RC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• KIDS_RC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• FLO_RC</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
- Newspaper in my mother tongue.
- Minibar stocked with my favorite drinks.
- Personalized food and beverage options.
- Individualized entertainment options.
- Personalized hotel bathroom accessories and amenities.
- Special equipment when travelling with children or pets.
- My favorite flowers in the room.

<table>
<thead>
<tr>
<th>The design of the public areas in a luxury hotel is very important to me.</th>
<th>HARDW1</th>
<th>5pt. scale: strongly agree – strongly disagree</th>
<th>Al Khattab &amp; Aldehayyat (2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The design of the guest rooms in a luxury hotel is very important to me.</td>
<td>HARDW2</td>
<td>5pt. scale: strongly agree – strongly disagree</td>
<td>Al Khattab &amp; Aldehayyat (2011)</td>
</tr>
<tr>
<td>Humanware</td>
<td>The hotel staff knowing my name prior to check-in would positively influence my experience.</td>
<td>HUMANW1</td>
<td>5pt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------------------</td>
<td>--------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>Humanware</td>
<td>I expect employees of luxury hotels to make me feel important.</td>
<td>HUMANW2</td>
<td>5pt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td>Humanware</td>
<td>It is important to me that hotel employees act authentically.</td>
<td>HUMANW3</td>
<td>5pt. scale: strongly agree –</td>
</tr>
<tr>
<td>The luxury feel of the interior influences my overall experience.</td>
<td>HARDW3</td>
<td>5pt. scale: strongly agree – strongly disagree</td>
<td>Buehring &amp; O’Mahony (2019)</td>
</tr>
<tr>
<td>A luxury hotel should offer superior value through creating a home-like setting.</td>
<td>HARDW4</td>
<td>5pt. scale: strongly agree – strongly disagree</td>
<td>Li et al. (2019)</td>
</tr>
<tr>
<td>The usage of sensory elements in the hotel, such as scent, enhances my mood.</td>
<td>HARDW5</td>
<td>5pt. scale: strongly agree – strongly disagree</td>
<td>Buehring &amp; O’Mahony (2019)</td>
</tr>
<tr>
<td>The luxury feel of the interior influences my overall experience.</td>
<td>HARDW3</td>
<td>5pt. scale: strongly agree – strongly disagree</td>
<td>Buehring &amp; O’Mahony (2019)</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Model</td>
<td>Scale</td>
</tr>
<tr>
<td>----------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Human</strong></td>
<td>Luxury hotel employees should be committed to the hotel guest experience.</td>
<td>HUMANW4</td>
<td>Spt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td></td>
<td>Employees of a luxury hotel should be available at any time to answer my requests.</td>
<td>HUMANW5</td>
<td>Spt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td><strong>Software</strong></td>
<td>I expect the staff at a luxury hotel to walk me to my room upon check-in.</td>
<td>SOFTW1</td>
<td>Spt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td></td>
<td>A welcome gift upon arrival makes my experience unique.</td>
<td>SOFTW2</td>
<td>Spt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td></td>
<td>I expect that my luggage will be taken care of when I check-in into a luxury hotel.</td>
<td>SOFTW3</td>
<td>Spt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td></td>
<td>I appreciate when the hotel knows my special</td>
<td>SOFTW4</td>
<td>Spt. scale: strongly</td>
</tr>
<tr>
<td>Requirement</td>
<td>Scale</td>
<td>Methodology</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>-----------</td>
<td>----------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Technology in the guest room should allow me to connect my own device to the in-room systems.</td>
<td>SOFTW5</td>
<td>Buehring &amp; O’Mahony (2019)</td>
<td></td>
</tr>
<tr>
<td>Luxury hotels should provide state of the art technology.</td>
<td>SOFTW6</td>
<td>Buehring &amp; O’Mahony (2019)</td>
<td></td>
</tr>
<tr>
<td>I would prioritize booking a hotel that allows me to make special requests during the booking process.</td>
<td>SOFTW7</td>
<td>Chellappa &amp; Sin (2005)</td>
<td></td>
</tr>
<tr>
<td>A luxury hotel sending me personalized advertisement will lead to me purchasing the offer.</td>
<td>SOFTW8</td>
<td>Wang et al. (2017)</td>
<td></td>
</tr>
<tr>
<td>I am happy to share data on my preferences with the luxury hotel prior to my stay.</td>
<td>SOFTW9</td>
<td>Chellappa &amp; Sin (2005)</td>
<td></td>
</tr>
<tr>
<td><strong>Experience Design</strong></td>
<td><strong>I expect the hotel to offer experiences that contain elements of surprise.</strong></td>
<td><strong>EXPE1</strong></td>
<td>Spt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td>-----------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>----------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td></td>
<td><strong>I expect luxury hotels to be able to organize uniquely staged events within my hotel room, the hotel or somewhere in the vicinity of the hotel.</strong></td>
<td><strong>EXPE2</strong></td>
<td>Spt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td></td>
<td><strong>I expect the luxury hotel to communicate with me before and after my stay.</strong></td>
<td><strong>EXPE3</strong></td>
<td>Spt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td></td>
<td><strong>I prefer a hotel that offers individual services based on my respective lifestyle and customs.</strong></td>
<td><strong>EXPE4</strong></td>
<td>Spt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td></td>
<td><strong>I would spend money on additional personalized services that are not yet included in the room rate.</strong></td>
<td><strong>EXPE5</strong></td>
<td>Spt. scale: strongly agree – strongly disagree</td>
</tr>
<tr>
<td></td>
<td><strong>I expect luxury hotels to learn about my preferences and design my</strong></td>
<td><strong>EXPE6</strong></td>
<td>Spt. scale: strongly agree –</td>
</tr>
</tbody>
</table>
next stay according to the
data they collected.

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>The extent to which personalization is implemented in a luxury hotel is more important to me than other factors such as the location of the hotel.</th>
<th>SATISF</th>
<th>Spt. scale: strongly agree – strongly disagree</th>
</tr>
</thead>
</table>

3.3.2 Data Collection - Questionnaire

To be able to make assumptions about the behavior of hotel guests, the method of convenience sampling was used. This form of non-probability sampling allowed the researcher to find potential respondents who were willing to answer the questionnaire. Using this method, participants were selected because they happen to be in the right place at the right time which allowed the author to collect primary data without any special requirements. However, it is crucial to mention that the results gathered through this method may be biased because the population is not qualitatively represented by the sample. The online questionnaire was published and distributed via the researcher’s LinkedIn and Instagram accounts, creating a population size of n = 1209. Additionally, industry experts and fellow students shared the survey through their LinkedIn accounts with their followers. The survey was published on April 16th, 2023 and was available for 16 days until May 2nd, 2023.

4 Data Analysis and Findings

4.1 Descriptive Analysis

Through the distribution of the online survey industry experts, acquaintances, and friends were reached. Out of the 108 respondents that participated, 92.5% are from Europe. Approximately 47% of participants identify themselves as male, and 52.3% as
female. At the time of filling out the questionnaire, 48.6% of respondents are between 18 and 24 years old. Twenty-one percent are between 25-34 years and another 20.6% of participants are between 55 to 64 years old. Thirty-three percent of respondents received a high school degree or equivalent. Twenty-six percent finished a bachelor’s degree and 32.7% have a graduate degree. Fifteen percent of the survey participants have an annual household income of 0 - 9.999€. Sixteen percent above 100.000€ and 18.9% preferred not to give any information about it. The data collected was processed and analyzed using the statistics program Jamovi. The answers that were given on a five-point Likert Scale were first recoded from “Strongly disagree”= 1 to “Strongly agree”= 5. To test whether the data collected was normally distributed, the Shapiro-Wilk normal distribution test was applied. Results showed p-values below 0.001 for every item, indicating that data was not normally distributed. These findings were crucial for the analysis that followed. However, before proceeding with the creation of composite variables and hypothesis testing, internal consistency of the constructs was evaluated through the application of the Cronbach’s alpha test. The constructs “Hardware”, “Software”, and “Experience Design” showed values that reflect internal consistency. For the construct “Humanware”, resulting in a value of 0.57, one item was dropped because it caused insignificant results.

To test the hypothesis one questionnaire item was included that measured the dependent variable “Customer Satisfaction”. The mean of the variable “SATISF” was 2.42, indicating that the extent to which personalization is implemented in luxury hotel is not as important to guests compared to other factors such as the location of the hotel.

In addition to the questionnaire, text in form of interview transcripts has been produced during the four expert interviews. The content of these conversations was analyzed using the inductive approach, drawing general conclusions about the luxury hotel industry from specific observations made in the individual interviews. The interview partners were given IDs (see Table 3-2) to facilitate the analysis subsequently. Furthermore, it is crucial that the author reviews results for potential biases, to ensure the accuracy of the data collected. There may be extraneous factors that influence the nature of the data.
4.1.1 Hardware

The survey contained eighteen measurement items referring to the construct hardware. The goal was to find out about guests’ preferences in physical aspects of a luxury hotel that would personalize their stay. The author decided to analyse the five most important items (HARDW1-HARDW5) shown in Table 4-1 to test the hypothesis. An investigation of the measures concerning consumers expectations when it comes to offering multiple services and products can be found in the section Additional Information.

Participants of the questionnaire were asked how important the different design features of the luxury hotel are for them. Findings suggest that the design of the public areas of a luxury hotel (“HARDW1”) is almost equally important for guests (mean=4.55) as the design of the guest rooms (“HARDW2”) with a mean of 4.60. Moreover, 53.7% stated that the luxury feel of the interior (“HARDW3”) influences their overall experience. Analysing the question of whether luxury hotels should create a home-like setting (“HARDW4”) it was observed that 35.2% of participants neither agreed nor disagreed. In contrast to the strategy of some of the hotels whose experts were interviewed, 12% say they do not agree that a hotel should create this ambiance. Data collected for the measure “HARDW5” was negatively skewed (-1.12) and showed a mean of 4.07. Thirty-three percent of participants agreed and 41.7% strongly agreed with the statement “The usage of sensory elements in the hotel, such as scent, enhances my mood.”

