



**ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**COMPARATIVE ANALYSIS ON SERVICE DELIVERY OF SELECTED
INTERNATIONAL CHAIN HOTELS IN ADDIS ABABA**

*A case study on Hilton and Radisson Blu international chain hotels
In Addis Ababa*

BY

DEREJE BOGALE

ID NO. SGS/0012/2005

**JUNE, 2014
ADDIS ABABA, ETHIOPIA**

**COMPARATIVE ANALYSIS ON SERVICE DELIVERY OF
SELECTED INTERNATIONAL CHAIN HOTELS IN ADDIS ABABA**

A case study on Hilton and Radisson Blu international chain hotels

In

Addis Ababa

BY

DEREJE BOGALE

**A THESIS SUBMITTED TO ST.MARRY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIRMENTS FOR THE DEGEREE OF MASTER OF BUSINESS
ADMINISTRATION**

JUNE, 2014

ADDIS ABABA, ETHIOPIA

**ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS**

**COMPARATIVE ANALYSIS ON SERVICE DELIVERY OF SELECTED
INTERNATIONAL CHAIN HOTELS IN ADDIS ABABA**

BY

DEREJE BOGALE

APPROVED BY BOARD OF EXAMINERS

Internal

Examiner _____ Signature _____ Date _____

External

Examiner _____ Signature _____ Date _____

Advisor _____ Signature _____ Date _____

Chair of Department or Graduate Program Coordinator

_____ Signature _____ Date _____

Table of Contents

	<i>Page No</i>
Acknowledgements	Viii
List Of Acronyms	Ix
List Of Tables	X
List Of Figures	Xi
Abstract	Xii
Chapter One - Introduction	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	3
1.2.1 Research questions.....	4
1.3 Objectives of the Study.....	5
1.3.1 General objectives.....	5
1.3.2 Specific objectives.....	5
1.4 Definitions of terms.....	5
1.5 Significance of the Study.....	7
1.6 Scope of the study.....	8
1.7 Organization of the Research Report.....	8
Chapter Two - Review of Related Literature	10
2.1 Introduction.....	10
2.2 Definition of the Hotel.....	11
2.3 Importance of hotels.....	12
2.4 Classification of Hotels in Ethiopia.....	12
2.5 Star rating system.....	12
2.6 Market Study for Star Rated Hotels.....	13
2.7 Service Delivery.....	14
2.8 General Remarks.....	14
2.9 Arrivals of tourist at national borders comparing Ethiopia with neighbouring country	15

2.10	Types of Hotels.....	17
2.11	The Hotel as a Total Market Concept.....	19
2.12	Demand Analysis.....	23
2.13	Empirical Studies.....	24
	Chapter Three- Research Design And Methodology.....	29
3.1	Introduction.....	29
3.2	Research Methodology.....	29
3.3	Sample Design.....	30
3.4	Sources of Data and Target Population.....	31
3.5	Method of Data Collection and Data Collection Tools.....	33
3.6	Sample size.....	34
3.7	Type of Measurement Scales.....	36
3.8	Method of Data Analysis Techniques.....	36
3.9	Ethical Considerations.....	36
	Chapter Four -Data Analysis and Interpretation.....	37
4.1	Introduction.....	37
	Part – 1.....	38
4.2	Demographic and Characteristics of Respondents.....	38
4.3	Gender of Room guest respondents.....	38
4.4	Age of Room Guest Respondents.....	38
4.5	Room Guest Respondents Purpose of Visits.....	38
4.6	Education Level of Room Guest Respondents.....	38
4.7	Data Analysis on Method of Reservation.....	40
4.8	Data Analysis on Reasons for Choosing the Hotel.....	41
4.9	Customers Frequency of Visiting the Hotel.....	42
4.10	Guest Willingness to Revisit the Hotel.....	43
	Part – 2.....	44
4.11	Customer Satisfaction Factors in the Understudy Hotels Room Guests.....	44
4.12	Overall Impression of Guest experience of the hotel.....	48
4.13	Over all guest experience with the associates of under study hotels.....	50
	Part – 3.....	51

4.14	Data Analysis on Questionnaire of Travelling Agent Representative Experience in Under Study Hotels.....	51
4.14.1	Travel Agency General Opinion of Customer Service Agent and Reservation Representatives.....	52
4.14.2.	Travel Agency Relationship with Customer Service Agent and Reservation.....	53
	<i>Part – 4</i>	54
4.15	Data Analysis on Questionnaire of Company Coordinator / Representative Experience in Under Study Hotels.....	54
4.15.1	Company Representatives / Coordinators General Opinion.....	55
4.15.2	Company Representatives / Coordinators Relationship with Hotels CSA and Reservation Representative.....	56
	<i>Part – 5</i>	58
4.16	Questionnaires on the Supplier Experience at the Understudy Hotels.....	58
4.16.1	Number of Years the supplier working with the understudy hotels.....	58
4.16.2	The Amount of Components or Material Types the Suppliers Supply to the Understudy Hotels.....	58
4.16.3	Supplier Satisfaction Data In Terms of Collaboration with the Hotels.....	59
4.16.4	Responsiveness of the Understudy Hotels to the Suppliers.....	61
4.16.5	Timely Payment of the Understudy Hotels to the Suppliers.....	62
	Chapter – Five Summary, Conclusions and Recommendations	64
5.1	Summary of Findings.....	64
5.2	Conclusions.....	67
5.3	Recommendations.....	68
	References.....	70
	Appendix I	
	Appendix II	

ACKNOWLEDGEMENTS

First and foremost I thank the Almighty GOD who makes all things possible by granting me the strength, health, courage and inspiration for all my achievements.

I know that this project was not my individual achievement, but the result of many people to whom I will be forever grateful. Of those, it is with much appreciation that I thank my thesis advisor **Dr.Abdulerasak Mohamed** for his commitment and devotion while providing me timely responses and academic guidance throughout the completion of this project.

I also wish to thank my lovely Children **YaredandFreselam**, because it was not always easy sacrificing your weekends and holidays while I was busy with the study. Thanks to both of you for your endless love and support while I chase my dream. You may think that this accomplishment was a result of my hard work, but in reality it is the result of our hard work. I love you and thank you so much.

My sincere gratitude also goes to my best friend **Dr.MelakuGirma** I cannot thank you enough for the unwavering support and encouragement you have provided to me. The successful completion of this thesis would not have been possible without the support and cooperation of you. I am indebted to all the People who, in spite of being busy, were generous with their time and enthusiasm regarding the research, and who participated in the questionnaires and interviews supplied very valuable information.

LIST OF ABBREVIATIONS /ACRONYMS

GSTS – Guest Satisfaction Tracking System

SALT – Satisfaction and Loyalty Tracking

NGO – Non Governmental Organization

UNWTO – United Nation World Tourism Organization

MOCT – Ministry of Culture and Tourism

SPSS – Statistical Package Social Science

FO – Front Office

CSA – Customer Service Agent

INSEE - National institute of statistics and economic studies

List of Tables

		Page
		No
Table 2.2	Existing Hotel Capacity Projected and Unsatisfied Demand	13
Table 2.2	Arrivals of tourist at national borders.....	15
Table: 3.1	Distribution of questionnaires	34
Table: 3.2	Likert scale.....	36
Table: 4.1	Frequency of total guest room respondents.....	37
Table: 4.2	Gender of the respondents.....	38
Table: 4.3	Ages of Room Guest Respondents.....	39
Table: 4.4	Frequency of Room Guest Respondent’s Purpose of Visits.....	39
Table: 4.5	Education level of the respondents.....	40
Table: 4.6	Method of reservation.....	41
Table: 4.7	Reasons for choosing the hotel.....	41
Table: 4.8	Frequency of visiting the hotel.....	42
Table: 4.9	Guest Willingness to Revisit the Hotel.....	43
Table: 4.10	Guest satisfaction factors.....	44
Table: 4.11	Overall Impression of Guest Experience of the Hotel.....	48
Table: 4.12	Guest Experience with Associates of the Hotels.....	50
Table: 4.13	Travel Agency general opinion about under study hotels.....	52
Table: 4.14	Travel agency relationship with customer service agent and reservation....	53
Table: 4.15	Company representatives / coordinators general opinion	55
Table: 4.16	Company representatives / coordinators general opinion.....	56
Table: 4.17	Suppliers service year with the hotels.....	58
Table: 4.18	The amount of supplied items to the hotels.....	58
Table: 4.19	Supplier satisfaction data in terms of collaboration	60
Table: 4.20	Responsiveness of the understudy Hotels.....	61
Table: 4.21	Timely payment of the understudy hotels to the suppliers.....	62

List of Figures

Figure: 2.1	Display The Elements Which Constitute The Total Hotel Concept.....	20
Figure 2.2	Shows Why Do Guests Select The Hotel.....	24

Abstract

The primary objective of this research is to perform comparative analysis on opportunities and challenges of international chain hotels in Addis Ababa. Among three international chain hotels in Addis Ababa my research takes two of them Addis Ababa Hilton and Radisson Blu international chain hotels rated as star 5 with a room capacity of 372 and 202 consecutively. The reason of my choice was Hilton hotel is the first international chain hotel in Ethiopia started in 1969 GC and Radisson Blu hotel is the recent international chain hotel in Ethiopia in 2011 GC this 42 years gap between them helps to make comparative analysis in the development of service delivery of hotel industry. For the purpose of this study data was collected from 105 room Guests', 5 travel agency, 9 company representatives and 5 suppliers of Hilton and 54 Room Guests' 5 travel agency, 7 company representatives and 5 suppliers of Radisson blu hotel, through self-administered questionnaire using non-probabilistic purposive sampling design. And semi- structured interview performed with ten different department heads of both hotels and government officials. The research result shows that Hilton international chain hotel of Addis Ababa was mentioned the hotel rooms are in need of renovations and the customer service agents and Reservation representative's service quality is poor so that needs improvement. The main important comment about Radisson blu international chain hotel of Addis Ababa was that there is need for extending parking because there are no enough parking lots. Even though the hotel was constructed lately according to accreditation of international standard adopted by Ethiopia ministry of culture and tourism does not incorporate some of the amenities such as children ply ground, enough parking lots, swimming pool, shops and ground tennis. According to the analysis of findings when the government allocate location for establishments of new hotels they must consider the hotels star rating and the area required to fulfil facilities and amenities to meet customer expectations.

Chapter One

INTRODUCTION

1.1 Background of the Study

Evidence of hotels and hospitality industry has been recorded as far back as biblical times when Mary and Joseph arrived in Bethlehem during the census. As the bible depicts, Mary and Joseph were refused accommodations because there was no room at the inn. Since the beginning of time, people have travelled for commerce, Religion, family visit, health, immigration, education, and recreation. As cited by Texas Tech University in 2008 the word “hospitality” came from the Latin root meaning host. The university further noted that the first hotels were nothing more than private homes opened to the public. Most unfortunately, they had poor reputations. Under the influence of the Roman Empire, inns and hotels began catering to the pleasure traveller in an effort to encourage visitors.

The first inn located in America was recorded in the year 1607 and lead the way with many other first in the hospitality industry. The publicity held hotels (the city hotel) opened in New York in 1792. The first modern hotel (The Tremont) opened in Boston in 1809 and the first business hotel (The Buffalo Statler) opened in 1908. From there a surge of hotels flooded America and the rest of the world with prominent names such as Radisson, Marriot and Hilton Hotels (Texas Tech University, 2008).

As far as the Ethiopian case is concerned, Ethiopians have a culture to well-come and entertain their guests free of charge. As their guests came into their homes, they will tell him to feels as if he is at home. They have a habit of sharing what they have free of charge. Hotel development started at the reign of Imperil Minilik the Second. During the time the feudal lords and church leaders who came to Imperil Minilik for different administrative issues were given a guest house called ‘‘ye-ingdamarefia’’ where he was allowed to stay for a week and has to leave the place for the other after a week. If the guest was from abroad he was handed over a letter written from Imperil Minilik to anyone in the nation so that the guest has to be provided all the necessary food requirements for himself, his servants and cattle freely, which was latter ordered to be on changed and to be purchased

by his own money. Upon the expansion of Imperil Minilik's reign and increased foreign relation, it became difficult for EtageTaitu (Minilik's wife, political, economic and social advisor), to welcome all the guests under the usual circumstances. As the political, economic, and social significance of Addis Ababa increased, EtageTaitu built the first modern hotel namely EtageTaitu Hotel in Addis Ababa in 1907 E.C.