Table 4-1

Descriptive Analysis of Questionnaire Items measuring construct “Hardware”

<table>
<thead>
<tr>
<th>Descriptives</th>
<th>HARDW1</th>
<th>HARDW2</th>
<th>HARDW3</th>
<th>HARDW4</th>
<th>HARDW5</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>108</td>
<td>108</td>
<td>108</td>
<td>108</td>
<td>108</td>
</tr>
<tr>
<td>Mean</td>
<td>4.55</td>
<td>4.60</td>
<td>4.31</td>
<td>3.58</td>
<td>4.07</td>
</tr>
<tr>
<td>SD</td>
<td>0.60</td>
<td>0.64</td>
<td>0.61</td>
<td>1.07</td>
<td>1.00</td>
</tr>
<tr>
<td>Shapiro-Wilk</td>
<td>W</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>p</td>
<td>0.89</td>
<td>0.84</td>
<td>0.75</td>
<td>0.89</td>
<td>0.90</td>
</tr>
</tbody>
</table>
4.1.2 Humanware

The online questionnaire included five items seen in Table 4-2 that measured the influence hotel staff has on effectively personalizing the guest experience, thus creating satisfied customers. Analyzing the measure “HUMANW1” a mean of 4.06 was observed. With a skewness of -1.13 data is not normally distributed but extremely skewed. The findings showed that 33.3% of respondents agree that the hotel staff knowing their name prior to check-in would positively influence their experience. Eighteen percent neither agree nor disagree and 41.7% strongly agree with the statement. Looking at the measure “HUMANW2” that aimed to find out whether customers expect employees of luxury hotels to make them feel important, data revealed a mean of 3.64 and was almost symmetrically distributed. Twenty-eight percent of survey participants strongly agreed with the question, whereas 12% disagreed and 4.6% strongly disagreed. Similar to this measure, respondents also had different opinions on the availability of hotel staff. The mean of 3.69 for “HUMANW5” reflects that 34.3% agree that employees should be available at any time. However, 14.8% either disagree or strongly disagree and 22.2% neither agree nor disagree.

When people were asked if it is important to them that hotel employees act authentically “HUMANW3”, 64.8% answered with “strongly agree”. The mean of 4.55 aligns with what was elaborated on by the industry experts. Most of them mentioned the importance of the employees acting authentically and being committed to their job. The commitment of luxury hotel employees was evaluated by item “HUMANW4”. With a mean of 4.43 and a skewness of -0.76 data was not normally distributed. 52.8% of respondents strongly agree, 37% agree and 10.2% neither agree nor disagree with the statement.
**4.1.3 Software**

In addition to the two constructs mentioned already, the self-administered online survey determined the effect of using software tools on the personalization of services through nine survey items presented in **Table 4-3**. Software in this case does not only refer to the technological aspect but to factors related to the service process in general. The four experts that were interviewed for this thesis all mentioned that walking the guest to their room upon check-in is standard in the luxury hotels they work for. Looking at item “SOFTW1” data analyzed showed a mean of 3.69. On the one hand, 63.9% of the guests expect this service, however, there is also a small number of guests (16.7%) who do not expect this service. Many hotels today provide amenities guests find in their hotel rooms when they check in. Data analyzed for the item “SOFTW2” showed a mean of 4.00 and skewness of -0.74, which implies that the data is negatively skewed. The fact that a majority of respondents claimed that a welcome gift upon arrival makes their experience unique aligns with the strategy many luxury hotels are following. Results further indicate that luxury hotel guests expect that their luggage will be taken care of when they check in (“SOFTW3”) and that they will be able to connect their own technological devices to the in-room system (“SOFTW5”). A mean of 4.06 was observed for item “SOFTW6”.

Descriptives of measure “SOFTW4” show that guests appreciate when the hotel knows their special requirements before check-in. During the expert interviews, different tools to collect these special requirements were mentioned as well. However, these systems can only work if the guest collaborates as well. Survey item “SOFTW9” shows that 36.1% of respondents agree and would be happy to share data.
on their preferences with the luxury hotel prior to their stay. Nonetheless, 29.6% neither agreed nor disagreed and 15.7% even disagreed. Looking at the booking behavior of guests, measure “SOFTW7” asked participants if they would prioritize hotels that allow them to make special requests during the booking process. The mean of 3.83 indicates that guests prefer companies that enable them to make these requests.

The second person who was interviewed for this thesis, in the following referred to as I02, has mentioned personalized newsletters and marketing as a strategy to implement personalization and stand out from competitors. The questionnaire item “SOFTW8” wanted to find out whether a hotel sending personalized advertisement will lead to the guest purchasing the offer. It was observed that 25% of participants disagreed and 10.2% strongly disagreed. Only 24.1% would purchase the offer customized to their preferences.

Table 4-3
Descriptive Analysis of Questionnaire Items measuring construct “Software”

Descriptives Software

<table>
<thead>
<tr>
<th>Descriptives</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOFTW1</td>
<td>108</td>
<td>3.69</td>
<td>1.20</td>
<td>.86</td>
</tr>
<tr>
<td>SOFTW2</td>
<td>108</td>
<td>4.00</td>
<td>0.95</td>
<td>.84</td>
</tr>
<tr>
<td>SOFTW3</td>
<td>108</td>
<td>4.26</td>
<td>1.05</td>
<td>.72</td>
</tr>
<tr>
<td>SOFTW4</td>
<td>108</td>
<td>4.04</td>
<td>0.96</td>
<td>.83</td>
</tr>
<tr>
<td>SOFTW5</td>
<td>108</td>
<td>4.21</td>
<td>0.86</td>
<td>.79</td>
</tr>
<tr>
<td>SOFTW6</td>
<td>108</td>
<td>4.06</td>
<td>0.87</td>
<td>.81</td>
</tr>
<tr>
<td>SOFTW7</td>
<td>108</td>
<td>3.63</td>
<td>1.02</td>
<td>.67</td>
</tr>
<tr>
<td>SOFTW8</td>
<td>108</td>
<td>2.92</td>
<td>1.08</td>
<td>.92</td>
</tr>
<tr>
<td>SOFTW9</td>
<td>108</td>
<td>3.54</td>
<td>0.99</td>
<td>.89</td>
</tr>
</tbody>
</table>

4.1.4 Experience Design

Looking at the construct “Experience Design” from a customer perspective, the survey included six items measuring the effect different experience design methods have on guest satisfaction. The reader can explore the items in Table 4-4. Measure “EXPE1” showed a mean of 3.56, reflecting the fact that 35.2% of respondents agreed that hotels should offer experiences that contain elements of surprise. Further, 34.3%
agree that luxury hotels should organize uniquely staged events within the hotel room, hotel property, or somewhere in the vicinity of the hotel (“EXPE2”). However, results of “EXPE4” show that guests prefer a hotel that offers individual services based on their lifestyle and customs (47.2%). Personalized services are often additional features that are not included in the room rate. Through item “EXPE5” it was analyzed that 33.3% agree to spend more on personalized services, whereas 21.3% disagree. Looking at communication before, during, and after the stay (“EXPE3”) as well as the usage of data for future travels to the property (“EXPE6”) guests expect the hotel to communicate with them (mean= 3.54) as well as designing their stay following the preferences collected during their last stay (mean= 3.55).

Table 4-4

Descriptive Analysis of Questionnaire Items measuring construct “Experience Design”

<table>
<thead>
<tr>
<th>Descriptives Experience Design</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>W</td>
</tr>
<tr>
<td>EXPE1</td>
<td>108</td>
<td>3.56</td>
<td>1.04</td>
<td>0.90</td>
</tr>
<tr>
<td>EXPE2</td>
<td>108</td>
<td>3.45</td>
<td>1.02</td>
<td>0.90</td>
</tr>
<tr>
<td>EXPE3</td>
<td>108</td>
<td>3.54</td>
<td>1.01</td>
<td>0.89</td>
</tr>
<tr>
<td>EXPE4</td>
<td>108</td>
<td>3.47</td>
<td>0.96</td>
<td>0.88</td>
</tr>
<tr>
<td>EXPE5</td>
<td>108</td>
<td>3.19</td>
<td>1.25</td>
<td>0.90</td>
</tr>
<tr>
<td>EXPE6</td>
<td>108</td>
<td>3.55</td>
<td>1.21</td>
<td>0.88</td>
</tr>
</tbody>
</table>

4.2 Hypothesis Testing

Table 4-1 to 4-4 show that the Shapiro Wilk test performed to find out about the distribution of the data, resulted in p-values below 0.05 for all items. However, to test the hypothesis developed during this thesis it was necessary to create composite variables consisting of the different items measuring each construct, checking the distribution of every composite variable. Before proceeding with these steps, it is important to evaluate the internal consistency of the four latent constructs. Hence, all corresponding items were included, and the Cronbach’s alpha test for each construct was performed. The reliability analysis for “Hardware” (HARDW1, HARDW2, HARDW3, HARDW4, HARDW5) resulted in a Cronbach’s alpha of 0.62, therefore the construct was accepted. With a Cronbach’s alpha of 0.57 the construct “Humanware”
(HUMANW1, HUMANW2, HUMANW3, HUMANW4, HUMANW5) was not reliable. After further analysis, item “HUMANW3” was dropped as it caused insignificant results, leading to a Cronbach’s alpha of 0.60 for the construct, now consisting of four items. The constructs “Software” (SOFTW1, SOFTW2, SOFTW3, SOFTW4, SOFTW5, SOFTW6, SOFTW7, SOFTW8, SOFTW9) and “Experience Design” (EXPE1, EXPE2, EXPE3, EXPE4, EXPE5, EXPE6) were both accepted as they showed a Cronbach’s alpha of 0.75.

The accepted items were transformed to composite variables (see Table 4-5) and the Shapiro-Wilk test was performed in order to determine which correlation test to use to test the hypotheses.

**Table 4-5**

*Descriptive Analysis of the Composite Variables*

<table>
<thead>
<tr>
<th>Descriptives Composite Variables</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Shapiro-Wilk</th>
<th>w</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>HARDW_comp</td>
<td>108</td>
<td>4.22</td>
<td>0.54</td>
<td>0.95</td>
<td>&lt;.001</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>HUMANW_comp</td>
<td>108</td>
<td>3.95</td>
<td>0.69</td>
<td>0.95</td>
<td>&lt;.001</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>SOFTW_comp</td>
<td>108</td>
<td>3.84</td>
<td>0.58</td>
<td>0.98</td>
<td>0.245</td>
<td></td>
</tr>
<tr>
<td>EXPE_comp</td>
<td>108</td>
<td>3.46</td>
<td>0.72</td>
<td>0.98</td>
<td>0.178</td>
<td></td>
</tr>
</tbody>
</table>

According to the results of the Shapiro Wilk test, data of the constructs “Hardware” and “Humanware” was not normally distributed, therefore the Spearman Rho test was executed. The p-values above 0.05 for the items “SOFTW_comp” and “EXPE_comp”, indicate that data is normally distributed, hence the Pearson R test was performed for the constructs “Software” and “Experience Design”.

**4.2.1 Hypothesis 1- Hardware**

**H1**: The hardware that enables personalization of the service process in luxury hotels has a positive influence on customer satisfaction.

The aim of this hypothesis was to test whether physical items surrounding the service offered in a luxury hotel positively influence guests’ satisfaction. This implies that
decorative elements as well as design and ambience, when matched to the guest’s personal preferences, will increase their satisfaction.

The construct “Hardware” was also explored through the expert interviews. Interviewees were asked how their companies pursue personalization apart from the interaction between staff and guests. Interviewee number one, hereafter referred to as I01, introduced the company’s guest recognition program, a loyalty program that guests can access through the hotel’s website. I01 elaborated further:

If guests log in to their guest profile, they can update their preferences such as if they want still - or sparkling water or two pillows. Prior to booking this is already saved in their profiles then and there is a commentary section included as well. Members of this program that book through our website or directly with us are offered to choose two additional benefits. This is one of the tools that we have to personalize the experience prior to the stay or even booking (see Appendix Interview 1).

The second interviewee, I02, talked about the importance of personalized marketing through newsletters that are adapted according to the needs of every individual through the preferences collected from the property management system. This system was also mentioned by I03, who explained that all guest preferences are noted down each time any staff member collects new information. There is a template for this that enables each department to identify as quickly as possible which data is important for their operations. Furthermore, I03 explained that they:

Send out a pre-arrival e-mail to guests that pay over a certain amount per day, guests that booked a suite and long-stay guests, seven days before they arrive at our property to introduce ourselves as their contact persons and actively offer to book a transfer for them or pursue restaurant reservations (see Appendix Interview 3).

All interviewees mentioned that they are responsible for arranging cakes and decorations for special occasions regularly as well as placing handwritten welcome notes in the guest rooms upon their arrival or organizing flower arrangements. However, I04 named a few personalized services the hotel offers that were standing
out from the competitors. If employees working at this property, know a guest’s drink preferences, the hotel employees arrange the ingredients for the drink in the personal bar that is included in some of their rooms. After the check-in, when the guest is guided to the room, he or she will find everything they need to prepare their favorite drink. Additionally, starting at a certain room rate the guests’ initials are embroidered into the pillowcase, this way making them feel special. Lastly, he remarked that they “are the only hotel in the whole city which has their own driver and their own hotel car” (see Appendix Interview 4). Whenever guests ask for a transfer and the driver is available, they are picked up by the company car.

The results derived from the data analysis including the Spearman’s Correlation show a p-value of 0.074. Therefore, it can be concluded that there is no significant correlation between the variable “HARDW_comp” and the dependent variable “SATISF”. Next to the p-value the Spearman’s rho of 0.17 suggests that although there is a positive relationship between the dependent variable “Customer Satisfaction” and the independent variable “Hardware”, the relationship is so weak that it is not worth further analysis. Based on the values, it can be concluded that there is no relationship between physical items enabling personalization of the service offered in luxury hotels and customer satisfaction, therefore hypothesis one is rejected.

4.2.2 Hypothesis 2 – Humanware

H2: The interaction between employees and luxury hotel guests, and their ability to personalize the customers stay has a positive effect on customer satisfaction.

The author’s intention was to examine the relationship between the interaction with-and behavior of the employees and its influence on the satisfaction of luxury hotel guests. The focus was on methods that hotel employees operating in the luxury segment apply to offer individual service to every guest.

Next to the questionnaire, the expert interviews included one question concerning the construct “Humanware”. To find out more about the expectations hotels have towards their employees regarding the personalization of communication with guests, interviewees were asked if there are any standardized operating procedures in place in their companies. All four participants claimed that they have certain standard operating procedures that concern communication between staff and
guests. Participants I01 and I04 mentioned Leading Quality Assurance (LQA) standards that they are following. LQA partners with most luxury hotels, including all brands surveyed for this research. Through their analytical tools as well as their in-depth knowledge they define industry standards and help businesses to create memorable service experiences (Leading Quality Assurance, n.d.). Next to the standards given by LQA, I01 remarked that they have several standards that were developed based on the company's core values and pillars. Moreover, the hotel adapted the LQAs, creating their own standards named “Leading Quality Experiences” (LQEs). This gives employees the possibility to go above and beyond and create unique guest experiences.

I03 highlighted how closely standards are linked to the property management system and other programs in use. Every colleague has to collect information about the guest during their stay and note the collected preferences down. Manuals on how to note these down correctly are provided by every department. It was interesting to hear about the experience from interviewee I04 who was part of the pre-opening team of the five-star property he is currently working at. He mentioned that in order to create these standard operating procedures the team tried to comprehend every step in the guest journey “from the arrival at the airport to arriving at the hotel, the check-in, going upstairs to the room and the most important things you have to mention when talking to our guests during these steps” (see Appendix Interview 4). However, the interviewee claimed that it is very important that employees act authentically. This might be hard when too many standards are in place because it leaves little room for individualization through the employee.

According to I02, there was a change over the last decades in the aspects of the service process that needed to be standardized. In some luxury hotels, the interviewee worked for in the past, every interaction with the guest was scripted. Today employers provide guidelines like “explain three main features of the guest room”, which still gives the employee the chance to include their personal touch. Furthermore, I02 says that:
Standards have moved towards standardizing anything procedural and repetitive; employees don't need to think about them too much. But still personalizing the interaction so that the actual conversation at the check-out for example is not standardized and it's much more personalized (see Appendix)
The Spearman’s Correlation test was implemented to examine the relationship between the construct “Humanware” and customer satisfaction. The analysis derived a p-value of 0.026, indicating that there is a significant correlation between the interaction with employees working in luxury hotels and the effect it has on the guests staying there. Nonetheless, it is important to mention that the correlation is positive, but not very strong with a Spearman’s rho of 0.21. Despite the rather weak correlation, hypothesis two is accepted.

4.2.3 Hypothesis 3 – Software

H3: The usage of appropriate software and technologies in luxury hotels enables personalization and will lead to having satisfied customers.

The authors’ goal was to test the relationship between the usage of appropriate software tools and technologies that enable personalization and the impact this will have on the satisfaction of guests. Software in this case does not only comprise technological applications but certain service process management methods as well.

As technology is advancing and processes are constantly optimized, the researcher was curious to find out about luxury hotels’ strategies to personalize the guest experience with regards to the construct “Software”. The hotel industry is no longer conceivable without the use of software. Interviewees were asked which technical means are used in their companies to ensure personalized experiences are delivered appropriately. The company I01 is working for offers wireless charging stations and tablets in each room that guests may use to read their favorite newspaper or access information about the hotel. I03 mentioned the devices offered in their property that allow customers to book SPA treatments, make restaurant reservations, or access the in-room dining menu.

Moreover, interviewee I01, similar to the other three candidates, talked about the system the hotel uses to access bookings, and customer profiles, and note down guest preferences. I01 mentioned an aspect of the system they use that was not mentioned by any of the other candidates before, namely that their system is connected to the other hotels, all belonging to the same hotel group. This way they can share general
guest preferences with all properties. Besides that, there is a function that notes down local preferences solely. I01 was the only one who mentioned an intranet set up by the organization for the employees. The goal is that every employee posts about the unique experiences they created for guests and shares that with a worldwide network of employees to encourage producing these special moments. I02 and I03 mentioned communication software tools like Hotelkit and Royal Service that enable effective communication between employees and departments. As a result, service processes and complaint handling become more productive. I03 provided a detailed insight into the technological features these systems offer, that make daily procedures more convenient. I02 stressed that personalization happens along the entire customer journey, which makes marketing before the customers’ stay a crucial factor that is often forgotten. He states that:

The more you personalize a newsletter that a guest receives, the more interesting the offer is going to be for them. Many hotels offer different things for different people. Take Hotel Sacher for example, some people will come for culture and the Opera House which is right across the street. Other people will come for sightseeing and the location of the hotel being in the middle of the city. Others again like good food and wine and are more interested in that, so if you find out what the interests of the guests are and why they come to your hotel you can personalize the marketing materials you sent them afterward. This will ensure that they actually read it as it's really targeting them rather than sending out the general newsletter that you send out to everyone (see Appendix
Interestingly, one of the interviewees mentioned that they try to keep the technological details in the guest room to a minimum. I04 stated that their goal is that customers unwind and enjoy their stay. However, the company does use an upselling program as well as a program that enables the front office team, including the concierge, to create timetables and itineraries for every guest staying with them.

To further grow and improve services hotels must measure guest satisfaction. The researcher wanted to find out how companies measure guest satisfaction and if this is possible without troubling your guests. In addition to the classic feedback note that a few of the interviewees remarked, TrustYou is an all-in-one guest experience solution all participants mentioned. I01 explained that 68% of guests fill out the survey, which only takes about one minute. If customers have any complaints and they provided their name the hotel contacts these guests and give them the chance to talk about their feedback and compensate whenever it is adequate. I03 mentioned another tool that allows guests to give feedback digitally. On the tablets that the interviewee mentioned in question 3, guests might leave feedback at any time during their stay or before check-out. Furthermore, employees should obtain feedback directly at check-out, whenever possible. I03 elaborates that this is crucial during the stay as well. The interviewee explains “the Courtesy Call is something we do starting from a certain room rate. We then call the guest 20 minutes after their check-in in the room to see if they are happy or if there are any troubles” (see Appendix Interview 3).

When it comes to customer retention, I02 and I04 revealed that through the property management system, hotel operators have the possibility to gather data on guests’ past stay history. However, I04 told the researcher that oftentimes there are several profiles for the same person. This might be because they book through different booking platforms every time or have a common name. These aspects make it difficult to merge profiles. I02 adds, that hotels should be aware of the feedback they receive on various booking platforms and if necessary react to the comments being made. Furthermore, by having mystery guests’ hotels can measure their quality and “see how your employees are performing and if the level of service is fine” (see Appendix
As the data of the composite variable was normally distributed the Pearson’s Correlation test was applied to test this construct. Results showed a p-value of 0.001 this suggests that there is a link between the elements of guest satisfaction and personalization through the usage of software tools and process management. The Pearson’s r of 0.31 further indicated that there is a weak positive correlation between the variables “SOFTWARE_com” and “SATISF”. Therefore, hypothesis three is accepted.

4.2.4 Hypothesis 4 – Experience Design

H4: Designing experiences according to luxury hotel guests’ preferences will lead to increased customer satisfaction.

The aim of hypothesis four was to investigate whether designing experiences in a way that the individual’s preferences are met will lead to increased customer satisfaction in luxury hotels.