The hotel actually faced different problems due to lack of strong and experienced administration, colonial expansion, and poor culture of the people where eating outside of own home was assumed as if it is shameful act and the hotel is still struggling for survival. But Imperil Minilik, the ruler of the time, one day invited feudal lords and his political appointees that he was inviting them a dinner in EtageTaitu's hotel and they accepted the invitation. On the second day he told them that in the developed world if one invites today, the other party will invite on the next day and if not it is the shameful act and the feudal lords responded that they were willing to invite their king, but they were afraid that he may refuse their invitation and there on they used to invite each other and the act was even considered as the mode of modernization. The increased relation of Imperil Minilik with the external world and the opening of Addis –Djibuti rail road put a significant role on hotel development in Ethiopia. Later on as Addis Ababa became a center for economic, social, and political significant city, the situation demanded the significance of other competitive hotels during the regime of emperor Hailsellase many hotels are established as Ethiopia Hotel, Ras hotel, Gion hotel, Hilton Hotel, and WabiShebele hotel. Following these during the socialist revolution of the Derge regime all private investments are owned by the government and collapse investment needs in Ethiopia. Because of this there are no establishments of new hotels until 1976 E.C. and the end of 1976 E.C the government announces mixed economy to attract investments in the country and following this many hotels are established such as Yordanos, Ibex, Central Shewa, Ararat, Eyerusalem, Axsum, Atlas, Debredamo, Plaza, Central Venu and Emperial hotels. After the fall of the Derge regime because of the economic police change to free economy in the federal republic of Ethiopian government administration many other star rated hotels and basic level hotels are established such as:- Sheraton, Intercontinental, Harmony, Jupiter, Elele, Ambassador,

Radisson Blu etc. Hotels subsequently established (Ministry of Culture and Tourism, 2009 & 2013).

Hotel and tourism business is one of the focal areas of Ethiopian government from the intension of maximizing national income from hotel accommodations and tourist fees. The primary causes of attractions are the historic heritages, natural attraction sites of northern and southern regions of the country with their unique characteristics are abundantly found in the country. Besides these the capital of the country Addis Ababa is the seat of most international organizations and some others are still opening their offices in the city. Because of this the institutions conduct local and international meetings, symposiums, and forums which created a huge demand for accommodations that meet international standard. Since the hotel industry can create job opportunities for so-called blue collar workers, the development of the hotel industry's benefit is not only the tourism sector but also poverty reduction. The international hotel classification system is adopted in Ethiopia and hotels are classified into categories with stars from one to five and hotels without stars. Hotels without star are the largest category which includes all hotels below the international standards and Eco-tourism lodges. Hotels which are below the star category, but nevertheless, provide acceptable service will be classified as "Basic Level Hotels." In order to make comparative analysis on the international chain hotels with the aim of examining star rated accreditation standards available in the Hilton and Radisson Blu hotels (Ministry of Culture and Tourism, 2013).

1.2 Statement of The Problem

There is untapped tourism potential in Ethiopia with investment opportunities in hotel. The capital city Addis Ababa is a diplomatic capital of Africa as it hosts AU, UNECA, UNDP, more than 100 embassies and other diplomatic missions, major African transportation hub, hub of the Ethiopian economy , transport systems and different region cultural heritages are the opportunities for hotel business. The comparative advantage of tourism can often aid

developing nations in earning foreign exchange more rapidly and with less difficulty than would be true for products (Debbage 1998).

In order to make these opportunities viable the government gives special attention by stating its vision. “The long term vision of the government is to make Ethiopia one of the top ten tourist destinations in Africa by year 2020”. (Source: - “Ethiopian ministry of culture and tourism”, 2008). Following these recently many star rated and basic level hotels are built in the city by adopting the international hotel classification system in Ethiopia. So that ministry of culture and tourism sets standards of tourism services competence accreditation for star rated hotels. Accordingly hotel industries have high impact in achieving this target by fulfilling this accreditation of star rated standards. But the fact is that the investors request license from investment office to build star rated hotel he wishes where he found lands and finished construction and finally consult the tourism office to get tax free equipment’s to use the government policies of encouraging the investment. There is no anyway of evaluation that checks the tourism service competence accreditation star rated hotels until know. This gives a chance for hotel owners to rate themselves as they wish to have stars without fulfilling the requirements. So that this comparative analysis will be performed against the international standards of Ethiopian tourism accreditation service competence of star rated international hotels standards in Hilton and Radisson Blu international chain hotels. At the same time to identify the opportunities and challenges in the service delivery of Hilton and Radisson Blu hotels in their daily business process. Finally to compare with MOCT adopted international accreditation standards and based on analysis give feed back to the concerned parties to take corrective measures to the standards and to prepare ground rules for new entrants to the hotel industry and to find out the routes to be followed before the constructions of the hotels performed.

1.2.1 Research questions

1. Are the understudy hotels fulfilling the adopted international accreditation of star rated hotels standards by Ethiopian ministry of culture and tourism?
2. What are the opportunities and challenges in service delivery of Hilton and Radisson Blu hotels?

3. What are the understudy hotels difference and similarities?
4. Is there any outcome or experience from the under study hotels that will be used for new entrants to the hotel business in Addis Ababa?
5. What factors are influencing service delivery of the understudy hotels?

1.3 Objectives of the Study

1.3.1 General objectives

To perform comparative analysis in service delivery and to find out the areas of opportunities and challenges in Addis Ababa Hilton and Radisson Blue international chain hotels and checks according to star rated accreditation based on that to make them to develop a recognized brand consistent to all over the world.

1.3.2 Specific objectives

- To determine international star rated standards of Addis Ababa Hilton and Radisson blue hotels.
- To find out opportunities and challenges faced by the understudy hotels.
- To determine the factors those are influencing service delivery of hotels.
- To forward research results to hotels management and tourism service accreditation office.

1.4 Definitions of terms

1.4.1 Hospitality Industry

The hospitality industry is a broad category of fields within the service industry that includes lodging, restaurants, event planning, theme parks, transportation, cruise line, and additional fields within the tourism industry. The hospitality industry is a several billion

dollar industry that mostly depends on the availability of leisure time and disposable income. A hospitality unit such as a restaurant, hotel, or even an amusement park consists of multiple groups such as facility maintenance, direct operations (servers, housekeepers, porters, kitchen workers, bartenders, etc.), management, marketing, and human resources.(Daniel G. Bieber, 2011; Ralf Meurer,2011; Thomas Surmann, and Nora Rassek, 2011)

1.4.2. Chain Hotels

Chain hotels are defined as all hotels under the ensign of a hotel group, whatever their legal status might be (subsidiaries, franchises...). The vast majority of chain hotels have an official tourism approval. However, some of the hotels under a given chain name may not be approved, either because the group has not made an application or because of specific local characteristics. (Source: INSEE: national institute of statistics and economic studies)

1.4.3. Star Rated Hotels

The star rating system for hotels and restaurants was established in the 1950s by an oil company that also published travel guides. Other rating systems have come on the scene since then. There are also ratings seen on the Internet today that have been done by consumers and are based on subjective personal opinions. The original system is objective and uses the same standards every year (Susan miller, 1990). The star ratings system is internationally recognized as the yard stick for a hotel's overall quality. However, what one country may regard as a 3-star venue will be a 2-star in another, and vice versa. While there is no international standard that hotels across the world subscribe to, the stars all pertain to a hotel's level of service, facilities, rooms, location and price. (<http://www.essentialtravel.co.uk/magazine/>)

1.4.4. Basic Level Hotels

Hotels which are below the star category, but nevertheless, provide acceptable service will be classified as “Basic Level Hotels.” (Ministry of Culture and Tourism)

1.4.5. Tourism Industry

Tourism is the act of travel for the purposes of leisure, pleasure or business, and the provision of services for this act.

There are two important components that make up tourism:

1. The practice of travelling for pleasure.
2. The business of providing tours and services

1.5 Significance of the Study

This study entitled as **“Comparative Analysis on service delivery of Hilton and Radisson Blu International Chain Hotels in Addis Ababa “**is keen to contribute scientific research to hospitality industry of our country by collecting specific data from Room Guests and management working in Radisson Blue and Hilton international chain hotels, Travelling agent, NGO office representative, and embassy coordinators, suppliers, and Government administration offices such as: ministry of tourism and culture, and Addis Ababa administration investment office.. Also, it attempts to provide empirical evidence to the actual level of star rated international standards of Ethiopian high- ranking hotel industry. Although star rated international standard accreditation that has been extensively studied in developed countries, there is a severe limitation in this area in our country. Thus, this study seeks to contribute to the hotel and tourism industry by pinpointing the most important factors for delivering international brand service standards. Based on this analysis it helps to facilitate the establishment of star rated hotels at different level that meets international standards, improvement of the existing hotel accommodation and constructing of additional hotels at critical natural and cultural tourism destinations in the capital city and regional areas. Generally it helps to identify opportunities and challenges in their current business processes and work for improvement on draw backs and use the opportunities for the benefits of the company.

To enable the new entrant hotel owner (investor) before they are selecting location and take investment license from investment office they have to first consult Ethiopian ministry of culture and tourism to have tourism services competence accreditation which makes the owner beneficial to minimize its cost and perform construction of the hotels based on the required standards and meet customer expectations which makes it competent in the hotel business. For existing hotels helps to know their level of standards and to work on their draw backs and take corrective actions and back in the competition.

- To facilitate for the new entrants to the hotel business.
- To identify opportunities and challenges in the understudy hotels.
- To make the hotels to deliver service according to international brand standards.
- To identify and forward solution for factors those are influencing service delivery of hotels?

1.6 Scope of the study

The comparative analysis focuses on the opportunities and challenges of business process of two international chain hotels Hilton and Radisson Blu in Addis Ababa city and the comparative analysis will be performed based on their location, Service delivery, amenities, and technology they have. The data collection also centers on 5 stars rated Hilton and 4 stars rated Radisson Blu international chain hotels established at the interval of 42years Hilton hotel in 1969 and Radisson Blu hotel in 2011.

1.7 Organization of the Research Report

The study is presented in five Chapters.

Chapter one look in to the introduction / back ground of the study, the statement of the problem, basic research questions, objectives of the study, and definition of terms, significance of the study and scope /delimitations of the study.

Chapter two goes into the review of related literature. Here the various literatures relevant to the study are dealt with adequate depth.

Chapter three is focused on the profile and practices of comparative analysis on the opportunities and challenges of Hilton & Radisson Blu internationals chain hotels research methodology and provides explanations for the data collection techniques and analytic methods are used in the study.

Chapter four focuses on the data presentation, analysis and discussion of findings of the research.

Chapter five writes conclusions, summary of the research findings as well as recommendations to be made based on the findings drawn from the study.

Chapter Two

REVIEW OF RELATED LITERATURE

2.1 INTRODUCTION

In the past, tourism has been often considered as the natural outcome of environmental and cultural resources of a specific territory. In this view, the role of hospitality enterprises cannot influence demand levels and is merely limited to the supply of services to tourists. Le Blanc & Nguyen (1996) suggest that marketing efforts should be directed to highlight the environmental characteristics of the location in order to attract new customers. The constant increase of demand of touristic services, and the request for higher standards by the guests, has enforced the competition among hospitality suppliers and highlighted how the attractiveness of the touristic destination is influenced by the standards of the services provided by the local hotels (International Journal of Marketing Studies Vol. 2, No. 2; November 2010)

In this scenario, providing high quality services and improving customer satisfaction are widely recognized as fundamental factors boosting the performances of companies in the hotel and tourism industry (Barsky&Labagh, 1992; Le Blanc, 1992,; Le Blanc et al., 1996; Stevens et al., 1995, Opermann, 1998). Hotels with good service quality will ultimately improve their profitability (Oh & Parks, 1997). In a competitive hospitality industry which offers homogeneous services, individual hoteliers must be able to satisfy customers better than their counterparts (Choi & Chou, 2001). To obtain loyalty and to outweigh other competitors, hotel providers must be able to obtain high levels of customer satisfaction for the service supplied. There are several studies that analyse the needs and the desires of tourists. A research by Wuest et al. (1996) defined the perception of hotel attributes as the

degree to which guests may find various services and facilities critical for their stay in a hotel. Hotel's attributes such as cleanliness, price, location, and security, personal service, physical attractiveness, opportunities for relaxation, standard of services, appealing image, and reputation are recognized as decisive by travellers to assess the quality of the hotel (Atkinsons, 1988; Ananth et al., 1992; Barsky&Labagh, 1992; Cadotte& Turgeon, 1988; Knutson, 1988; McCleary et al., 1993; Rivers et al., 1991; Wilensky&Buttle, 1988). According to a survey carried out by Barsky& Nash in 2006, regarding the main hotel chains worldwide, between 2002 and 2005, the importance of loyalty programs for guest's decision on where to stay increased from 32% to 34%. Although the search for new locations is certainly the most important factor for many tourists, several studies highlighted that there is a good portion of customers that chose to repeat their holidays' destination, showing a certain degree of loyalty (Oppermann, 1998; Fyall et al., 2003). These studies on tourists' loyalty indicate five main factors which affect the repetition of the trip to the same tourist place: the desire to reduce the risk of making a mistake when choosing an alternative destination; the chance to meet the same people again; The emotional affection to a specific place; The possibility to explore the place better; The desire to show the place to other people

Hoteliers need to fully acknowledge which service attributes are most likely to influence customers' choice intentions (Richard &Sundaram, 1993). Customer satisfaction practices can help them to identify the crucial

2.2 Definition of the Hotel

At the heart of hospitality industry lies a simple idea of providing hospitality, that is providing people with food, drink and place to sleep (Jones in, Buhalis and Costa, 2006).According to Medlik's definition “A hotel is an establishment providing for reward accommodation, food and drink for travellers, temporary residents, usually also meals and refreshments and sometimes other facilities for other users” (Medlik, 1994:4). “Hotels are not only places where one can get good food and comfortable rooms; theyare also centers of community life, with facilities for meeting, entertainment, communication, and personal

services. Their stock in trade has always hospitality and service, and hotels have made dispensing comfort, pleasing the palate, and creating an atmosphere of home for guests” (Henkin, 2001:1).

2.3 Importance of hotels

Hospitality is defined as one of the major industries and one of the largest employers in the world (Kotler et al, 2003). Hotels play a significant role in the development of economies and societies, transport, distribution systems, industries and communication systems of a country though offering facilities for recreation and entertainment, business transactions, for corporate meetings and conferences. In many areas hotels are also important attractions for visitors and foreign currency earners, hotels employ labour and they are product outlets of other industries (building and modernisation are provided by construction industries, equipment, furniture and others are supplied by various manufacturers), sources for amenities for local residents (hotel restaurants, bars, conference halls, party halls) (Medlik 1994).

2.4 Classification of Hotels in Ethiopia

The international hotel classification system is adopted in Ethiopia and hotels are classified into categories with stars from one to five and hotels without stars. Hotels without star are the largest category which includes all hotels below the international standards and Eco-tourism lodges. Hotels which are below the star category, but nevertheless, provide acceptable service will be classified as “Basic Level Hotels.”

2.5 Star rating system

A star rating symbolizes the level of service, range of facilities and quality of guests’ care that you can expect. Hotels are required to meet progressively higher standards as they move up the scale from one to five stars. A star rated property has to provide the following before they can be considered for star rating.

- ❖ High standard of cleanliness throughout the year.
- ❖ Pricing and conditions of booking system should be clear.
- ❖ Local information should be provided to help customers and to make their stays best.
- ❖ Comfortable accommodation with a range of furniture to meet customer's needs.
- ❖ Colour television (where signal available) at no extra charge.
- ❖ Kitchen equipment to meet all essential requirements.

According to the facilities provided star rated hotels are rated one to five star level. The criteria of ratings to different star level are in Appendix II.

2.6 MARKET STUDY FOR STAR RATED HOTELS

Table 2.1: Existing hotel capacity, projected and unsatisfied demand

* Actual data for existing hotel capacity and unsatisfied demand Year in G.C	Projection of Tourist Arrival	Room Night Demand	Existing Hotels Annual Capacity	Unsatisfied Demand
2011*	523,438	2,093,752	1,778,280	315,472
2012	574,212	2,296,848	1,778,280	518,568
2013	629,910	2,519,640	1,778,280	741,360
2014	691,011	2,764,044	1,778,280	985,764
2015	758,039	3,032,156	1,778,280	1,253,876
2016	831,569	3,326,276	1,778,280	1,547,996
2017	912,231	3,648,924	1,778,280	1,870,644
2018	1,000,718	4,002,872	1,778,280	2,224,592
2019	1,097,787	4,391,148	1,778,280	2,612,868
2020	1,204,273	4,817,092	1,778,280	3,038,812
2021	1,321,087	5,284,348	1,778,280	3,506,068
2022	1,449,233	5,796,932	1,778,280	4,018,652
2023	1,589,808	6,359,232	1,778,280	4,580,952

Source: Ministry of Culture and Tourism (MOCT)

We can conclude from the above analysis that there are clear expanding demand situations for international standard hotels. The expected increasing rate of inbound tourist arrival will definitely create a big business opportunities for those who are planning to enter the hotels industry.

2.7 Service Quality

As the service sector of the global economy grows, the study of services and innovation are becoming increasingly important. Service products distributed regionally, nationally, and globally have become larger portions of company revenue streams; knowledge-intensive business services aimed at enhancing performance require reliable methods of measurement, assessment, and improvement. As a result, accurate and reliable instruments that assess service quality are of great interest to companies whose revenues come from service delivery. Perhaps the most popular and widely used service quality instrument is SERVQUAL. In 1988 Parasuraman, Zeithaml, and Berry developed a generic instrument called SERVQUAL to measure service quality based on input from focus groups. Although SERVQUAL was developed within the marketing sector, it also is used in a variety of organizational settings, including libraries and information centers (Kettinger & Lee, 1994; Nitecki, 1996). Since 1988 Parasuraman, Zeithaml, and Berry have made numerous changes to SERVQUAL, some in response to problems identified by other researchers. For instance, in 1994 they reported on three different SERVQUAL formats; they recommended that researchers use a format that separated customer expectation scores into tolerance zones. For improving service quality, four aspects were identified: (1) service delivery, (2) hotel front line employees, (3) guest amenities and surroundings, and (4) prestige (Narangajavana and Hu, 2008). In every organization service and quality plays a vital role for every customers. At the same time Customer is the main person who defines the Quality (Brombacher, 2000).

2.8 General Remarks

The market situation of hotel business is highly depends on the tourism activity within the country and foreign countries since hotels are believed to be as accommodation service provider for tourists. Especially the tourists from foreign origin are the main market areas for star rated hotels and their significance also grows with number of star level.

However, the number of tourists visiting Ethiopia was far less than to other African countries, such as Egypt, South Africa, Tunisia, Morocco, or Zimbabwe even if Ethiopia possesses more World Heritage sites than Egypt. To optimize the income from this sector and to boost the industry in the future, the government of Ethiopia currently has defined tourism as a priority area of economic development.

2.9 Arrivals of tourist at national borders comparing Ethiopia with neighbouring country

Table 2.2 Arrivals of tourist at national borders

	Country	2009	2010	2011	2012
1	Egypt	11,914,000	14,051,000	9,497,000	11,196,000
2	Zimbabwe	2,017,000	2,239,000	2,423,000	1,794,000
3	Kenya	1,392,000	1,470,000		
4	Uganda	807,000	946,000	1,151,000	1,197,000
5	Zambia	710,000	815,000	920,000	859,000
6	Tanzania	695,000	754,000	843,000	1,043,000
7	Ethiopia	427,000	468,000	523,000	596,000
8	Sudan	420,000	495,000	536,000	
9	Eritrea	79,000	84,000	107,000	

(Ministry of Culture and Tourism, 2012)

Compared to other African countries, the number of hotels in Ethiopia was few in number and less competitive to attract big international conferences. Currently, the situation is changing because of new establishment of star rated hotels at different level that meets international standards, improvement of the existing hotel accommodation and constructing of additional lodging at critical natural and cultural tourism destinations in the regional areas. The long-term vision of the government is to make Ethiopia one of the top ten tourist destinations in Africa by the year 2020, with an emphasis on maximizing the poverty-reducing impacts of tourism. Depending on the measures used, this means at least quadrupling the current rates of tourist flow to the country.

It is estimated, given continued political stability, on-going Government of Ethiopia is committed to tourism and regional security that the proposed strategic interventions will grow tourism by a conservative 50% over a five years period, keeping pace with projections for tourism growth in the Sub-Saharan Africa region. There is also little doubt that if investments are not made, tourism will stagnate as the product degrades further and nothing is done to address the image of the country. (Source: Study made by Japan Embassy, 2005)

Tourism arrivals are the international inbound tourists who travel to a country outside their place of residence for a period not exceeding 12 months and whose main purpose is visiting is other than an remunerated activity in the country visited. Though the up dated information is not available, the data is presented as shown here below simply shows the share of Ethiopia from international tourists flow. If the position of Ethiopia is compared to southern African countries or developed countries the share of Ethiopia is by far low

The share of Ethiopia from this sector had been low as compared to our neighbouring east African countries like Kenya, Tanzania, and Malawi. Even though Ethiopian has comparative advantage in tourist attraction sites than those countries. Ethiopia is a significantly important country in east Africa for most countries and therefore, many international meetings and conferences are held in Ethiopia. This creates a huge demand for hotel accommodations at an international standard and even an increase in such a demand is expected in the future because the importance of Ethiopia has been growing and many international organizations have been continuously strengthening their institutions. The government of Ethiopia also incorporated tourism in its strategic plan to bring

economic growth, image rehabilitation and poverty reduction while preserving and enhancing the social, cultural and environmental assets of Ethiopia.

The primary source of demand for star rated hotels in Ethiopia is foreign tourists and rarely higher income group of the country. Ethiopia has cultural heritage sites, endowed with remarkable physical features like high plateaus, long mountain ranges, lofty peaks, deep gorges , the largest cave in Africa (SofOmar), one of the lowest depression on the Earth (Dallol), the Great Rift Valley savannah land, tropical forests, deserts, beautiful lakes, including Lake Tana the source of the Blue Nile, rivers, spectacular waterfalls, and volcanic hot springs ,and much of the land has a climate tempered by high altitudes , Spring-like climate of most regions of the country will invite guests for tourism. The wildlife resources of Ethiopia entitle it to share the highest pick in Africa's reputation.

Virtually all types of Africa's big games can be found in Ethiopia in their natural states and habitats. Out of the more than 850 species of birds in the world and 260 species of mammals are registered in Ethiopia, as high as 49 of them are endemic animals to Ethiopia. (Source: Study made by Japan Embassy, 2005)

Ten national parks, 13 wildlife reserves and sanctuaries, and 18 controlled hunting areas have been established in order to protect these resources of the country. All these resources are points of attractions for tourist destinations. (Source: Study made by Japan Embassy, 2005)

2.10 Types of Hotels

The star-rating system, used generically by hotels across the world, is out-of-date, inconsistently measured and does not reflect the needs of today's traveller, a study by QUO reveals. The study concentrates on the hotel industry in Asia, and includes interviews with experts from across the region. The research findings conclude:

- The official rating system is a one-dimensional metric to communicate the hardware facilities of the property that allows for disparity, meaning there is a lowest score to achieve in order to reach a certain star level.
- The systems include criteria that are no longer relevant, failing to address many hotels' strategic needs to differentiate and serve a niche market.

- The official language is not that of the consumer, and the star rating system does not reflect the guest experience.

“Travellers need to be able to rely on a system that is objectively measuring criteria in the same way across the world. The star-system does not do that. That’s why social media has replaced the ratings and is critical to most consumer choices,” states David Keen, CEO of QUO. The study suggests the hospitality industry needs to adapt to today’s travellers with a more consumer friendly language and approach. “Through this study we can see the industry perspective has shown a shift in the right direction, signalling the agreement that the star-rating system is out of date. Hotels are aware that the system needs to be reviewed and mirror the global perspective,” claims Enlin Zhou, brand strategist at QUO and author of the study. Hotels are an important component of the tourism product. They contribute in the overall tourism experience through the standards of facilities and services offered by them. With the aim of providing contemporary standards of facilities and services available in the hotels, the Ministry of Tourism has formulated a voluntary scheme for classification of operational hotels which will be applicable to the following categories: Star Category Hotels: 5 Star Deluxe, 5 Star, 4 Star, 3 Star, 2 Star & 1 Star.

There are different types of hotels: luxury, resort, commercial, residential. The type of hotel determines the target group as well as the location of the hotel. In this way, the hotel will be located closer to the guests and areas which make up most of that market. The following classification, suggested by Medlik (1994) and Page (2007), describe the main types of hotels, dividing them according to various criteria David Robinson, 2013).

2.10.1 Scale

The hotels are distinguished according to their scale. One of the hotels grading systems is dividing them into different scales: budget, economy, mid-scale, upscale, upper upscale hotels. And, in most countries, either the scale or the number of stars or both are used as an indicator of the standard of services and quality: for example, five stars and one star hotels provide respectively the luxury services and the most basic set of services (Medlik, 1994), (Page, 1997).

2.10.2 Ownership and Management

The hotels can be owned by individual independent person, a hotel consortium or cooperative, as well as can belong to hotel chain and be owned or franchised by a company (Medlik, 1994).

2.10.3 Service Description and Application

International standard tourist hotel is high class hotel (from three to five-star level) where services like bedroom, catering, meeting rooms, multipurpose assembly hall, swimming pool, Spa (Hot Spring), gymnasium, sauna and massage, other sports facilities like tennis or squash court, min-golf or badminton, bowling, table tennis and children playground, night club with dancing to live music or discotheque or cabaret etc. In this profile study a four star international tourist standard hotel is considered to provide local and international tourists and guests services like bedroom, catering (traditional and international), meeting rooms, multipurpose assembly hall, swimming pool, gymnasium, sauna/steam bath and massage, laundry and other sports facilities like lawn tennis, badminton, bowling, table tennis and children playground and night club.

2.11 The Hotel as Total Market Concept

According to Medlik, (1994:14) “hotel is an institution of commercial hospitality”, which sells its services in various combinations. Hospitality is a product, which is depicted from the main factors that affect the way this product is constructed, represented and sold to customers (Page, 2007). In order to determine and preserve the market segments, hotels develop some attributes, which Medlik calls the elements of the total market concept, and includes five elements (hotel location, facilities, services, image and price) (Medlik, 1994). Page adds to this list the ability to differentiate the product to different customers (Page, 2007).