The expert interviews included four questions investigating the topic “Experience Design” in luxury hotels. To find out about the unique selling proposition of the hotels the interviewees work for, they were invited to elaborate on the guest experience they offer. I01 explained about the culture that the company he is working for is reflecting as well as the core pillars they follow:

These are the core values and guidelines which are focused on experiences rather than basic luxury standards. These pillars are guests oriented but also apply to the interaction with colleagues. One of the pillars says that you need to understand that every guest is unique, understanding their emotion or reading their body language is essential. Therefore, we can shape and personalize their stay better and create moments of delight to show the guest we care. It is a lot about anticipating guests’ needs without asking (see Appendix Interview 1).

Next to the guest, I02 stressed the importance of employees in the various luxury hotels he was working for. Whenever staff members are empowered to make their own decisions, having a certain budget per guest, creating memorable experiences
works better. Similar to what I01 said, I02 and I03 mention that employees need to adapt to the individual needs of every guest. I03 declares that its philosophy is to never reject any of the wishes a customer has. They try to go above and beyond for every guest regardless of the room category and rate they pay. I04 adds, that “it is about getting to know the guest more thoroughly” (see Appendix Interview 4).

Many things are in a state of constant change. The interviewees explained some of the factors that alternated in the service process over the last years when it comes to personalization. I03 starts by explaining that they face a huge demand for personalized services. The guest experience department did not exist two years ago. Today six staff members are working there, assisting guests with everything related to their stay. I04 mentions the change that can be seen in the industry since covid. Guests are more demanding but also willing to pay more if they receive superior service. I01 talked about some key trends that also affect the hospitality industry such as digitalization and sustainability. Digitalization enables his company to provide newspapers and in-room dining menus in the guest's preferred language on tablets that can be found in the rooms.

When the interviewees were asked if they think offering personalized services at a luxury hotel is mandatory, all of them answered in the affirmative. I04 states that “otherwise luxury does not work, that is the best definition of luxury” (see Appendix Interview 4). I02 gave a detailed explanation of what differentiates luxury hotels:

**What makes hotels luxurious is obviously the physical aspects: the size of the room, the décor, and all of that. On the other hand, it's having an actual person there to recommend you things, can give you insider tips, to have a concierge who takes care of all of your reservations and understands your needs. A machine will never be able to personalize a service to the extent that it doesn't have the chance to see you. Knowing how you feel and what it is that you might enjoy tonight at the restaurant and so on. I believe that luxury goes hand in hand with personalized service offered by human beings (see Appendix**
When participants were asked about their opinion about the requirements to effectively personalize services and if there are any difficulties, most aspects mentioned involved the hotel's employees. I02 elaborated on employee empowerment, training, and leadership. He thinks that:

Leaders are role models, they should live that and give their employees the possibility, the space, and the time to personalize these services. It costs money and time and especially if your employees are stressed, they're not going to have the time to actually interact and chat with every guest in order to find out more about them and personalize their stay. In that case, the leader should be accessible and support the team. Sometimes it is beneficial to incentivize them, organizing small competitions things like sharing guest experiences and guest feedback to encourage employees to create those experiences. Employees have to go above and beyond, and it creates more work to personalize an experience, that is why they need to be motivated” (see Appendix
Standard operating procedures, which were discussed in another section of this paper, are crucial says IO3. They are of great assistance when you need to train new staff members. Next to that, it is crucial to have enough employees because “without having the time it is not possible to personalize experiences and to come up with unique ideas” (see Appendix Interview 3). IO1 explained that it is often difficult to meet the needs of travelers. Business travelers have differentiating demands compared to a family staying for two weeks in one property. Therefore, it is crucial to quickly adapt to each individual. The term authenticity was mentioned by IO4. The interviewee further elaborates that employees, colleagues, and guests need to be authentic to make the experience feel natural and comfortable. Moreover, he states:

Of course, it’s the amenities, it is the technology, but after all the things that make luxury work is always the staff. You need to train your people to them being open and talking with a guest. Otherwise, you will find out nothing and you will achieve nothing (see Appendix Interview 4).

Regarding the challenges the hotel faces in implementing personalization IO4 talks about staff shortage which results in limited time you have per guest. Furthermore, it is crucial to have skilled, motivated staff. Today there is fierce competition for talented employees which makes it even harder for companies to find people that are able to meet expectations. Next to the challenges that were already mentioned, IO3 said that “the budget must be available on the company’s side, otherwise it leads to staff shortages. This work overload leads to low employee morale and poor performance” (see Appendix Interview 3).

Following the Shapiro Wilk test that revealed a normal distribution of the data of the composite variable for the construct “Experience Design”, the Pearson’s Correlation test was executed. Results showed that there was a significant correlation between the item “EXPE_comp” and the dependent variable “SATISF” with a p-value of below 0.001. In addition to that, the Pearson’s r of 0.47 implied a moderate positive relation between the two constructs. Based on the analysis, hypothesis four was accepted.
4.3 Additional Information

The questionnaire included a section that aimed to find out about guest preferences related to personalizing certain “Hardware” elements in a luxury hotel. Participants were asked to provide information about the expectations they have towards luxury hotels when it comes to offering a list of services and products. A detailed description of the item names can be found in Table 3-3.

The results from the descriptive analysis performed for all items is shown in Table 4-6. The questions connected to items “EMBA_RC” and “BAR_RC” are similar to the services offered by I04’s company. The findings show a mean of 2.6 for “EMBA_RC” and 3.16 for “BAR_RC”. Only 12% of respondents strongly agree with the statement that they expect a minibar stocked with their favourite drinks in a luxury hotel. Similar to the minibar being stocked with guests’ favourite drinks, participants were asked about their opinion on personalized food and beverage options. Results of “F&B_RC” show a mean of 3.16. Twenty-eight percent of respondents neither agreed nor disagreed, 30.5% agreed with the statement. Analysing the question of whether customers expect personalized embroidered bathrobes the author concludes that the data is almost symmetrical with a skewness of 0.23. Moreover, 17.5% strongly disagreed and 28.7% disagreed, thus indicating that they do not expect this type of service in a luxury hotel. It was observed that guests expect special equipment when traveling with their children or pets. The measure “KIDS_RC” had a mean of 4.06, 78.7% of the 108 respondents either agreed or strongly agreed to the question. Additionally, customers of luxury hotels expect that the company collects guest room preferences before arrival (“PREF_RC”) and welcome gift baskets at check-in (“GIFTBA_RC”). When participants were asked about their expectations related to certain decorative elements such as personal pictures in the room (“PHO_RC”), the researcher noted that 50% of respondents strongly disagreed, and 26% disagreed. Only two respondents claimed that they expect personal photos in their room. Measure “DECO_RC” had a mean of 2.23 and “FLO_RC” of 2.74. One can conclude that these decorative elements in the guest room are not that important for customers. However, it could be concluded from the expert interviews that many companies are dealing with these things almost daily. The experts interviewed for this thesis determined technological developments as one of the key trends in hospitality today.
The measure “ENT_RC” reflects that 50% of survey participants expect luxury hotels to provide individual entertainment options. Furthermore, a mean of 3.18 was observed for item “TEMP_RC”. IO1 mentioned that the hotel offers tablets that enable guests to access any newspaper they would like to read. When participants of the online survey were asked if they expect to find a newspaper in their mother tongue (“NEWS_RC”) 32.4% said “agree”.

### Table 4-6

**Descriptive Analysis of Questionnaire Items measuring construct “Hardware”**

<table>
<thead>
<tr>
<th>Descriptives Hardware Items</th>
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<tbody>
<tr>
<td><strong>N</strong></td>
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<td>--------</td>
</tr>
<tr>
<td>EMBA_RC</td>
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<tr>
<td>PHO_RC</td>
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<tr>
<td>PREF_RC</td>
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<tr>
<td>GFTBA_RC</td>
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<tr>
<td>DECO_RC</td>
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<tr>
<td>TEMP_RC</td>
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<tr>
<td>NEWS_RC</td>
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<tr>
<td>BAR_RC</td>
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<tr>
<td>F&amp;B_RC</td>
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<tr>
<td>ENT_RC</td>
</tr>
<tr>
<td>RATH_RC</td>
</tr>
<tr>
<td>KIDS_RC</td>
</tr>
<tr>
<td>FLO_RC</td>
</tr>
</tbody>
</table>

### 4.4 Regression Analysis

After testing each hypothesis individually, the conceptual framework was tested. The overall model fit was examined using the F-test, which predicts any changes in the dependent variable. The p-value smaller than 0.001 that was derived from the model fit test shows that the overall model is significant. Furthermore, a linear regression analysis was performed for all four independent variables together with respect to the dependent one. The results are presented in Table 4-7.

The coefficient of determination for the conceptual framework has a value of 0.22. Therefore, it can be concluded that 22% of the independent variables derived for this thesis have an influence on the dependent variable customer satisfaction. The $R^2$ is acceptable for the purpose of this thesis. Table 4-7 shows that solely the construct
“Experience Design” has significant effects on the customer satisfaction, based on its p-value below 0.001. The items “Hardware”, “Humanware” and “Software” are insignificant to the model as a whole according to the p-values above 0.05. It was calculated that the estimate of the significant construct “EXPE_comp” is 0.75. This suggests that whenever the value of the independent variable increases, the mean of the dependent variable customer satisfaction tends to increase as well. This implies that the more luxury hotels use personalization in the area of experience design, the more satisfied the guests are.

Table 4-7

Linear Regression Model Coefficients – Customer Satisfaction

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Estimate</th>
<th>SE</th>
<th>t</th>
<th>p</th>
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</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>-0.14</td>
<td>0.83</td>
<td>-0.17</td>
<td>0.864</td>
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<tr>
<td>HARDW_comp</td>
<td>0.02</td>
<td>0.22</td>
<td>0.09</td>
<td>0.932</td>
</tr>
<tr>
<td>SOFTW_comp</td>
<td>0.02</td>
<td>0.28</td>
<td>0.06</td>
<td>0.954</td>
</tr>
<tr>
<td>EXPE_comp</td>
<td>0.75</td>
<td>0.19</td>
<td>4.04</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>HUMANW_comp</td>
<td>-0.05</td>
<td>0.20</td>
<td>-0.23</td>
<td>0.820</td>
</tr>
</tbody>
</table>

4.5 Discussion of Findings

Results were derived from analysing the data that was collected during the four expert interviews and through the questionnaire that targeted consumers. After the hypothesis testing, it can be concluded that there is no significant relationship between physical items as well as the design of a luxury hotel and its influence on guest satisfaction. Nonetheless, it is worth examining the results of the questions about guests’ preferences for specific personalised items which were also topic of the research conducted by Berry et al. (1988). Certain elements such as personal pictures (mean = 1.71) or decorative features that were customized (mean = 2.23) were less important to guests than special equipment when travelling with kids (mean = 4.06) or a welcome gift upon arrival (mean = 3.87). Interestingly, the information gathered during the expert interviews suggests that luxury hotels concentrate on elements such as framed personal pictures in the guest room and personalized in room décor e.g. pillows. However, literature suggests that there is a significant relation between company related factors such as hardware and positive guest (Brunner-Sperdin &
Peters, 2009). In general, findings reflect that design features seem to be more important compared to decorative features offered by hotels.