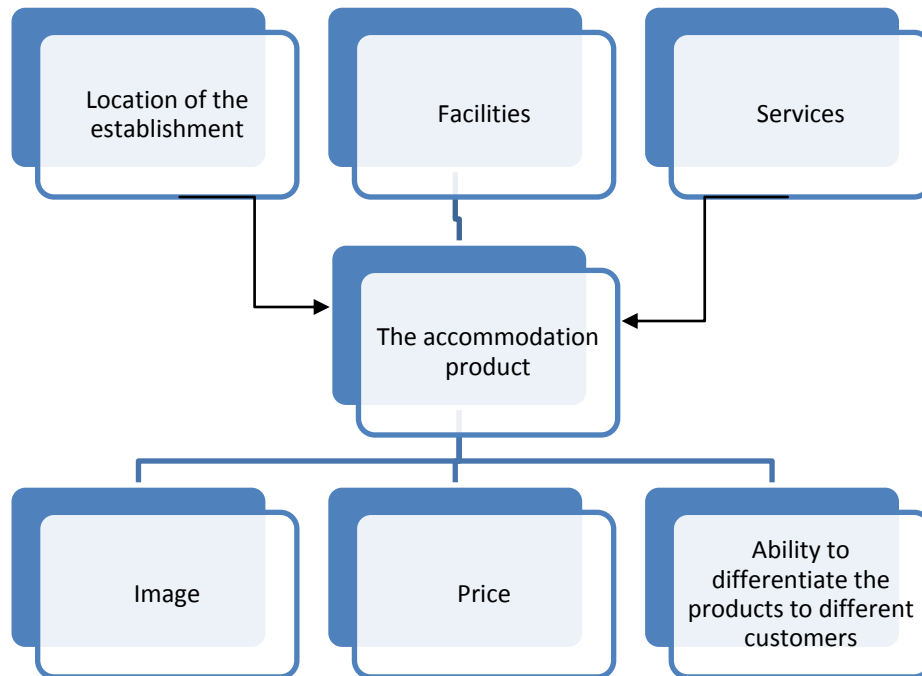


Figure: 2.1 display the elements which constitute the total hotel concept.

The combination of these factors meets the demands of customers and provides them with the accommodation they seek (Page, 2007).

2.11.1 Location

Hotels are in direct contact with their customers; they produce and provide their services right at the point of sale. That is why these services must be offered, where the demand exists. “Location is the part of hotel product” (Medlik 1994:8). The geographical location of a hospitality property is an important factor. The choice of the hotel location is determined mostly by the target group the owners of the hotel want to focus on; and vice a versa, the target group is determined by the location of the hotel Image Price Ability to Differentiate the Product to Different Customers and Incentives to Encourage Key Clients Location of the Establishment Facilities Service

2.11.2 The Accommodation Product

The strategically significant location makes the hotel more accessible and convenient for its customers (Medlik, 1994). Go and Pine state that the location “determines the destination and hotel’s position within this destination” (Go and Pine, 1995:10). As a matter of fact hotels, located in the city centers serve business travellers, and resorts cater leisure travellers. But this distinction is blurred nowadays (Go and Pine, 1995), as, for example, many hotels are oriented on a few segments, and holiday resorts can provide facilities for conferences and meetings, as well as urban hotels can offer special services for families with kids during weekends and serve the business customers during the weekdays. Ones (Jones in: Buhalis and Costa, 2006) forecasts the location trends for future, saying that hotels will be built in urban centers mainly for business travellers, in resort areas mainly for leisure travellers, and alongside the major transportation networks, such as airports, train stations, motorways. Some destination-based concepts use the location as the unique selling offer.

2.11.3 Facilities

Most hotels provide the standard set of facilities, which include bedrooms, restaurants, bars, function rooms, meeting rooms, as well as recreation facilities, such as swimming pool, sauna, golf fields or tennis courts (Medlik, 1994).

2.11.4 Services

Every hotel offers a set of services (type of the hotel determines the range of services) which are provided through hotel facilities. The quality of services is determined by a lot of factors, such as time of service delivery, the work and behaviour of personnel (Medlik, 1994). For hospitality service production the past experience of doing things is not enough; the workers “are continually faced with novel situations that require unique methods to

react appropriately to the customer. The delivery of hospitality services requires a high capacity to process information” (Bowen and Ford, in: Jayawardena, 2004:7).

2.11.5 Image

The image is the way the hotel presents itself to the customers and the way it is being perceived by the customers (Medlik, 1994). The strong image of the hotel raises customer confidence and trust in its accommodation and amenities. Customers’ perceptions of the hotel affect their expectations, their reactions to its offers. Hotel image depends not only on functional attributes of price and convenience (Michman, 1995).

The image is created by the hotel location, by the services and facilities it provides, and it is also affected by such elements as the hotel brand, name, appearance, atmosphere, architecture, interior design, colours and advertising.

2.11.6 Price

Price, as a matter of fact, indicates the value and is determined mostly by the hotel scale, location, image, the set of facilities and quality of services (Medlik, 1994).

2.11.7 Ability to differentiate the product

Ability to differentiate the product to different customers and incentives to encourage key clients includes the development of different customer loyalty programs (Page, 2007), or other strategies for attracting and retaining the customers. Jones (Jones in: Buhalis and Costa, 2006) call this differentiation ability brand development. Because hospitality markets are becoming more and more segmented and the customers have more choice concerning the various types of accommodation and services, the hotel company creates the brands in order to differentiate the hotel from its competitors and that can be easily recognizable and distinct from others. Medlik (1994) does not include this element to the hotel total market concept.

The importance of these elements can be varied, depending on the needs and interests of the customer. However, these elements are interrelated (Medlik, 1994). Chan and Wong (2005) in their research mention that such intangible hotel attributes as security, dependability, service quality, reputation and staff behaviour and tangible attributes as price, the appearance of facilities, location, the presence of alternatives, word-of-mouth communication, advertising, a familiar name and past experience were identified by a lot of researches as the most desired by hotel users. But they also mention that the most determinate factors are convenient hotel location and overall services.

2.12 Demand Analysis

As mentioned above, tourists from both domestic and foreign countries are the main market areas for star rated hotels since tourism is defined as a mobility of people from one corner to the other for different purposes such as business, recreation, visiting friends, etc. From this, one can conclude that the demand of hotel services are the derived demand of tourism activity since hotels are established targeting to serve the participant in tourism activity by providing lodging, food, beverage, and as may be necessary, recreational facilities to the public.

When ascertaining tourism demand for the purposes of tourism planning or strategy development, it is critical that the total demand figures are further segmented by “purpose of visit” and “country of origin” as this gives a more accurate picture of tourism demand. In terms of driving demand there is very little a country can proactively do about visitors who come on business, to visit friends and relatives or for sport, religion or education as these visitors tend not to have choices to make about where they take their trips. The only category that can really be influenced is the holiday (vacation) or leisure visitor. Furthermore, people visit countries away from their homes for various reasons. The current categories of “purpose of visit” established by UNWTO and measured throughout the developing world on arrival declaration cards are holidays, business, visiting friends and relatives, education, religion, sports and transit through one country to another.

Each of these categories of visitors has different characteristics related to their demographics, behaviour, spending, expectations and length of stay in the country visited. Categories of tourists based on purpose of visit have significant role in determining the

demand for star rated hotels accommodation, since there are tourists that really need hotel accommodation, those who came to visit their relatives and do not require hotel accommodation, and those who demand basic level hotels due to economic constraints and some other reasons.

2.13 Empirical Studies

The method of literature review was used in order to highlight the main findings and approaches to comparative analysis on service delivery, opportunities and challenges in the business process of Addis Ababa Hilton and Radisson Blu international chain hotels and their competitiveness.

2.12.1 How Guests Select Hotels around the World – Global Results

The results offer insight into current guest behaviour, and suggest ways to appeal to them.

Why Do Guests Select a HOTEL?
Global results*



*Based on survey responses from American, European, and Asian travelers during 2012.

Fig.2.2 shows why do guests select the hotel

The study was based on results from the Market Metrix Hospitality Index (MMHI), and includes data from 40,000 American, European, and Asian travellers during 2012. They focused on several questions that ask guests why they selected a particular hotel on their most recent trip.

Location still reigns as the primary factor that determines hotel choice. Location generally matters more to leisure guests. Location also tends to be more important to older travellers (over 50 years old), with a high income (USD \$100,001 – 150,000), who prefer staying in an upper midscale or upscale hotel.

“Price” and “Past Experience” are the next most important factors in hotel selection. Interestingly, the importance of “Past Experience” has climbed over the past few years while emphasis given to “Location” and “Price” has remained constant. Perhaps guests have become more demanding with the diversity of hotel choices available, especially at the higher end of the market.

Globally, “Past Experience” (11.9%) plays a much bigger role in hotel selection than the influence of a friend’s recommendation (6.8%), the brand’s reputation (5.5%), the role of promotions (5.0%), the power of loyalty programs (3.8%), and the impact that online reviews have on hotel selection (2.9%).

2.12.2 Hotel Sector Investment in Ethiopia

According to the research analysis performed on “Hotel Sector Investment in Ethiopia” by Ebisa C. Gobena and Andualem H. Gudeta (2013).

Their study was aimed at investigating the overall performance of the hotels industry in Ethiopia. By raising the following some of basic research questions:

- How are the demands for hotels/accommodations explained in Ethiopia?
- Does the supply of hotels match with the current demand for hotels?
- What does hotel sector investment look like?
- What factors are influencing service delivery of hotels?

The study mainly used secondary data from journals, books, newspapers, magazines, and reports of various governmental and nongovernmental organizations. Above all, crucial

information was obtained from Ministry of Culture and Tourism and Addis Ababa Investment Agency. The method of analysis used in the study is descriptive statistics.

They were explaining from different perspectives especially the factors that influence the service delivery of hotels as general and demonstrate conclusion as follows:-

The Stability of human resource development. Training staff is one thing but retaining the trained staff is also another concern. Other tourism-based countries such as UAE attract the trained/ skilled workers with better working conditions. Brain drain is a problem observed in other sectors, too. Stable supply of quality agro-products is important for both hotel/tourism. Although, the hotels would like to purchase agro-products from local suppliers, the buying and selling does not go through due to the lack of reliability of supply and the quality of the products.

Some business chances are missed due to the low quality of packaging. Despite their intention to purchase from the local market, the hotels import some goods from abroad because good quality packaging is important for the luxurious image of hotels. The process of customs is not efficient and burdensome for hotels. The hotels have to go to 13 different offices to get permission to import goods and the duration of the process varies from 1 day up to 6 months depending on the personnel in charge.

The negative image of Ethiopia as a country of poverty and starvation prevents it from being a tourism destination. Also, the hotel industry as well as the tourism industry is affected directly by security issues. Deterioration of security can damage the industry seriously. The situation with Somalia, Eritrea, Egypt and Sudan are the big concerns for the industry at the moment Ebisa C. Gobena and Andualem H. Gudeta (2013).

2.12.3 Empirical Works Linked to Service Delivery in the Hotel Industry

The technical literature presents various empirical works linked to the quality of services in the hotel industry. Luk (1997), on analysing the culture of marketing in travel agencies of Hong Kong and their relation with the quality of service, affirms that the culture of marketing must take into account the quality of service, interpersonal relations, the task of selling, organizations, internal communication and innovation; they point out that the high

quality in service can be obtained when a tourist company strongly promotes a culture of marketing oriented by the service and interpersonal relations.

Kandampully (2000), in Australia, analyzes the impact of the fluctuation of the demand in the quality of service having in sight that during the high season for hotel occupancies, with the excess in the demand for services, the quality of those services tends to decline. This study suggests that the companies in the sector must strongly consider the needs and expectations of the customers in the elaboration of their strategies in the seasonal periods. O'Neill and Charters (2000), also in Australia, analyze the quality of the service offered by links to attract tourists in that region. The study was done in four companies with the objective of knowing what was the most important to the customer in evaluating the quality of service. Atilgan, Akinci and Aksoy (2003), in Turkey, suggest a new approach for the research of evaluation dimensions in the quality of service in hotels. The research analyzed two groups of tourists from different countries. The results suggested that the operators must consider, in the elaboration of their itineraries and tourist packages, the cultural characteristics that affect the perception of the quality of service received.

Juwaheer and Ross (2003) analyzed the perceptions of hotel guests from Mauritius. They concluded that the quality of services fell short of guests' expectations citing empathy as the greatest gap. Nadire and Hussain (2005) analyzed the quality of service in Cyprus, using SERVPERF, applying the instrument to European customers visiting the site. The results found only two dimensions instead of the traditional five of SERVQUAL and European visitors are very demanding with regard to improving the quality of service. The study by Eraqui (2006), in Egypt, analyzes the tourist services from the point of view of internal and external customers. The internal customer concludes that there is no tourism business environment that encourages employee creativity and regarding the external customers, there were complaints about the improvement of internal transportation and security.

Chen et al (2008) evaluated the quality of services in the Taiwan hotel industry. The paper divides the hotels into three types: international commercial tourism, holiday and motels and general hotels. The study emphasized the degree gap in service quality between the industry and the customers. Data analysis shows that service quality gap (perceived gap) of

different types of hotels exists in several quality aspects; what's more, the perceived gaps, service quality aspects, and its items of different types of hotel are also different. The analysis involved 43 different attributes.

In Brazil, Oliveira (2001) can be cited as a work that investigates the services that are considered more important in the choice of hotels in Foz do Iguaçu and concludes that for the guests, in this order, the factors of location, speed and efficiency in room service and in the restaurants were considered the most important. Carvalho (2007) analyzed the factors that influenced the satisfaction of the customers. He concluded that cleanliness, good service, security and location were the factors that most affected customer satisfaction. Barbosa (2007), in a study completed in hotels in São Paulo, concluded that the authenticity in the care of the guests, based on human values, makes possible the creation of friendly relationships and positively influences their satisfaction.

Gonzalez (2005) studies the factors that influence the satisfaction and generate the loyalty of visitors to Natal. This study concludes that the cordiality of hotel staff, cleanliness of the establishment, safety, restaurant service and the internet were the most important attributes in the satisfaction of the guests. Wanderley (2004) studies the perception of the business tourist while choosing a hotel in São Paulo. It concludes that the daily rate and the locations are the most important attributes for business guests.

Robazzi (2006) studies the degree of hospitality in diverse graphic elements, of the appearance of the installations, at hotels in São Paulo. The results enable the proof of the tangibility of the hospitality, and the identification of forms and colors present in the reading process. Ferreira (2004) evaluates the factors that affect the satisfaction and the fidelity of northeastern tourists in Natal who take the bus or car as a means of transportation. It concludes that cleanliness, environment, pool maintenance, bars and restaurant service, telephone service, service on local trips and price were the attributes that determined satisfaction and loyalty of the guests. Duarte (2006) studies the influence of the mood of the staff in the quality of services in a hotel chain in São Paulo. The study concludes that internal customer satisfaction induces satisfaction for the external customer.

Chapter Three

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The purpose of the chapter is to represent and analyse the techniques which were used in the thesis for achieving the aim and objectives of the research and clarifying the special approaches of the study. The analysis incorporates the room guest, travel agency, company coordinator and supplier's perspectives and comments on the service delivery of the Hilton and Radisson Blu hotels. Initially, the selected methods of secondary research (literature review, Different documents, books, magazines, journals, and newsletters) and primary research (interviews and questioners) will be analysed. The reasons of using these particular methods will be explained and corroborated with theory. The advantages and limitations of these methods, as well as the research itself, will be demonstrated. The method of interviews was the practical part of the research and helps to reveal the main tendencies in business process and preferences of business people concerning hotels and their facilities. Additionally in scientific studies an appropriate method shall be used to solve each problem quicker and more carefully and easily. For this purpose, researcher was selecting a research methodology after determining the subject of the research. In this chapter, research methodology, method of sampling, data collection, data collection tools and the method of data extraction from questionnaire and interviews will be studied and explained.

3.2 Research Methodology

The result of each research largely depends on the type of research. On the other hand, the selection of research methodology depends on the objectives, the nature of the subject of research and the relevant implementing facilities. For this reason, one can make a decision

for research methodology to specify the nature, objectives and the extent of research. In other word, the purpose of the selection of research methodology is to select a method to find the answer / answers to the question / questions of the research quicker and more exactly and easily. The research methodology used in this research is **survey type a descriptive** research method. Surveys can be useful when a researcher wants to collect data on phenomena that cannot be directly observed. Data are usually collected through the use of questionnaires, and interview subjects. Surveys can use qualitative (e.g. ask open-ended questions) or quantitative (e.g. use forced-choice questions) measures (Earl R. Babbie, 2000) .

3.3 Sample Design

Since populations are of so enormous geographical size and extents that researcher cannot refer to the all of populations they have to select a sample of a population and generalize the relevant results to the population studied. A sample means some members of a society with particulars similar to the particulars of the society who represent the society and are homogenous with other members. In order to perform the analysis two hotels are selected out of three international chain hotels Hilton and Radisson Blu hotels. The reason why these hotels are my target of research is because of their establishments in Addis Ababa between an interval of 42 years helps to observe hotel development in service delivery and trip advisor hotel grading factors based on customer comments rank both hotels (Hilton ranks from 21st-25th and Radisson Blu ranks from 2nd-4th from 69 hotels in Addis Ababa almost throughout the year 2012 and 2013).In this research attribute Non probability purposive sampling method has been used for the selection of the sample representing the population. For this purpose, 180 customers (guests), 30 company and travel agency representatives and 10 suppliers of the understudy hotels have purposefully been selected. These populations have an experience in hotel business process so that they are familiar with the hotel service delivery to evaluate accordingly. Non-probability sampling is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected.

Purposive sampling: - In this type of sampling, subjects are chosen to be part of the sample with a specific purpose in mind. With this sampling, I believe that some subjects are fit for the research compared to other individuals. This is the reason why they are purposively chosen as subjects.

3.4 Sources of Data and Target Population

3.4.1 Secondary Research/Data

Secondary research or secondary sources are defined as “data that has already been collected for some other purpose” (Saunders *et al*, 2003:188) or “those sources where the information has already been sifted and structures by someone else” (Preece, 1994:81). Secondary research is usually incorporated into literature review, which refers to the concepts of research study. It is especially efficient at the early stages of research process, as it helps to define the research problems (Preece, 1994), see what has already been found concerning the investigated areas, different viewpoints and approaches, and reveal the opportunities and directions for further research. The weakness of this approach, as Preece (1994:81) ascertains, is that the information from books or other sources is “not wholly truth”, as it can present an author’s view point and can be subjective. In order to avoid subjectivity, I tried to represent a few approaches of different authors to the same concepts. In this study the general overview of the hotel concept, the business process and service delivery strategies are outlined, which gives the context and the overall picture of the researched area. Secondary research gave the factual ground for the primary research. Veal, (1997) states that this method is less expensive and time-consuming, as one can use the data, which have already been collected and tested before. The sources used in this research analysis for the secondary research were books, journals and the data from the official websites of municipalities, institutions and organizations.

3.4.2 Primary Research/Data

Alongside with the secondary research, the primary research was applied to collect the practical data and learn about the business people's and room Guests experience of staying in hotels, about the decision making processes, decision affecting factors concerning the choice of the hotel, service delivery and the business interaction with different population. As Preece (1994:80) singles out, "*the essence of a primary source of information is that it involves the researcher in the direct experience and observation of the real world*". The primary research analysis performed by **quantitative analysis (semi – structured questioners) and qualitative analysis (semi- structured interviews)**. . In this research semi-structured interview is used which helps the researcher to follow some structured interview and give a chance to interviewee to explain his opinion and in semi-structured questionnaires the respondents get a chance to write his comments or opinions(Jennings, in: Ritchie, 2005).

3.4.3 Target Population

- Hilton and Radisson Blu international chain hotels Room guests
- Hilton and Radisson Blu international chain hotels different department managers, sales executives, receiving clerk, purchasing officers, kitchen chefs, &reservation officer
- Travelling agent, NGO office representative, and embassy coordinators, suppliers.
- Government administration offices such as: ministry of tourism and culture, and Addis Ababa administration investment office.

These target population have direct and indirect business relationships with the understudy hotels and helps for my research analysis to get valuable data to answer the research questions.

3.5 Method Of Data Collection and Data Collection Tools

Data collection tools are those tools by which the researcher can collect the necessary information for the analysis of the phenomenon studied and discovering the truth. In this research, the data collection tool was questionnaire and interview. Because questionnaire is one of the most practical and easiest tool for collecting data out of the population, it should be noted that the questionnaire selected in this research has been of semi- structured type in which the researcher has promoted the responder to answer one of the five choices prepared based on Likert Scale by designing some special and purposeful questions and has got a chance to write comments without restricting the options.

This research has been done by putting four categories of principal questions for each target groups. For this purposes several determining factors have been extracted and put into the questions according to the present components on Servqual model, amenities, images, locations and theoretical studies. In this way the questionnaires have been prepared (Parasuraman, Zeithaml, and Berry,1988). The interview part give a chance for the researcher to find out answers to questions those cannot included in the questionnaires. So much has the interview method dominated that we have been described as living in an “interview society”. The interview, the question-answer interaction, both on formal and informal levels, gives an understanding of the world values, events, tendencies.

In this research, secondary data has been collected for theory subjects. For this purpose, books, papers and thesis in the major of Management and Hotel Management have been used for theory subject. On the other hand, the information of questionnaire has been used for testing the questions. For this purpose, the questioners with the necessary explanations, have been distributed among a total of **180**room guests, **10**suppliers, **20**company and **10**travelling agency representatives of the under study hotels after determining the sampling size.

- ❖ 117, 5, 10 & 5 questioners consecutively distributed to the room guests, travelling agent, company representative (coordinator)and suppliers of Addis Ababa Hilton international chain hotel.

- ❖ 63, 5, 10, & 5 questioners consecutively distributed to the room guests, travelling agent, company representative (coordinator) and suppliers of Addis Ababa Radisson Blu international chain hotel.
- ❖ The distribution of questioners to the guest based on the under study hotels total number of guest rooms.

3.5.1 Distribution and Response Rate of Questionnaires

Table: 3.1 Distribution of questionnaires

Target population	Addis Ababa Hilton			Addis Ababa Radisson Blu			Total number of questions
	Distributed	Returned		Distributed	Returned		
Room guests	117	105	89.74%	63	54	85.71%	180
Travelling agency	5	5	100%	5	5	100%	10
Company representative	10	9	90%	10	7	70%	20
Suppliers	5	5	100%	5	5	100%	10
Total	137	124	90.51%	83	71	85.54%	n = 220

3.6 Sample size

The sample size should be appropriate for the analysis that is planned. In addition, an adjustment in the sample size may be needed to accommodate a comparative analysis of subgroups (e.g., such as an evaluation of program participants with nonparticipants). Sudman (1976) suggests that a minimum of 100 elements is needed for each major group or subgroup in the sample and for each minor subgroup, a sample of 20 to 50 elements is necessary. Similarly, Kish (1965) says that 30 to 200 elements are sufficient when the attribute is present 20 to 80 % of the time (i.e., the distribution approaches normality). On

the other hand, skewed distributions can result in serious departures from normality even for moderate size samples (Kish, 1965:17). Then a larger sample or a census is required. Finally, the sample size formulas provide the number of responses that need to be obtained. Many researchers commonly add 10% to the sample size to compensate for persons that the researcher is unable to contact. The sample size also is often increased by 30% to compensate for non-response. Thus, the number of questioners or planned interviews can be substantially larger than the number required for a desired level of confidence and precision.

The sample size calculated according to the under study hotels year to date occupancy rate which is equal to 70% occupancy rate. The population sizes at 70 % occupancy rate are as follows:

Hilton = 372 No of rooms * 70% = 260 Guests

Radisson Blu = 202 No of rooms * 70% = 140 Guests

The total population size becomes 400 Guests.

Estimating response rate and actual sample size is required

Adjusted minimum sample size =200

Estimated the response rate = 50%

Actual sample size = n^a

$n^a = (200 * 100)/50$

$n^a = 400$

The population size is known and the precision level can be estimated. So that the sample size is as follows

$$n = \frac{N}{1 + N(e^2)}$$

$n = \text{sample size } n = 400 / (1 + (400 * .05^2))$

$N = \text{population size } n = 400$

$e = \text{level of precision } \pm 5\%$

NB. 10% is added to the sample size of room Guests of Hilton and Radisson Blu hotels to minimize error on the non-response rate (Kish, 1965:17).

88.64% of the respondents have completed and returned 195 questionnaires.

3.7 Type of Measurement Scales

Likert's scale: - Likert Scale questions use psychometric testing to measure beliefs, attitudes and opinion. The question uses statements and a respondent choice then indicates how much they agree or disagree with that statement and to what extent it is excellent or poor. The scale of 0-5 is provided with Likert Scale questions. These are:-

Table: 3.2 Likert scale

Scale Value	1 st Likert Scale	2 nd Likert Scale
5	Strongly Agree	Excellent
4	Agree	Very Good
3	Neither Agree Nor Disagree	Good
2	Disagree	Fair
1	Strongly Disagree	Poor

3.8 Method of Data Analysis Techniques

In this research, data has been analysed using descriptive statistics and SPSS-20 Computer systems (Statistical Package Social Science) and Microsoft EXCEL. In using descriptive statistics, the data has been analysed using statistical indexes such as frequency, Mean, percentage, average and standard deviation.

Descriptive statistics are used to describe the basic features of the data in a study. They provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data.

3.9 Ethical Considerations

The researcher sought the necessary permission from the organization for this study and specifically for the questionnaires to be distributed to the sampled Customers. Participants were also made aware that no information would be made public, and that the study was for academic purposes only.