Observations derived during both the expert interviews and the online survey indicate the importance of employees’ behavior toward hotel guests. Hypothesis two, stating that employee’s behavior enables personalization and positively influences guest satisfaction in luxury hotels was accepted. Literature (Sherman, 2007; Jeong et al. 2019) aligns with the findings, with Sherman (2007) stating that luxury hotels differ from their competitors because employees providing the service recognize each guest’s preferences and meet guest’s wishes according to that. The analysis of the questionnaire data affiliate with what was stressed by the industry experts and literature. Without committed, authentic staff members personalization of the service experience is impossible. The mean of 4.43 for variable “HUMANW4” reflects the importance of the commitment of the employees to the hotel guest experience. Moreover, the experts mentioned that knowing the guests name prior to check-in and greeting them with their name during their stay is standard for hotels operating in the luxury segment. When consumers were asked if this would positively influence their experience (“HUMANW1”) a majority answered with agree to strongly agree (mean = 4.06).

Hypothesis three proposed that the usage of appropriate software and technologies in luxury hotels enables personalization and leads to having satisfied customers. The Pearson’s r correlation test resulted in a p-value of 0.001, and a Pearson’s r of 0.31 indicating a weak correlation between both variables. Therefore, the hypothesis was accepted. After a thorough investigation of gathered data, it was concluded that without certain software tools such as property management systems, personalizing the stay would be impossible. Existing literature stressed the importance of software during the guest experience process as well (Wong et al., 2020). Processes related to the guest experience such as the luggage being taken care of (“SOFTW3”) or that guests are available to connect their own technological devices to the in-room technology (“SOFTW5”) were considered to be very important to guests. Next to that the industry experts mentioned property management systems that allow them to collect guest preferences which matches the results derived from item “SOFTW4”, the
mean of 4.04 reflecting that consumers appreciate when the hotel knows their special requirements prior to check-in.

Lastly, hypothesis four, indicating that designing experiences tailored to each guests’ preferences, following a certain structure, will lead to increased customer satisfaction, produced significant results and was accepted. The Pearson’s r of 0.47 implies that there is a moderate relation between “Experience Design” and “Customer satisfaction”. Findings showed that industry experts believe it is crucial to personalize experiences for luxury hotel guests and guests prefer hotels that offer individualized services based on their lifestyle and customs. The mean of 3.56 for “EXPE1” and 3.55 for “EXPE6” reflect the customers expectations towards luxury hotels. These institutions should offer experiences that contain elements of surprise and learn about the guests’ preferences and design experiences according to the data collected. The importance of providing memorable events to meet guest’s expectations and engage with them in a personal way was also stressed during the research conducted by Pine & Gilmore (1999). However, operators need to take into consideration that when consumers were asked if they would spend money on additional personalized services that are not yet included in the room rate (“EXPE5”) twenty-one percent disagreed.

5 Conclusion

The goal of this thesis was to examine the relationship between personalizing services and their effect on the customer retention rate of luxury hotels. The literature review provides insights into the customer journey guest’s experience in hotels, the current use of personalization tools to enhance the service process, and the value proposition of luxury hotels. Analyzing the current research, the author concludes, that providing personalized services is crucial for luxury hotels that claim to offer the highest level of services among their competitors from other segments. The expert interviews conducted during the research process showed that personalization is already a crucial factor for luxury hotels. Although many businesses incorporate personalization strategies, there is potential for further in-depth analysis to find out what consumers expect.
5.1 Managerial Implications

During this thesis three out of the four hypotheses developed were accepted. Therefore, the managerial implications proposed in the following section will focus on the three constructs that were confirmed. Findings suggest that employee’s behavior and knowledge play a crucial role in effectively personalizing experiences in the luxury hotel industry. During the interviews, the guest experience experts mentioned that to implement highly personalized services more staff members are required. Therefore, hotel operators should adjust their budget and create new positions in the rooms department focusing solely on the guest experience and catering to the needs of each guest individually. Furthermore, training should be provided regularly, in order to develop and support a skilled workforce. Sufficiently trained employees are necessary, if hotel operators want to cut costs, processes should be optimized elsewhere whenever possible. In addition to that, the organizational structure and leadership style, which impacts the motivation of the employees, should be designed in a way that staff members feel valued. Only if the hotel has talented customer facing employees, who are identifying with the company they are working for, they will be able to implement personalization strategies and fulfill guests’ wishes.

Further it can be concluded that technological developments and other trends enable certain personalization strategies. Nonetheless, it is often not easy for luxury hotels with regular guests to adapt their processes without losing these guests. The author of this thesis suggests that operators deal with the requirements and expectations of their guests and adapt the services offered accordingly. Taking into consideration guest preferences regarding things such as the distribution of advertisement. Many consumers do not like to receive newsletters regularly, whereas others are more likely to book a trip to the hotel after reading their recent newsletter because they feel inspired. Moreover, luxury hotels should focus on providing state of the art technology in the guest rooms as well as other areas of the hotel. Guests would like to enjoy their favorite streaming platform or connect their devices to the hotel room technology when they are traveling. Next to that, the usage of a property management system as well as other programs that enable the service process and communication between departments on a daily basis is indispensable for luxury hotels. Hotels should be able to use these systems and link them with other
applications, such as booking portals, so that guests can state their personal preferences at the time of booking and these preferences are also saved for future stays.

Designing unique, memorable experiences is necessary for luxury hotels, especially for those facing fierce competition. The findings reflect that guests expect the hotel to offer experiences designed according to their lifestyle and individual preferences that were collected during previous visits or the booking process. Hotel operators should design their service process in a way that allows the employees to go above and beyond for every guest. It is important to offer more personalized experiences such as organizing honeymoon surprises or birthday gifts for guests to meet customer’s demand.

Findings suggest that the design of the hotel is an important factor for consumers. It is important to mention that even if the hypothesis has not been confirmed, to focus on certain personalized physical elements around the guest's stay is relevant for hotel operators in order to achieve customer satisfaction.

5.2 Research Limitations

It is important to mention that there might have been several limitations that influenced the results obtained in this study. There has been a limited amount of time and resources available to the researcher. The researcher had no financial backing which constrained research possibilities as well. In addition, it was difficult to communicate with the selected experts, and appointments were often summarily postponed or canceled. Even though four interviews were conducted, more accurate data could have been collected by consulting more experts. Next to that, one of the experts interviewed was a former hotel manager and guest experience expert. Nonetheless, today the interviewee is not working in a hotel anymore but as a self-employed leadership consultant. It was agreed that for the purpose of this research, the interviewee's past experiences could be used. Furthermore, two experts stated that they lack experience in other luxury hotels, therefore it was difficult for them to compare their operations to other companies.
Regarding the questionnaire, it is important to mention that only a limited number of people could be reached, and a lack of respondents’ voluntariness led to the sample size of n=108.

5.3 Recommendations

The research tried to close the knowledge gap between existing literature, which mainly focuses on improving the guest experience in general, how personalization is executed in the operations of hotels, and its influence on guest satisfaction. However, there is very little research on specific strategies hotels can implement to further personalize their guest experiences. This might be because few companies want to share this information in order to maintain their competitive advantage. Therefore, to stimulate creativity regarding the possibilities of personalizing different aspects of the customer journey, the author of this thesis thinks it is important that hotel operators and brands are more transparent. In turn, this would affect the competitive landscape and force some companies to implement personalization. It is crucial during the process to take the needs and wants of guests into consideration. Hence, researchers should partner with operators to reach luxury hotel guests directly and gather data and feedback on their preferences.
Bibliography


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Appendices

Expert Interviews

Interview 1

16. April 2023

1  Researcher: What makes the guest experience in your hotel unique?

Interviewee: The oriental heritage makes it different and unique from other hotels in Germany and in Europe. The little things we offer like the Oshibori towels we give at the restaurant before dinner or during the check-in process. In summer we give cold ones and in winter we give hot wet towels. The towels are damped with special oil for guests to wash their hands with it, which is much appreciated by guests. Moreover, we have orchid flowers in the rooms and all over the hotel to represent the oriental heritage. This is what distinguishes us from other companies. At we have 11 “Pillars”. These are the core values and guidelines which are focused on experiences rather than basic luxury standards. These pillars are obviously guests oriented but also apply to the interaction with colleagues. One of the pillars says that you need to understand that every guest is unique, understanding their emotion or reading their body language is essential. Therefore, we can shape and personalize their stay better and create moments of delight to show the guest we care. It is a lot about anticipating guests’ needs without asking.

2  Researcher: Have you noticed any trends and/or changes over the last years when it comes to personalized services as part of the service process? If yes, please elaborate.

Interviewee: I haven’t been long enough in the hotel industry to see a shift compared to previous years. But from general knowledge and working in the industry I can tell you that everything now is more digitalized. We offer people alternatives to the old-fashioned services. We provide digital newspapers in the guest rooms and digital in-room-
dining menus. That is more comfortable for the guests as well because they can access the newspaper of their choice immediately.

**Researcher:** Is it available on a device like an iPad?

**Interviewee:** Yes. Additionally, at the bedside table there is an induction charger station, so our guests can just charge their devices there without any cable.

**Researcher:** That is nice, so you just put your phone on it?

**Interviewee:** Yes, it's a technology that enables you to charge wireless. I think the main trend next to digitalization is sustainability. Obviously hotels need to react to climate change and implement things such as not having any single use plastic anymore in the bathroom etcetera.

**Researcher:** Do you have these bulk containers in the bathroom that can be refilled? I heard that guests of luxury hotels won’t appreciate it.

**Interviewee:** I think it’s a choice you don’t have. Everyone needs to adapt their operations to the changes and guests need to understand that it’s better for the planet.

| 3 | **Researcher:** Outside the interactions with the hotel staff, how do you pursue personalization in your hotel?  
**Interviewee:** Yes, so I don’t know if you know the guest recognition program. That’s the loyalty program by [Blank]. If guests log-in to their guest profile they can update their preferences such as if they want still- or sparkling water or two pillows. Prior to booking this is already saved in their profiles then and there is a commentary section included as well. Members of this program that book through our website or directly with us are offered to choose two additional benefits. This is one of the tools that we have to personalize the experience prior to the stay or even booking. |
**Researcher:** That just works if they if they book with you directly or through your website?

**Interviewee:** Yes, if they don’t they cannot enjoy two complimentary benefits.

| 4 | **Researcher:** Does your hotel have a standard operating procedure when it comes to communication between staff and guests? Please explain the content.  
**Interviewee:** No doubt, there are hundreds. But I mentioned the pillars already. I think the operating procedures are based on the pillars from [Mandarin](#) our core values, and then there's the LQEs (= Legendary Quality Experience). This is an adaption from the LQAs (=Leading Quality Assurance). We have the opportunity to grow and make experiences unique. For example, we have a budget we can spend per guest that is called the [Mandarin](#) LQE’s (=Legendary Quality Experience). Once we knew guests have kids and I realized they like football. I can create a unique surprise like buying a football shirt that I gift them, and the hotel pays for that.  
**Researcher:** Very nice. What is the maximum amount?  
**Interviewee:** It is 50€ per guest. |

| 5 | **Researcher:** Do you think offering personalized services as a luxury hotel is obligatory?  
**Interviewee:** Yes. I think that's what's defining our hotel. Depending on the scale of luxury and what you're looking for. If you compare Sofitel to Mandarin Oriental or Raffles. All three hotels are luxury hotels but the way they position themselves and the services they offer are very different to one another.  
**Researcher:** I mean with the with the tools that you have such as the [Mandarin](#) MO Wow’s, I don't think a lot of hotels have that, that’s pretty unique. |
**Researcher**: What technological tools do you use to ensure that personalized experiences are delivered appropriately? *iPad, wireless charging stations*

**Interviewee**: We write all the preference down in HMS (*Hospitality Management Solution*). In September we welcomed a guest that was staying in the [ ] in Marrakesh before and requested to have milk in the room there. We can see preference from other properties in our system as well. When he came to Munich, he was already in the room, he didn't ask for milk but there was no milk in the mini bar. I proactively brought him milk because of what I could read in HMS. And he said: “that's why I like Mandarin Oriental”.

Yesterday I checked one guest in from Dubai he always ask for two extra pillows, so we already prepared two extra pillows in the room. We have all this information from other properties, and we can distinguish between global-, and local preferences. The local ones help us to see what physical aspects the guest likes in or rooms, view etc. This preferences are not shared with other properties because it is not necessary.

At the colleagues experience side we also have a intranet for colleagues that is called [ ] We are asked to post all the [ ] we do for guests and then all the other colleagues can see that for example I bought something for 3 kids that were staying with us. Then the others can see the post and it will encourage them to create a [ ] themselves. Each month we have the competition of which department did the most: office did 20, breakfast did 15 this month etcetera. Based on that the department that did the most receives a price.

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**Researcher**: What is required in your opinion to effectively personalize services and are there any difficulties in your opinion?

**Interviewee**: Some people might say greeting guests by name but this the standard it’s not unique. For the challenges I think it is more difficult to
create experiences for the business travelers. They just want to check-in and check-out in the morning, everything should be rather fast. That also depends on which kind of property you’re working at. If you’re working in a resort you’ll get to know the guests better because they are staying 1-2 weeks with their family for example.

Sometimes guests are very discreet. They don’t want to be disturbed, that makes it difficult to find out about any preferences.

8 What challenges do you face?

See above

9 Researcher: How do you measure guest satisfaction and customer retention without troubling your guests?

Interviewee: We send out trust your survey. They need to scale their experience from one to 10. This survey is taking one minute for the guests to fill out.

Further, we save each guest complaint and track it.

Researcher: Would you say the people are filling out the survey because it’s only one minute or do most people refuse to do it?

Interviewee: I think we have 68% of guests that fill it out.

Researcher: If someone has a complaint you probably put it in HMS right?

Interviewee: Some guests today don’t share their names in the survey, they do it anonymous. But they can choose the option would you want to be contacted again yes or no – if they do want to be contacted we follow them up with an e-mail.
<table>
<thead>
<tr>
<th></th>
<th>Interview 2</th>
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<tbody>
<tr>
<td>1</td>
<td><strong>Researcher:</strong> What makes the guest experience in the hotels you worked for unique?</td>
</tr>
</tbody>
</table>
|   | **Interviewee:** I think that personalizing the guest experience happens at the level of the staff who are really in touch with the guests. Empowerment is the number one secret to creating memorable guest experiences. Because it's the employee who welcomes the guest, the employee who checks in the guest, the employee who serves the guest breakfast and so on. The employee can really create those experiences. From my experience if the employees are empowered to take decisions, to have a certain budget that they could use to create a memorable guest experience then it works much better. In the various hotels that I worked for we did multiple things. I remember [redacted] had a program called “show me you know me” and it was really about guest recognition. Knowing what the guest looks like and looking at pictures of the guest before they arrive so you can really welcome them by name as soon as you see them. This is especially important with VIP guests. Furthermore, everyone in the hotel was asked to collect information about the guests and their preferences and enter this information into the PMS system so that the preferences are recorded for the next day on the one hand. On the other hand, if it's a hotel chain where more than one hotel has access to the same guest profile they then also know the preferences of the guest. When guests were celebrating their birthday or their children's birthday or wedding anniversary etc. we would go out and buy balloons and different decorations for the room and so on. Once a guest just wasn't feeling too well then I still remember that I bought bath salts and some body lotion and all kinds of things and put them into a basket with a little card to tell the guests that I hope they will feel better soon. But it always takes the employee who has that quick conversation with the guest who says “oh I'm going back to my room I'm not feeling too well
today” then we act and do something. Another example was this lady who always said how much she missed her cat when she was travelling so they bought little toys for the cats and then she actually sent them a picture, I think she was from Japan, of the cat playing with the toys when she went back home. So these things they don't cost a lot of money and they put a smile on the guests face and often times you really touch the guest by doing things like that.

2 **Researcher:** Have you noticed any trends and/or changes over the last years when it comes to personalized services as part of the service process? If yes, please elaborate.

**Interviewee:** Technology changed a lot.

*Covered more see question 4*

3 **Researcher:** Outside the interactions with the hotel staff, how did you pursue personalization in your hotel?

**Interviewee:** it is little things like personalized newsletters, gift in the guest room and all these surprises that you can organize for the guest.

4 **Researcher:** Were there any standard operating procedure when it comes to communication between staff and guests? Please explain the content.

**Interviewee:** if I think back in some hotels where I worked every interaction with the guest was scripted and you had a very clear standard of what to say at check-in, what to do from welcoming the guests within 30 seconds, to greeting the guests, to asking for their name and credit card. All the way to escorting them to the room and sometimes even knowing what it is that you have to say while you were escorting them. In the room you started with pointing out the fire escape, to the air conditioning, the TV, the mini bar and so on.
However, times changed and evolved and also travelers became more aware and not everyone needed an explanation of the minibar, TV and air conditioning. The standards changed to for example “explain three main features of the guest room” again giving the employees the opportunity to personalize. If they see it's a business guest they will probably need to use different things in the room then other guests. Someone who is older and not so tech-interested might need more help and explanation than a young person who uses Wi-Fi everywhere. Standards have moved towards standardizing anything that's procedural and repetitive, employees don’t really need to think about them too much. But still personalizing the interaction so that the actual conversation at the check-out for example is not standardized and it's much more personalized. Hotels that have a proper digitalization strategy, that use the digital equipment to free up their employees and give them more time and opportunity to actually interact with the guest have a huge advantage. One of the best experiences I've had as a guest checking-in was in a hotel in Sweden in Stockholm. It was a small boutique hotel where prior to the stay they asked for all the guest details online and you basically completed your registration card and everything online. You also gave them your credit card number and arrival time, there was nothing transactional. At arrival we were welcomed like someone would welcome you into their home. Obviously there was someone at the front desk but they didn't need a passport or your credit card details or for you to fill out anything. They just welcomed you with a glass of champagne, show you around and took you to your room. Everything else was already sorted. I thought that was a very clever way of doing it because no one is thrilled to sit down after a trip to fill out paperwork. If you do it wisely I think digitalization can help your employees and give them more time to personalize experiences.

5 Researcher: Do you think offering personalized services as a luxury hotel is obligatory?
**Interviewee:** Yes, I do. In the future you will have two types of hotels: a more budget type of experience, where they will have less and less people because first of all of the shortage of staff that we currently have in addition the cost of labor which is going to go up even more because of inflation and because of the lack of finding good staff and so on. I think you will have the budget ones where you will have very little interaction with human beings where you'll do your entire check-in, reservation, and check-out process online. That's not in the future, it is happening already. The technology is there to do it all online already. Even Hilton has the [Hilton app](https://www.hilton.com) that allows you to make your reservation, check-in and get your key on your phone. You don't even need to pass by the front desk anymore. That is what's going to differentiate luxury. Why would people be willing to actually pay a premium? What makes hotels luxurious is obviously the physical aspects: the size of the room, the decor and all of that. On the other hand it's having an actual person there to recommend you things, can give you insider tips, to have a concierge who takes care of all of your reservations and understands your needs. A machine will never be able to personalize a service to the extent because it doesn't have the empathy of seeing you. Knowing how you feel and what it is that you might enjoy tonight at the restaurant and so on. I believe that luxury goes hand in hand with personalized service offered by human beings.

**Researcher:** What technological tools did you use to ensure that personalized experiences are delivered appropriately?

**Interviewee:** PMS (Property management system) where guest preferences are recorded. We also used a tool called [hotel kit](https://www.hilton.com) which allows social interaction between employees and in addition it's got a feedback function, it's a bit like an intranet where information can be stored and that's very useful for us in terms of guest requests and guest complaints. I think handling complaints effectively and efficiently is also a very important point because sometimes if the guest comes and everything works well and then leave again they have a good experience, but if something bad happens and you handle it well it sometimes even
elevates the experience more. Then guests see how much you care and then there's more of an interaction with the guest. *Hotelkit* allowed you to, right away when a guest complained about something, enter it into the system and then everyone in the hotel knew that customer X complained. For example, when the tea that was served at the bar in the afternoon was too cold, the next morning the employees would know that and when they serve breakfast tell the guest that they made sure that the tea is hot today because they heard that yesterday it was not as desired.

**CRM** is a tool used for customer relationship management that allows you to check-in as well. Thinking of personalization, it also starts with marketing. The more you personalize a newsletter that a guest receives, the more interesting the offer is going to be for them. Many hotels offer different things for different people. Take the *Sauber* for example, some people will come for culture and the Opera House which is right across the street. Other people will come for sightseeing and the location of the hotel being in the middle of the city. Others again like good food and wine and are more interested in that, so if you really find out what the interests of the guests are and why they come to your hotel you can personalize the marketing materials you sent them afterwards. This will ensure that they actually read it as it's really targeting them rather than sending out the general newsletter that you send out to everyone. Personalization happens along the entire customer journey from the marketing until the booking procedure to check-in to the stay and then post stay as well.