Chapter – Four

Data Analysis and Interpretation

4.1 Introduction

Analysis of information as a part of scientific methodology of research process is a fundamental base in any study. In other words, in this section, the researcher will apply different methods of analysis to answer the research questions. For the current research analysis, at first the specification of statistical sample, its distribution, percentage and mean average of the relevant questions are determined and discussed through descriptive statistics and then the relevant questions are put under study and analysis by T-test (independent t). The above-mentioned data concerning the guest's, travel agency, company coordinator and suppliers opinion of under study hotels will be applied to perform comparative analysis between Addis Ababa Hilton and Radisson Blu hotels. The distributed questionnaires to room guests of both hotels and returned by the respondents were as follows:

Table 4.1 Room Guest response rate in both hotels

		Frequency	Percent (%)
Valid	Hilton	105	53.8
	Radisson Blu	54	27.7
	Total	159	81.5
Missing	System	36	18.5
Total		195	100.0

Part - 1

4.2 Demographic and Characteristics of Respondents

The first section of the questionnaire demanded personal information from respondents. These questions include: gender, age, tenure, educational background, marital status, frequency of visit purpose of visit and type of reservation. Moreover, respondents were asked to choose factors that describe them. The responses of these demographic variables and raking of variables have been presented and discussed below. Questions “Age”, “arriving with” and “gender”, purpose and frequency of visit are giving a possibility to build up a demographic profile of customers.

4.3 Gender of Room guest respondents

Table 4.2 Gender of the respondents

		Gender		Total
		Male	Female	
Hotel	Hilton	84	21	105
	Radisson Blu	42	12	54
Total		126	33	159

According to Table 4.2, 126 of all the respondents were males, and 33 females, which make it a total of 79% male and 21% female respondents in both hotels. As we compare both hotels Hilton hotel respondents were 84 males and 21 females (80% to 20%), from Radisson Blu hotel respondents were 42 males and 12 females (78% to 22%).

4.4 Age of Room Guest Respondents

Table 4.3 Ages of Room Guest Respondents

		Age				Total
		18-22 Yrs.	23-29 Yrs.	30-45 Yrs.	46 Yrs. and above	
Hotel	Hilton	2	15	27	61	105
	Radisson Blu	1	10	15	28	54
Total		3	25	42	89	159

Table 4.3 was about the age of the respondents; according to the respondent responses 46 and above years aged customers were dominating among other age groups. 56% of respondents were in the 46 and above years. This segment of travellers is economically stable, has savings and while travelling ready to spend money and have experiences of being in the hotel. This helps to make this research analysis more realistic and reasonable. In Hilton and Radisson Blu consecutively 61 and 28 respondents were in the age group of 46 Yrs. and above are dominating other groups in number.

4.5 Room Guest Respondents Purpose of Visits

Table 4.4 Frequency of Room Guest Respondent's Purpose of Visits

		Data Analysis on Purpose of Visits						Total
		Business	Conferences, meetings	Recreation	Visiting friends and relatives	Transit	Not stated	
Hotel	Hilton	34	15	22	9	5	20	105
	Radisson Blu	15	13	11	5	3	7	54
Total		49	28	33	14	8	27	159

The result shows that as mentioned in Table 4.4 in both hotels 30% of respondents were business travellers, 20% were travellers for recreation, and 18% were for conferences, 9% were visiting friends and relatives, 5% were transit and 17% were not stated. Anyhow Business travellers are the most customers of both hotels which show their international hotel experiences contributed to the research. Comparatively respondents from Hilton hotel were 32% business customers, 21% customers for recreation, 19% not stated, 14% for conferences, 9% customers visiting friends and relatives, and 5% transit customers. Respondents from Radisson Blu 28% business customer, 24% customer for conferences, 20% customer for recreation, and 13% not stated, 9% customer visiting friends and relatives and 6% transit customers.

4.6 Education Level of Room Guest Respondents

Table 4.5 Education level of the respondents

Customer Profile		Education level						Total
		Less than high school	High school	Diploma	Bachelor Degree	Master's Degree	Doctoral Degree	
Hotel	Hilton	7	10	53	21	8	6	105
	Radisson Blu	0	5	14	30	5	0	54
Total		7	15	67	51	13	6	159

The education level of respondents according to Table 4.5 diploma holder were 42% and followed by bachelor degree holder 32% which helps the researcher to get the questionnaires well answered because their understanding level well good about the research.

4.7 Data Analysis on Method of Reservation

Table 4.6 Method of reservation

		Method of Reservation			Total
		Travel Agency	Company	Yourself	
Hotel	Hilton	31	57	17	105
	Radisson Blu	13	32	9	54
Total		44	89	26	159

The method of reservation performed by respondents according to Table 4.6 the data figure shows 45% of reservations performed by company of respondents, 21% by travel agency and 16% were by the respondents in Hilton hotel and on the other side 59% reservations performed by company of respondents, 24% by travel agency and 17% were by the respondents in Radisson Blu international chain hotel

4.8 Data Analysis of Reasons for Choosing the Hotel

Table 4.7 Reasons for choosing the hotel

		Reasons for choosing the hotel					
		Location	Price	Brand image	Friends choice	Members of loyalty/Honours program	without preference
Hotel	Hilton	46	18	9	3	23	6
	Radisson Blu	23	7	12	4	5	3
Total		69	25	21	7	28	9

Table 4.7 shows that reasons for choosing the hotel by the respondents according to the response rate the data shows location of the hotel is the primary choice of the respondents were 44% of Hilton and 43% of Radisson Blu hotels. Concerning the choice of accommodation, business people, as a matter of fact, do have a choice, as mentioned in question No 3 business people are giving priority for location of the hotel and 22% of respondents in Hilton are members of customer loyalty program. As in the case of Radisson Blu hotel 17% of respondents replay that second important factor as brand image. The third important factor for both hotels was price 17% of Hilton and 13% of Radisson Blu respondents as mentioned in the table 4.6.

4.9 Customers Frequency of Visiting the Hotel

Table 4.8 Frequency of visiting the hotel

		Visits the Hotel					Total
		Once a year	Quarterly	Once a month	More than a year	Don't use	
Hotel	Hilton	45	20	5	13	22	105
	Radisson Blu	23	10	3	5	13	54
Total		68	30	8	18	35	159

According to the data gathered shown in the Table 4.8 43% of respondents in Hilton and Radisson Blu hotels visits were once a year. 21% of respondents in Hilton and 24% respondents in Radisson Blu they have no experience of visits in both hotels. 19% of respondents in both hotels replied that they visit quarterly. This helps the researcher to get more accurate responses about the service delivery of the understudy hotels.

4.10 Guest Willingness to Revisit the Hotel

Table 4.9 Guest Willingness to Revisit the Hotel

Count		Revisit		Total
		Yes	No	
Hotel	Hilton	43	62	105
	Radisson Blu	38	16	54
	Total	81	78	159

The willingness of the guest to revisit the hotel as mentioned in Table 4.9 Hilton hotel guest respondents of 41% were having an interest to revisit the hotel and 59% of respondents are not willing to revisit the hotel. On the other side Radisson Blu hotel Guest respondents of 70% were having an interest to revisit the hotel and 30% of respondents are not willing to revisit the hotel. When we compare both hotels 59% of Hilton hotel room Guests were not needs to revisit the hotels as well as 70% room Guests of Radisson Blu hotel were having interests to revisit the hotel. This result implies that the service delivery of Hilton hotel is very poor when compared with the Radisson Blu hotels. As interview performed with front office manager of Hilton hotel the hotel must be renovated in order to be competent in the market. Because the room condition is poor due to 44 years of service and working order of the bath room is unsatisfactory according to Hilton international brand standard. These conditions create inconvenience on the customer staying at the Hilton hotel and make their decisions not to revisit the hotel.

Part - 2

4.11 Customer Satisfaction Factors in the Understudy Hotels Room Guests

Satisfaction refers to achieving what we want. If satisfaction interprets as” not going wrong “the hotel should decrease complaint which by its own is not sufficient. In order to satisfy customers, the hotel should improve its service and products.

Table 4.10 Guest satisfaction factors

PARAMETER	Mean		Standard Deviation		n	
	Hilton	Radisson Blu	Hilton	Radisson Blu	Hilton	Radisson Blu
Check in	3.68	4.68	1.03	0.48	105	54
Guestroom	3.07	4.85	1.09	0.4	105	54
Guest Staff	3.56	3.76	0.961	0.81	105	54
Food and Dining	3.75	4.06	0.863	0.82	105	54
Amenities	3.57	2.76	0.883	0.37	105	54
Checkout	3.37	4.41	0.919	0.55	105	54
Communication	3.15	3.53	1.01	0.815	105	54
Average	3.38	4.01	0.97	0.61		

Customer satisfaction and their experience in Addis Ababa Hilton and Radisson Blu international chain hotels the response of respondents were based on the data in Table 4.10, so that the questions are organized according to Guest satisfaction factors such as: -

1. Guest room
2. Departure process
3. Pre – arrival / arrival experience
4. Hotel services

5. Food and Beverages services
6. Hotel amenities and
7. Communications

According to Table 4.10 Guest room Respondents response were indicates Hilton hotel check – in process timely and efficiency based on the accuracy of reservation record and courteous of staff average mean = 3.68, SD = 1.03 data results were lower than the Radisson Blu hotel check – in process mean =4.68, SD = 0.48. The standard deviation of Hilton shows that many customers’ responses were different as compare to the Radisson Blu hotel. The mean result implies that Hilton hotel customer service agent and reservation area needs improvement because the service delivery was not to the standard. According to the interview performed with front office manager of Hilton hotel the turnover of employee in the department is high which makes new face to the customer and lack of customer service experience creates their result lower by decreasing guest expectations.

4.11.1 Guest room

According to table 4.10, data the guest room respondent’s response were about the room cleanness, bed and bedding comfortable, and furnished appropriately in the case of Hilton hotel the average mean = 3.07, SD = 1.09. On the other hand Radisson Blu hotel average mean = 4.85, SD = 0.4. The result shows comparatively Hilton hotel room condition is not good as Radisson Blu hotel. The standard deviation implies that responses of Hilton room Guests are different as compare to the Radisson Blu hotels. The interviews performed in Hilton hotel with housekeeping and front office manager shows that due to long service year of the hotel the room condition is not good even if it is cleaned according to the standard the working order of the bath room is below the standard. Because of its long year service about 44 years its room structures and bath room equipment is not changed and renovated. This affects customer satisfaction in the hotel.

4.11.2 Guest staffs

According to Table 4.10, about the guest staffs reliability, friendly, knowledgeable, availability of security when needed and the ability of management in solving problems the

respondent's response for Hilton guest staffs shows that the average mean = 3.56, SD = 0.961 and for Radisson guest staffs the average mean of 3.76, SD = 0.81 both hotels were having the same standards of guest staffs they can be categorized nearest to good guest staffs. But it indicates that they need to work more to have very good guest staffs to exceed customer expectations. This response supported by the results of standard deviation the respondents of both hotels give identical choices to make their evaluations.

4.11.3 Food and Dinning

According to Table 4.10, about food quality, service delivery of correct food order with in time and efficient way, and the courteous of dinning and food staffs. Following the respondents response of the Hilton hotel food and dinning average mean = 3.75, SD = 0.863 on the other hand of Radisson Blu hotel food and dinning average mean = 4.06, SD = 0.82. These results show food and dining of Radisson Blu hotel is better than that of Hilton hotel. So that Hilton hotel must work in this area. The standard deviation result shows that the customers in both hotels almost made identical responses.

4.11.4 Amenities

A **hotel amenity** is something of a premium nature provided in addition to the room and its basics when renting a room at a hotel, motel, or other place of lodging. The amenities provided in each hotel vary. In some places of hotels, certain amenities may be standard with all rooms. In others, they may be optional for an additional cost. (Source: <http://www.torontosun.com>)

According to Table 4.10, the amenities of under study hotels are different which makes their values of average mean = 3.57, SD = 0.883 in the case of Hilton hotel and as for Radisson Blu amenities average mean = 2.76, SD = 0.37. This result shows that Radisson Blu hotel give more attention to outside amenities (recreation) includes squash court, tennis court, basketball, volleyball, mini golf field, children play ground and swimming pool which is not available currently in the hotel. The standard deviation of Radisson Blu hotel shows that more of room guest respondent's response was identical. Room guests can use this all facilities without additional payment and According to the interview performed

with FO manager of Hilton hotel these amenities are very critical conditions for room reservations.

4.11.5 Check Out

The checkout process when the guest stays in the room for day use or a minimum of one night and want to leave the room (departure) the way they clear out their bill at the front desk. According to Table 4.10, the checkout process in terms of time, efficiency and accuracy of bill guest evaluation is gathered under the study hotels. Based on room guest respondents response Hilton hotel check out average mean = 3.37, SD = 0.919 and Radisson Blu check out average mean = 4.41, SD = 0.55. According to this result Hilton hotel check out process is needs improvement. The standard deviation of Radisson Blu shows that most of the customer's response was identical as compared to Hilton hotel. The interview performed with Hilton hotel front office manager as mentioned previously in the check in process the problem in this department is the high turnover of staffs leads to new staffs to face customers with inexperienced of guest contact services which affects service delivery of the hotels.

4.11.6 Communication

Communication in the hotel is the most important factors for guests stay in the hotel and for customer's visits the hotel for different purposes. According to Table 4.10, communication based on stable internet connection and electronic information board in lobby area of the under study hotels incorporated in the research analysis. Respondents evaluation result of communication in the Hilton hotel average mean = 3.15, SD = 1.01 and in Radisson Blu communication average mean = 3.53, SD =0.85. According to the results internet connection is not stable in both hotels and according to the comment written by the respondents internet connection is very weak in both hotels. This implies that the internet connection of the country is weak as per the response and comments of customers and government officials report in different symposium (May 9, 2014. Information Technology week organised by Ethiopian Telecommunication Authority) .Business center in the Hilton hotel for internet usage fee is very expensive. At the same time wireless connection is not

available freely in the Hilton hotel and WIFI connection is started in the first quarter of 2014 but it is not free. If the guest wants to use this connection they need to go to the reception desk to ask for codes. This all things affect customer satisfaction in the Hilton hotel. In Radisson blu hotel customer comments WIFI connection is for free and electronic connection board is available in customer friendly way.

4.12 Overall Impression of Guest experience of the hotel

Table 4.11 Overall Impression of Guest Experience of the Hotel									
	Hotel	Overall service Received	Overall Physical condition of the hotel	Appearance of hotel Exterior	Condition of lobby and reception area	Overall cleanliness of Guest room	Overall physical Condition of room	Location of the hotel	Parking area of the hotel
Mean	Hilton	3.07	2.16	4.29	3.68	2.43	1.60	4.75	4.88
	Radisson Blu	4.31	4.78	4.22	4.41	4.59	4.69	4.35	1.33
N	Hilton	105	105	105	105	105	105	105	105
	Radisson Blu	54	54	54	54	54	54	54	54
	Total	159	159	159	159	159	159	159	159
Std. Deviation	Hilton	1.022	1.020	.616	1.181	1.055	.792	.533	.432
	Radisson Blu	.928	.538	.769	.858	.687	.609	.914	.583

Table 4.11 shows respondents response within each hotel separately as well as comparison of two hotels. The overall impression of room Guest respondent's response in Hilton hotel and Radisson Blu hotel comparatively according to the data over all service received mean = 3.07, SD = 1.022 of Hilton hotel indicates good and mean = 4.31, SD = 0.928 of

Radisson Blu shows that exceeds very good and according to the results of standard deviation the responses of both hotels room Guests are not identical. Overall physical conditions of the Hilton hotel mean = 2.16, SD = 1.020 in the case of Radisson Blu overall physical conditions of the hotel mean = 4.78, SD = 0.538, overall cleanness of the guest room of Hilton hotel Mean = 2.43, SD = 1.055 and of Radisson Blu Mean = 4.59, SD = 0.687, overall physical condition of rooms of Hilton hotel Mean = 1.6, SD = 0.792, of Radisson Blu Mean = 4.69, SD = 0.609. These respondents response data shows Hilton hotel must renovate the hotel soon because the status of physical condition, room cleanness and overall physical condition of the room feedback is negative or below the average. The standard deviation of Hilton hotel respondent's response was varies as compared to Radisson Blu hotels from minimum to maximum. As the interview performed with the engineering department chief engineer the hotel is very old due to long service year and the technology it accommodates and equipment's in the room are out dated because of this they have planned to renovate the hotel before five years but the owner of the hotel (Government) not decided yet. But currently the government decided to renovate the hotel in the mid of 2015 GC. In the case of Radisson Blu the building is new and the technology and the equipment's in the room are up-to-date because of these factors the respondents response rate are positive. In terms of location Hilton hotel Mean = 4.75, SD = 0.533 and of Radisson Blu Mean = 4.35, SD = 0.914. According to these data Hilton hotel location is excellent for respondents while for Radisson Blu hotel location rated as very good so that both hotels result are positive. In terms of parking area of the hotel respondents response rate of Hilton hotel Mean = 4.88, SD = 0.432 as for Radisson Blu Mean = 1.33, SD = 0.583. This result shows that Radisson blu hotel parking place is very poor. According to the interview performed with Radisson Blu hotel human resource manager and front office manager previously there was parking places for 13 cars under the building. But because of terrorist attack in the neighbouring country the federal government internal affairs offices convinced us not to use it as parking place. Following this one of the interview questions was what was the reason not to incorporate parking place with hotel master plan (design)? The answer of both managers were the Radisson Blu hotel is a joint venture previously the structure of the building is constructed by Emerald hotel group and sold to the one of

Ethiopian partner and Radisson Blu hotel group as it is. Because of this we were not got a chance to incorporate in the hotel master plan.

4.13 Over all guest experience with the associates of under study hotels

Table 4.12 Guest Experience with Associates of the Hotels

Report					
Hotel		Responsiveness to their Needs	Professional, courteous Attitude	Professional Appearance	Knowledge about hotel and Local area
Hilton	Mean	3.39	3.01	2.70	2.60
	n	105	105	105	105
	Std. Deviation	.893	.956	.759	.936
Radisson Blu	Mean	3.98	3.02	4.54	3.19
	n	54	54	54	54
	Std. Deviation	.858	.901	.573	.754
Total					
	n	159	159	159	159

According to Table 4.12, to rate the experience of guests in the under study hotel associates based on responsiveness to their needs, professional and courteous attitude, professional appearance and their knowledge about the hotel and local area. According to Hilton hotel respondents response rate responsiveness to their needs Mean = 3.39, SD = 0.893 is Good and of Radisson Blu Mean = 3.98, SD = 0.858 is very good. Hilton hotel professional and courteous attitude Mean = 3.01, SD = 0.956 and of Radisson Blu hotel Mean = 3.02, SD = 0.901 shows that both hotels are rated the same good and the standard deviation shows that respondents response are vary among the choices in both hotels. In terms of professional

appearance Hilton hotel Mean = 2.70, SD = 0.759 and of Radisson Blu Mean = 4.54, SD = 0.573 according to this the result is negative so that Hilton hotel must work on professional appearance of his staffs or associates. The SD result show that responses in Hilton hotel are varies in making choice as compared to Radisson Blu responses. In terms of knowledge about hotel and local area Mean = 2.60, SD = 0.936 and of Radisson Blu Mean = 3.19, SD = 0.754 these result shows that both hotels needs to work on their associates to increase the level of their awareness about their hotel and surroundings based on most frequently asked questions by the customer.

Part – 3

4.14 Data Analysis on Questionnaire of Travelling Agent Representative Experience in Under Study Hotels

The booking experience is important and it is vital that consumers choose the right concept for themselves. This is assisted by the fact that A Responsible travel agency should be at the heart of any action or decision that an individuals or a company takes, to ensure that their reservations will be at the core of the individual or company's business strategy and decisions. So that Travel Agency will recognize hotel values as an industry standard and become aware of the impacts on their customers of their travel choices and satisfaction at the reserved hotel. Because of this travel agencies are becoming one of my target populations.

4.14.1 Travel Agency General Opinion Of Customer Service Agent and Reservation Representatives.

Table 4.13 Travel Agency general opinion about under study hotels

Report	Hotel			
	Hilton n=5		Radisson Blu n=5	
	Mean	SD	Mean	SD
It is convenient to work with this hotel.	3.80	1.30	4.60	0.55
This hotel is professional.	3.20	1.09	4.80	0.45
Compared to their competitors the service quality of this hotel is the best.	3.00	1.00	4.80	0.45
Compared to our competitors, our prices are more reasonable.	4.00	0.71	3.60	0.55
This hotel is highly responsive.	3.00	1.00	4.80	0.45
Over all, you satisfied with the employees at this hotel.	3.40	0.89	3.80	0.45
You recommend this hotel to people you know or work with.	3.60	0.89	5.00	0.00
You acquired enough commission from the hotel.	3.00	0.71	3.00	0.71

According to Table 4.13 the general opinion of the travel agency concerning convenient to work with the Hilton hotel Mean = 3.8, SD = 1.303 and of Radisson Blu Mean = 4.6, SD = 0.547 is shows that much better to work with Radisson Blu hotel. The hotel professionalism of Hilton hotel Mean = 3.2, SD = 1.095 and of Radisson Blu Mean = 4.8, SD = 0.447. The service quality compared against competitors of Hilton hotel Mean = 3.0, SD = 1.0 and of Radisson Blu Mean = 4.8, SD = 0.447. The hotel responsiveness and giving sufficient commission for travel agency of Hilton hotel Mean = 3.0 for both parameter and SD = 1.0 and 0.707. As in the case of Radisson Blu Mean = 4.8, and 3.0, SD = 0.447 and 0.707 respectively. To evaluate from the result the Hilton hotel must be work closely with travel agency based on common benefits. Comparatively Radisson Blu hotel are more of positive

to work with travel agency but it needs to be incorporate in its business plan of common benefit such as whole room sale and so on.

4.14.2. Travel Agency Relationship with Customer Service Agent and Reservation

Table 4.14, Travel agency relationship with customer service agent and reservation

	Hotel			
	Hilton n = 5		Radisson Blu n = 5	
Descriptive analysis	Mean	SD	Mean	SD
The customer service agent at this hotel answers your question appropriately.	3.00	1.00	4.00	0.71
Your wait on hold before speaking with the hotel CSA is very short time.	3.40	0.89	4.80	0.45
The hotel customer service representative understood what you were saying easily.	3.00	1.00	4.60	0.55
The customer service representative at this hotel eager to help you.	3.40	0.89	3.80	0.45
Customer service representative solved your problem quickly.	3.40	1.51	3.40	0.89
The hotel CSA are knowledgeable	2.80	1.30	3.80	0.84
The information that the CSA provided to you clear.	3.00	1.41	4.60	0.55
Many of your questions / Problems at this hotel resolved by CSA.	3.40	1.14	3.80	0.45
Your experience with this CSA at this hotel better than you expected.	3.20	0.836	4.00	0.71
Overall you are satisfied with the customer service you received	3.40	0.894	3.80	0.45

According to Table 4.14, travel agent representative respondents response based on the relationship of under study hotels customer service agent (CSA) and reservation representative data shows that the degree of travel agent representative questions or problems resolved by CSA Mean = 3.40, SD = 1.14 for Hilton hotel and in the case of Radisson Blu Mean = 3.80, SD = 0.44 these result shows that Hilton hotel and Radisson

Blu hotel CSA can resolve the problems or questions of travel agent by themselves but a little bit empowerment is needed by Hilton hotel. Generally the Radisson Blu hotels CSA and reservation representative relationship with travel agent representative are in good condition or positive. But when we see the Hilton hotel respondent response on the basis of the CSA understanding level of the travel agent representative questions and their knowledge ability and the ability of providing clear information were not adequate and their mean consecutively shown as Mean = 3.0, SD = 1.0, Mean = 2.8, SD = 1.3, and Mean = 3.0, SD = 1.41 . According to the interview performed with front office manager and stated on the room guest respondents response the high turnover of the front office staffs leads to these result it is supported with both target groups. The travel agent representative comment was Hilton hotel must renovate the hotel soon. The challenges they face when working with the under study hotel during high occupancy season the room is not available at lower price and the hotel is not flexible. So this situation makes us to book to other hotels for our customers which creates inconvenient as we promised before. The business opportunities they experience with the hotels are one of the travel agency have office in the Hilton hotel and at the same time participating in the transportation shuttle service for the Hilton hotel room guests based on profit sharing agreement.

Part – 4

4.15 Data Analysis on Questionnaire of Company Coordinator / Representative Experience in Under Study Hotels

As Ethiopia is the seat of a number of international organizations including the African Union, the UN Economic Commission for Africa and more than 100 embassies, conference tourism is seen as an area with great growth potential. By considering these all factors company coordinators / representatives are one of my target groups in order to make my research analysis more result oriented. The questionnaires content are the same with that of travel agent representative because of similarity of business relationships with in under study hotels.

4.15.1 Company Representatives / Coordinators General Opinion

Table 4.15 Company representatives / coordinators general opinion.

Parameter	Hotel			
	Hilton n = 9		Radisson Blu n = 7	
	Mean	SD	Mean	SD
It is convenient to work with this hotel.	3.3	1.41	4.4	0.79
This hotel is professional.	3.4	1.01	4.6	0.79
Compared to their competitors the service quality of this hotel is the best.	3.1	1.26	4.1	1.07
Compared to our competitors, our prices are more reasonable.	3.0	1.32	3.7	0.49
This hotel is highly responsive.	2.6	1.11	4.9	0.38
Over all, you satisfied with the employees at this hotel.	3.1	1.26	4.1	0.89
You recommend this hotel to people you know or work with.	3.8	1.09	4.4	0.54
You acquired enough commission from the hotel.	2.9	0.93	3.6	0.98

According to Table 4.15, the company representative respondent's response rate the data shows that based on service quality of the hotel compared to the competitors of Hilton hotel mean = 3.11, SD = 1.26 and for Radisson Blu hotel Mean = 4.14, SD = 1.06. According to these result Hilton hotel service quality is low compare to its competitors. So that the Hilton hotel have to work on the service quality given to company representatives. The SD shows the respondents response choice variation is high in both hotels and it implies that customer's degree of perceptions is different .In terms of hotel responsiveness and the acquired commission by the coordinators Hilton hotel mean = 2.66, SD = 1.11 and mean = 2.88, SD = 0.92 and Radisson Blu hotel Mean = 4.85, SD = 0.37 and Mean = 3.57, SD = 0.97 respectively. The SD of acquired commission in Radisson Blu hotel response of more of the customers is the same. To conclude from this results Hilton hotel were not responsive and pay commission to the company coordinators so that the result is negative. When we compare with Radisson Blu were highly responsive and moderate in handling company representative commission. In terms of price with the competitors and recommending the hotel it is average for both hotels with little advantage of Radisson Blu

hotel. In terms of overall satisfaction with employees of the under study hotel were positive responses by respondents.