7 **Researcher:** What is required in your opinion to effectively personalize services and are there any difficulties in your opinion?

**Interviewee:** I mentioned employee empowerment already, that employees are empowered to take those decisions and personalize the guests stay with measures that will create a nice experience for the guests. That requires training as well. The technology in the background
that allows you to record all of these guest preferences and enables you to remember them from each stay is also crucial.

If the hotel is part of a hotel group it is beneficial if you are able to communicate these preferences to other hotels in your group, to treat guests the same way in other properties of the group as well.

I think that leadership is really important. Leaders are role models, they should live that and give their employees the possibility, the space and the time to actually personalize these services. It costs money and time and especially if your employees are stressed they’re not going to have the time to actually interact and chat with every guest in order to find out more about them and personalize their stay. In that case the leader should be accessible and support the team. Sometimes it is beneficial to incentivize them, organizing small competitions things like sharing guest experiences and guest feedback to encourage employees to create those experiences. Employees have to go above and beyond, and it creates more work to personalize an experience, that is why they need to be motivated. When I stayed in a hotel in Mallorca the waiter remembered after the first breakfast that I like to drink a cappuccino. The next morning, he served me a cappuccino first thing, without me ordering it.

8  **Researcher:** What challenges did you face?

**Interviewee:** see question 7

9  **Researcher:** How do you measure guest satisfaction and customer retention without troubling your guests? *Mentioned already: Hotelkit*

**Interviewee:** Of course, you can talk to the guests and find out if they’re happy or not. At check-out there may even be another person in addition to just the person at the front desk. That person is in charge of seeing the guest off and making sure that everything went well during their stay. Additionally, sending out a guest satisfaction survey after the stay is crucial as well. Obviously you should also look at the feedback you
received on various platforms like TripAdvisor etc. You can also measure how many guests come back to your hotel with keeping track of the number of stays in your PMS. Moreover, you can measure your own quality by having mystery guests for example. That way you see how your employees are performing and if the level of service is fine, most hotels I worked for did this three or four times a year.

Interview 3
24. April 2023

1 Researcher: What makes the guest experience in your hotel unique?

Interviewee: Our service is highly personalized, adapted to the unique needs of our guests. If a guest prefers not to have the regular check-in we make sure we have everything we need from that person prior to their arrival and they just collect the key at the reception. There are also many guests that actually like the personal interaction, for those guests we make sure to have time to have a little conversation at the check-in for example. Furthermore, we have the philosophy to never say “no”. We try to make everything possible for our guest and go above and beyond.

2 Researcher: Have you noticed any trends and/or changes over the last years when it comes to personalized services as part of the service process? If yes, please elaborate.

Interviewee: Generally, the demand for personalized services increased significantly. Almost every guest that stays with us has a request that is related to their individual needs. It is funny to see that our department (guest relations) did not exist two years ago and today we are six people working jointly to make every little thing possible for our guests.

3 Researcher: Outside the interactions with the hotel staff, how do you pursue personalization in your hotel?
Interviewee: Upon arrival we place cards into the guest room as well as welcome amenities that differ based on the room rate that was booked. The arrival cards are personalized, if guests stayed with us before they say “welcome back” or if the guest stayed already multiple times they will receive a handwritten card by our hotel director. Furthermore, guest preferences are noted down in the property management system (PMS). Here we have a system to divide the information according to the department the preferences concern. That enables the department heads to faster filter out the information that is relevant for their operations (e.g. F&B, Housekeeping, Reservations). We also send out a pre-arrival e-mail to guests that pay over a certain amount per day, guests that booked a suite and long-stay guests, seven days before they arrive at our property to introduce ourselves as their contact persons and actively offer to book a transfer for them or pursue restaurant reservations. On a daily basis we organize flower arrangements, cakes or special decoration in the room for a honeymoon or proposal.

4

Researcher: Does your hotel have a standard operating procedure when it comes to communication between staff and guests? Please explain the content.

Interviewee: Yes we do have standard operating procedures. We use Opera and Royal Service. Here we have standard procedures that all colleagues have to follow that deal with how to properly create profile notes that I mentioned before. Further, in Opera we set traces that are basically tasks you can set for a specific day and department. Everyday every department has to create a trace report in order to see the additional tasks for the day. If it is a guest’s birthday and we need to prepare a cake on that day we have a trace telling us to order the cake and another one that we have to pick it up and set it up in the room. Royal Service is a system that is installed on mobile devices that we use where we communicate with our colleagues and sent them important tasks that have to be done. Here we can also note down complaints.
Additionally, we create check-in alerts if there is anything important that we still need from the guest or that our colleagues at the FO need to know. On the day of the guests’ arrival that alert will pop-up as soon as the booking is opened on the screen. In the daily handover that we do twice everyday all the important messages are shared with the next shift so everybody knows everything.

| 5 | **Researcher**: Do you think offering personalized services as a luxury hotel is obligatory?  
**Interviewee**: Yes. |
|---|---|
| 6 | **Researcher**: What technological tools do you use to ensure that personalized experiences are delivered appropriately?  
**Interviewee**: We try to use the phone as little as possible. We use Opera and the features I mentioned (traces, alerts, profile notes). We also use e-mail a lot. In the guest room we have tablets for the guest where they have access to the in-room dining menu, SPA offers and other hotel offerings. |
| 7 | **Researcher**: What is required in your opinion to effectively personalize services and are there any difficulties in your opinion?  
**Interviewee**: It requires certain standardized processes to be in place, in order to train new colleagues as well. Further, we need enough staff. Without having the time it is not possible to personalize experiences and to come up with unique ideas. Additionally, I think the technology needs to be there and certain tools. |
| 8 | **Researcher**: What challenges do you face?  
**Interviewee**: The budget must be available on the company's side, otherwise it leads to staff shortages. This overload leads to low morale and poor performance. |
Researcher: How do you measure guest satisfaction and customer retention without troubling your guests?

Interviewee: Two days after the check-out we send guests a Trust You survey, that they are asked to fill out. Further, we provide guest feedback notes in the room that some guests fill out and leave in the room or hand it over to us. Over the suite pad that I mentioned before guests may leave a digital feedback as well. If we have the time or special guests check-in we set an alert at check-in to walk the guest to the room and see if everything is fine, as well as check-out to directly obtain the feedback. The Courtesy Call is something we do starting from a certain room rate. We then call the guest 20 minutes after their check-in in the room to see if they are happy or if there are any troubles.

Interview 4
01. May 2023

Researcher: What makes the guest experience in your hotel unique?

Interviewee: Meet the guests interest. Rosewood has extraordinary stories. In other hotels you put a picture of a couple in their room if you know they are on their honeymoon for example at Rosewood we try to find out more about their story. It is about getting to know the guest more thoroughly. In case a guest is ill you send a tea along with a handwritten card to their room to make them feel better. Then we have our personal bars. If we know a guests drink preferences we prepare, as an amenity instead of the classic nuts etc., the ingredients for their favorite drink. Of course, that bears some cost depending on the drink and on the room rate but it creates unique experiences for the guest when they arrive at the hotel. For me that is luxury, regardless of the amount of work that is related with it that is what distinguishes five-star service. We started with rates that are 20% higher than those of competitors in Vienna. If guests ask me about the price difference I tell them about our service offered.
From executive suite level on, which is our second best category, or for guests that already stayed multiple times with us (20-25 times) we embroider the initials on the pillowcases. This gives the guest the feeling that this pillowcase was done individually for them. Of course sometimes if guests have the same initials we can reuse pillowcases we already have.

2 Researcher: Have you noticed any trends and/or changes over the last years when it comes to personalized services as part of the service process? If yes, please elaborate.

Interviewee: I think yes, there are changes. Some guests are willing to pay more if they get more. Since covid especially guests are more demanding and want more. In regards to luxury service I think Rosewood, Mandarin and Four Seasons are the biggest players, their approach to luxury is taking on well. Guests appreciate that. Looking at the leisure segment, we cater mostly the leisure segment in our property, the guests have changed. They don’t want only a nice property, because they argue that they do not spend much time there anyway because they will be going around in the city. But still if you have a nice property and add personalized service to that, starting with the doorman greeting you by name, guiding you upstairs to the reception to being in the room and having prepared your favourite bottle of wine or your favourite stuff. Many hotels went away from that because there's a huge amount of costs connected to that but if you actually go with that in my opinion you realise the difference. The guests will receive are the guests who will appreciate that.

3 Researcher: Outside the interactions with the hotel staff, how do you pursue personalization in your hotel? you mentioned already the bar and the pillowcases..

Interviewee: The example with the pillowcases it's so easy and small but means so much to the guest. We try to set up the bar according to the guests wishes and we do have a bigger number of different amenities in regards to other hotels. Like I said it sounds like bragging but I'm actually
proud of working for [Rosewood] I see a lot of potential; we are the only hotel in the whole city which has their own driver and our own hotel car. Guests are picked up by a [Rosewood] car and not a Taxi. Individual service means really specific service onto the guests. We do know when a guest likes their eggs benedict with avocado, so we serve that directly at breakfast. When you have a guest who stays every two weeks with you and you know that the children are coming with him or a pet, of course every hotel has a certain kind of different amenities that they provide. If we know kids love Lego, we prepare a Lego-Set for them prior to their stay. In our other hotels for example [Rosewood Paris] and also [Rosewood London] they do these things a lot. The head concierge of the [Rosewood London] prepared two books about London for our concierge who is staying in London for the next few days. The title of the book is “20 unusual things to do in London” and she wrote a card that said “I know you already did your research so here’s something I am sure you haven’t found and by the way I’m also upping my game because I need to stay on track on unique things to do in the city”. This is very authentic and it’s not costing much but the thought behind it is the perfect thing because it is an individualised, bespoke service.

4 **Researcher:** Does your hotel have a standard operating procedure when it comes to communication between staff and guests? Please explain the content.

**Interviewee:** Certain things are given by LQA and Forbes, but we had the pleasure to open this hotel. We went from nothing to what we are now - we are actually proud of what we achieved so far. One of these things is the guest journey which we implemented or which we tried to find out. It is about finding out what is exactly the guest journey from the arrival at the airport to arriving at the hotel, the check-in, going upstairs to the room and the most important things you have to mention when talking to our guests during this steps. Part of that is that with our VIPs we, the guest experience management team, send out a pre-arrival preference form. Something probably many hotels do, but we like to get a little more
details here, using certain templates, and we try to embrace the communication already prior to the stay. Same thing is happening afterwards, of course there's the normal feedback e-mail, but we also try to approach and sometimes even call the guest and speak to him. In case it was a very good review for example, we also ask the guest if there is something we might do even better. It is about improving the service delivery but also to approach the guest as a person. Authenticity from the staff as well as the guests make luxury work.

5 Researcher: Do you think offering personalized services as a luxury hotel is obligatory?

Interviewee: Yes, otherwise luxury does not work that is the best definition of luxury. There's a certain standard like wake-up calls you have to do. But then you have to go step beyond that to also set yourself apart from your competitors. This is important from a business view but also from the view of being a luxury hotel yes mandatory, otherwise it doesn't work.

6 Researcher: What technological tools do you use to ensure that personalized experiences are delivered appropriately?

Interviewee: I was really surprised how many things you actually can synchronise with Opera. Of course it starts with upselling, we use Canary. It is standardised not very individualised you offer certain upside stuff prior to the guest. If you also know certain guest interests you can also send a link with certain things. When the guest arrives we also use a programme that's called Alice. Alice is basically a calendar system where concierge team and our Spa team enter everything that we know about the guest, regarding their timetables to the itineraries. LQA standard is to print this out and present it to the guest during check-in.

Researcher: Do you also have any technology in the room, a lot of hotels have tablets where guests can order from?
**Interviewee:** No we’re not using that too much because we didn’t want to go too much into the technological details. Because guests are coming to us to relax, to enjoy your stay with us. The less technological things in the room, the less can be broken not by the guests but in general. If we know for example that we have an Entertainment Group or guests with kids that like to watch certain channels, then we prepare something. Apart from that we are going away from this technological development, it is difficult as there are many different perspectives.

**Researcher:** What is required in your opinion to effectively personalize services and are there any difficulties in your opinion?

**Interviewee:** Authenticity is one of my main values which is not always easy to come by. It is needed from the staff, your colleagues as well as the guest. You only can get the guest to be authentic if you actually are authentic yourself. If you’re given the feeling that you can be who you are the guest and staff will feel more comfortable. As soon as you are too stiff, the guests will not talk to you like they normally would. You need to find out certain things about the guest and you can only do this with personal interaction. Now we go back to what makes the luxury service: of course it’s the amenities, it is the technology, but after all the things that make luxury work is always the staff. You need to train your people to them being open and talking with a guest. Otherwise, you will find out nothing and you will achieve nothing. You need to have colleagues which are happy to work there which are identifying with the brand and which are trying to, we call it the calling, really go into detail with the guest. To approach the guest as a person and not as a guest is very difficult sometimes, not because of the guest but sometimes you only have limited time. Everything needs to be fast sometimes which I realised during my first job in a small family hotel in Germany. The second one was the [REDACTED] where I realised that they are trying to do more for the guests. [REDACTED] in general not only in Vienna, they try to give their staff the time and the motivation to actually approached the guest like that. If I make a tour with a guest that took an hour that’s
normal. It should be possible and Rosewood really tries to go with that because that is basically what we are there for. It is not only checking the guest in but to make them feel welcome and basically also give them the feeling of being home.

8 Researcher: What challenges do you face?

Interviewee: see above.

9 Researcher: How do you measure guest satisfaction and customer retention without troubling your guests?

Interviewee: It is very difficult and depends on the guests. Of course as every human is individual, you can’t generalise that. completely but there are certain things which every hotel does. We work with TrustYou. TrustYou is basically a website where you send out a post stay e-mail with a certain questionnaire which gives the guest the possibility to evaluate their stay and mention certain people and also try to tell what didn’t work well. We measure guest retention with a global system called Hauti an interface in Opera.

We try to go beyond and see how many times a guest stayed with Rosewood. It is difficult because if you book a room over booking.com, it automatically issues a new profile. If you booked directly with me and two months later you come back and you booked you stay with booking.com but another phone number I have a new profile and I don’t know if it is the same person, it might be a new guest. So you cannot merge the profiles even if it might be the same person. When the guest arrives and asks why he has to present his passport, all these things again we cannot do anything about that problem.

In Austria there are certain things which make it a little bit more difficult regarding to their laws you always have to have a signature. Talking about curbside check-in: you always have to have a signature and you have to present your passport. In our case we actually found a way around it with
Canary which is one of the programme which digitalises this whole process. We send out three or four days prior to arrival, an e-mail with a Canary link where you can fill it in your passport details or credit card details and your address all those things we need on the registration form. When we received all that we just prepare your keys and you can go upstairs directly. In other countries like US, Canada, Qatar you can use your phone as a key already but that is not possible in Austria because of certain restrictions.

### Online Questionnaire

**Cover Letter**

Dear Participant,

I hereby invite you to participate in this survey, which was developed for research purposes in order to write my bachelor thesis. The purpose of this research is to gain deeper insights into the topic of the personalization of services within the luxury hotel industry and its effect on customer satisfaction.

If you decide to participate in this survey, I kindly ask you to complete the following questionnaire which should not take you longer than 10 minutes.

It is important to mention that the completion of this questionnaire is anonymous. Therefore, your data will be kept secure during and after successful completion of the survey. Your anonymity is protected by not having to sign and the completion of the survey is regarded as your consent.

Furthermore, I acknowledge that you might refrain from completing the survey or hesitate to share personal information. If you do not feel comfortable to answer any of the questions asked you may choose to end the survey at any time.
If you have any questions with regard to the survey, please contact Samantha Mylocopos at samantha.mylocopos@modul.ac.at.

Thank you for taking the time to complete this survey.

* Please note that the survey will only be available until 02.05.2023.

**Questionnaire**

**Questionnaire on Preferences in Personalisation in Luxury Hotels**

Dear Participant,

I hereby invite you to participate in this survey, which was developed for research purposes in order to write my bachelor thesis. The purpose of this research is to gain deeper insights into the topic of the personalization of services within the luxury hotel industry and its effect on customer satisfaction.

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Furthermore, I acknowledge that you might refrain from completing the survey or hesitate to share personal information. If you do not feel comfortable to answer any of the questions asked you may choose to end the survey at any time.

If you have any questions with regards to the survey, please contact my thesis supervisor Samantha Mylocopos at samantha.mylocopos@modul.ac.at.

Thank you for taking the time to complete this survey.

* Please note that the survey will only be available until 02.05.2023.

* Gibt eine erforderliche Frage an*

1. Gender

   Markieren Sie nur ein Oval.

   - [ ] Female
   - [ ] Male
   - [ ] Other
   - [ ] Prefer not to say
2. Age

Markieren Sie nur ein Oval.

- Under 18
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- 65 - 74
- Over 75

3. Highest degree you have received

Markieren Sie nur ein Oval.

- Less than high school degree
- Vocational Schooling (e.g. Tourismuschule)
- High school degree or equivalent
- Bachelor’s degree
- Graduate Degree (e.g. MA, MS)
- Doctorate (e.g. PhD)

4. Annual household income

Markieren Sie nur ein Oval

- 0 - 9.999€
- 10.000 - 19.999€
- 20.000 - 29.999€
- 30.000 - 39.999€
- 40.000 - 49.999€
- 50.000 - 59.999€
- 60.000 - 69.999€
- 70.000 - 79.999€
- 80.000 - 89.999€
- 90.000 - 99.999€
- Above 100.000€
- Prefer not to say

5. Nationality

Markieren Sie nur ein Oval

- North America
- South America
- Europe
- Africa
- Asia
- Oceania

Humanware

For the purpose of this research please imagine you are on a leisure trip, staying in a luxury hotel.
6. The hotel staff knowing my name prior to check-in would positively influence my experience.

Markieren Sie nur ein Oval.

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7. I expect employees of luxury hotels to make me feel important.

Markieren Sie nur ein Oval.

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8. It is important to me that hotel employees act authentically.

Markieren Sie nur ein Oval.

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9. Luxury hotel employees should be committed to the hotel guest experience.*

Markieren Sie nur ein Orel.

Strongly disagree

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3
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Strongly agree

10. Employees of a luxury hotel should be available at any time to answer my requests.*

Markieren Sie nur ein Orel.

Strongly disagree

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Strongly agree

Hardware
11. I expect a luxury hotel to provide the following personalized services/products.

*Markieren Sie nur ein Oval pro Zeile.*

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12. The design of the public areas in a luxury hotel is very important to me. *

Markieren Sie nur ein Oval.

Strongly disagree

1  

2  

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Strongly agree

13. The design of the guest rooms in a luxury hotel is very important to me. *

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree

14. The luxury feel of the interior influences my overall experience. *

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree
15. A luxury hotel should offer superior value through creating a home-like setting.

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree

16. The usage of sensory elements in the hotel, such as scent, enhances my mood.

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree
17. I expect the staff at a luxury hotel to walk me to my room upon check-in.

Markieren Sie nur ein Zitat.

**Strongly disagree**

1
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5

**Strongly agree**

---

18. A welcome gift upon arrival makes my experience unique.

Markieren Sie nur ein Zitat.

**Strongly disagree**

1
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**Strongly agree**

---

19. I expect that my luggage will be taken care of when I check-in to a luxury hotel.

Markieren Sie nur ein Zitat.

**Strongly disagree**

1
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**Strongly agree**

---
20. I appreciate when the hotel knows my special requirements prior to check-in. *

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree

21. Technology in the guest room should allow me to connect my own device to the in-room system. *

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree

22. Luxury hotels should provide state of the art technology. *

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree
23. I would prioritise booking a hotel that allows me to make special requests during the booking process.

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree

24. A luxury hotel sending me personalized advertisements will lead me to purchasing the offer.

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree
25. I am happy to share data on my preferences with the luxury hotel prior to my stay.

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree

Experience Design

26. I expect the hotel to offer experiences that contain elements of surprise.

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree

27. I expect luxury hotels to be able to organize uniquely staged events within my hotel room, the hotel property or somewhere in the vicinity of the hotel.

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree
28. The extent to which personalisation is implemented in a luxury hotel is more important to me than other factors such as the location of the hotel. *

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree

29. I expect the luxury hotel to communicate with me before and after my stay. *

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree

30. I prefer a hotel that offers individual services based on my respective lifestyle and customs.

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree
31. I would spend money on additional personalized services that are not yet included in the room rate (e.g. spa treatments for personal skin type, personal trainer).

Markieren Sie nur ein Oval.

Strongly disagree

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Strongly agree

32. I expect luxury hotels to learn about my preferences and design my next stay according to the data they collected.

Markieren Sie nur ein Oval.

Strongly disagree

1

2

3

4

5

Strongly agree

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