4.15.2 Company Representatives / Coordinators Relationship with Hotels CSA and Reservation Representative

Table 4.16 Company representatives / coordinators general opinion

Parameter	Hotel			
	Hilton n = 9		Radisson Blu n = 7	
	Mean	SD	Mean	SD
The customer service agent at this hotel answers your question appropriately.	3.67	1.00	4.57	0.78
Your wait on hold before speaking with the hotel CSA is very short time.	3.56	1.13	4.29	0.76
The hotel customer service representative understood what you were saying easily.	3.00	1.32	3.57	0.79
The customer service representative at this hotel eager to help you.	3.22	1.39	4.14	0.69
Customer service representative solved your problem quickly.	3.33	1.00	4.14	0.89
The hotel CSA are knowledgeable	3.11	1.26	4.71	0.49
The information that the CSA provided to you clear.	3.22	1.39	4.86	0.38
Many of your questions / Problems at this hotel resolved by CSA.	2.56	1.01	3.14	0.89
Your experience with this CSA at this hotel better than you expected.	3.44	1.01	3.43	0.53
Overall you are satisfied with the customer service you received	3.33	1.32	4.14	0.38

According to Table 4.16 company representative respondents response based on the relationship of under study hotels customer service agent (CSA) and reservation representative data shows that the degree of company representative questions or problems resolved by CSA Mean = 2.55, SD = 1.013 for Hilton hotel and in the case of Radisson Blu Mean = 3.14, SD = 0.899 these result shows that Hilton hotel and Radisson Blu hotel CSA can resolve the problems or questions of company representative by themselves. Generally the Radisson Blu hotels CSA and reservation representative relationship with company representative are in good condition or positive. But when we see the Hilton hotel respondent response on the basis of the CSA understanding level of the company representative questions and their knowledge ability and the ability of providing clear information were not adequate. The SD of all respondents of Hilton hotel responses shows the variation is high means different perspective or ideas entertained as compared to Radisson Blu hotel. According to the interview performed with front office manager the high turnover of the front office staffs was the reason not to meet customer expectation. The company representative comment was Hilton hotel must renovate the hotel soon. The challenges they face when working with the under study hotel during high occupancy season the room is not available at lower price and the hotel is not flexible. So this situation makes us to book to other hotels for our customers which creates inconvenient as we promised before. The challenge they face in the under study hotel were wrong booking and letters heading to their company which leads them to extra time and effort to correct this kinds of booking all the time happened in the Hilton hotel. In the Radisson blu sometimes they face this problem but not at most.

Part – 5

4.16 Questionnaires on the Supplier Experience at the Understudy Hotels

4.16.1 Number of Years the supplier working with the understudy hotels

Table 4.17 Suppliers Service Year with the Hotels

		Hotel		Total
		Hilton	Radisson Blu	
Years	Less than 5 Yrs.	0	5	5
	5 - 10 Yrs.	2	0	2
	Greater than 10 Yrs.	3	0	3
Total		5	5	10

According to Table 4.17, Two supplier’s respondents years of working with the Hilton hotel were 5 – 10 years and three suppliers’ were Greater than 10 years. In the case of Radisson Blu all five respondents of suppliers were working less than 5 years because the operational service of the hotel is 3 years.

4.16.2 The Amount of Components or Material Types the Suppliers Supply to the Understudy Hotels

Table 4.18. The amount of supplied items to the hotels

		Hotel		Total
		Hilton	Radisson Blu	
Components	Less than 5 items	1	3	6
	5 -10 items	1	2	1
	Greater than 10 items	3	0	3
Total		5	5	10

According to Table 4.18, the amount of items supplied by the supplier to Hilton hotel are one supplier supply less than 5 items, one supplier supplies 5 – 10 items and 3 suppliers' supplies more than 10 items. Comparatively for Radisson Blu hotel 3 suppliers supplies less than 5 items and 2 suppliers supplies more than 10 items. This figure shows supplier respondents have much contact with the understudy hotels and can suggest the challenges and opportunities in the hotel business transactions.

4.16.3 Supplier Satisfaction Data In Terms of Collaboration with the Hotels

Local Suppliers in Ethiopia are mostly dependent on foreign products to distribute among contracted companies. Mostly there are domestic products delivered by suppliers to star rated international hotels. The business transaction between international chain hotels and suppliers is very huge so that all local suppliers are interested to work with. These supplier or vender satisfaction survey classified in to three categories with the relationship of the understudy hotels in terms of collaboration, responsiveness and timely payment. According to Table 4.19 the collaboration average mean of Hilton hotel Mean = 3.51 and Radisson Blu average collaboration Mean = 3.68 almost average mean of the collaboration of both hotels are positive. But when we look into specific parameter of collaboration on three points Hilton needs to improve such as to perform payment within or at the end of the credit period, in the case of delay in payment the hotel communicates the same on time and insures the next time frame shared with suppliers, and the active participation of senior management in the supplier forums shows negative such as mean = 2.8, SD = 1.09, Mean = 2.6, and Mean = 3.0, SD = 0.70 respectively.

Table 4.19 supplier satisfaction data in terms of collaboration

Collaboration	Hotel			
	Hilton n = 5		Radisson Blu n = 5	
	Mean	SD	Mean	SD
You understand the terms and conditions of the contract with the buyer organization/hotel	4.60	0.55	4.60	0.55
You receive periodic communication of changes, if any, from the buyer organization/hotel	3.40	0.89	3.80	0.45
Your personnel are trained, based on the need, by the buyer organization/hotel	3.00	1.09	2.60	0.55
The purchase order and schedules are made and sent based on your capacity to supply	3.20	1.30	3.20	0.84
You receive orders with agreed lead times to supply	4.20	0.45	4.00	0.71
In case of operational concerns, the personnel	4.00	0.00	4.20	0.45
In case of operational concerns, the personnel	2.80	1.09	3.80	1.09
You receive your payment within or by the end of the credit period	2.60	0.89	3.80	1.09
In case of delay in payment, the buyer organization/hotel communicates the same on time and ensures the next time frame is shared with you	4.00	0.00	4.20	0.45
Your supplies, based on the orders are accepted and honoured by the buyer organization/hotel every time (except in case of defects)	3.20	1.09	3.40	1.34
Once you receive an order, it is usually not changed by the buyer organization/hotel	3.60	0.89	4.00	0.71
The buyer organization actively pursues issues raised with them and tries to resolve those issues	3.00	0.71	2.40	0.55
The periodic ratings you receive from the buyer organization is fair	4.00	0.00	4.20	0.45
Your queries on ratings, if any, are amply clarified by the buyer organization	3.60	0.55	3.40	0.89
Average Mean	3.51		3.68	

In comparison with Radisson Blu Mean = 3.8, SD = 1.09, mean = 3.8, SD = 1.09 and Mean = 2.4, SD = 0.55 only the active participation of managements of Radisson Blu in suppliers forum is negative. The SD of both hotels when comparatively seen in the case of Hilton hotel respondent's response variation is very high as compared to Radisson Blu hotel. These shows the perceptions of respondents are different. As the interview performed with purchasing department the quality of perishable items and the packing quality of products are very poor. Because of this many items are imported. The importing process is bureaucratic and time taking it needs a minimum of one to six months based on type and quantity of items. The comments of suppliers challenge to supply requested items they face many challenges such as:

1. To import requested item which is not in the stock takes from one month to six months.
2. Unavailability of quality products and enough quantity in the local markets.
3. Poor packaging materials which don't fulfil international standards supplied by local manufacturers.

4.16.4 Responsiveness of the Understudy Hotels to the Suppliers

Table 4.20 Responsiveness of the understudy Hotels

Responsiveness	Hotel			
	Hilton n = 5		Radisson Blu n = 5	
	Mean	SD	Mean	SD
You are informed properly about the rejections and defects	4.20	0.45	4.60	0.55
You receive orders which are well-prioritized	3.60	0.55	4.40	0.55
You find it easy to talk to the personnel within the buyer organization/hotel	3.40	0.89	4.20	0.84

According to Table 4.20, the responsiveness of the understudy hotels evaluated by the suppliers respondents accordingly. The way the Hilton hotel informs the supplier about the rejects and defects of the supplied items responsiveness Mean = 4.2, SD =0.447 in the case

of Radisson Blu hotel responsiveness Mean = 4.6, SD = 0.547. The proper way of notifying the supplier about rejects and defects were positive. The way prioritized order delivered to the supplier in the Hilton hotel Mean = 3.6, SD = 0.547 and in the case of Radisson Blu hotel Mean = 4.4, SD = 0.547. According to the data the both hotels delivering prioritized order is positive even though Hilton hotel needs to give little emphasis to the subject to be more perfect. How much easy for the supplier to discuss with the concerned body of Hilton hotel Mean = 3.4, SD = 0.894 and in the Radisson hotel Mean = 4.2, SD = 0.836. This figure shows that for the suppliers easily to discuss with the hotel concerned body is much better in Radisson hotel than Hilton hotel concerned bodies. The differences of responses on these issues according to the standard deviation result are comparatively identical in both hotels.

4.16.5 Timely Payment of the Understudy Hotels to the Suppliers

Table 4.21 Timely payment of the understudy hotels to the suppliers

Timely Payment	Hotel			
	Hilton n = 5		Radisson Blu n = 5	
	Mean	SD	Mean	SD
You know whom to talk to in the buyer organization/hotel, in case of issues or concerns	3.20	1.09	3.20	0.84
You find the personnel at the buyer organization/hotel responding to queries within agreed timelines	2.20	1.09	3.00	1.00

According to Table 4.21 timely payment concerning payment issues are the supplier know in the hotel to whom to talk to resolve payment problems timely. Based on the respondents response of suppliers in Hilton hotel Mean = 3.2, SD = 1.095 and in the case of Radisson Blu respondents response Mean = 3.2, SD = 0.836. Timely payment issues in both hotels are nearest to good means they need to be friendly with the supplier to simplify business transactions between them. The second parameters of timely payment are the supplier finds the personnel at the buyer hotel responding to queries within agreed timelines. The respondents response were in Hilton hotel Mean = 2.2, SD = 1.095 and in the case of

Radisson Blu Mean = 3.0, SD = 1.0 this result shows negative in the case of Hilton hotel so that the hotel must work on this issue to keep the agreed timelines. In the case of Radisson Blu hotel the result is moderate it needs some adjustments. As the SD result shows the respondents response are more of similar in both hotels. These shows that if there is no variance between the respondents choice or comments their perception about the service delivery of the hotels comparatively the identical.

Chapter – 5

Summary, Conclusions and Recommendations

5.1 SUMMARY OF FINDINGS

In this research paper, comparative analysis performed on service delivery examined aspects of service quality that affect customer satisfaction and results in success of hotels. For exploring those features, travel agents, company coordinators, suppliers and customer's experience were collected. Satisfied customers would lead customers to revisit hotel and this will result in hotel success. This research in quantitative analysis targeted 220 respondents. However 195 questionnaires were returned and analysed. The gender, age, education level and purpose of visits of respondents were observed. In gender variable, out of 159 room Guests, 126 respondents were male and 33 were female that resulted in 79% male and 21% female of the understudy hotels. Four categories were defined for age description ranging from 18 years to more than 46 years. Numbers of 18-22 years respondents is 3, 23-29 years is 25, 30-45 years is 42 and more than 46 years is 89. While determining the education level of respondents, more percentage was observed of Diploma holder 42% and Bachelor Degree 32% education level visiting hotels. Observation of respondents' purposes of visits showed that 30% of respondents were business travellers, 20% were travellers for recreation, and 18% were for conferences, 9% were visiting friends and relatives, 5% were transit and 17% were not stated. So, the highest percentile of respondents was business travellers. In order to check the possibility of customer retention in the understudy hotels 59% of Room Guests of Hilton hotel and 30% of Radisson Blu hotels respondents' response shows that they aren't willing to revisit the hotels. This result implies customer expectations are not meet by Hilton hotel as compared to Radisson Blu hotel.

In qualitative analysis the research targeted a total of 10 interviewees 8 from the under study hotels, one from Ministry of culture and tourism accreditation office and from Addis

Ababa investment office. These target population were interviewed in their offices and their response were used in analysing the research and substantiate the questionnaires. For improving service quality, four aspects were identified: (1) service delivery, (2) hotel front line employees, (3) guest amenities and surroundings, and (4) prestige (rank or other favourable attribute)

1. According to the research objectives of the under study hotels fulfilling the international accreditations standards adopted by ministry of culture and tourism.

Based on the response of the respondents according to Table 4.11, based on the amenities of outdoor service average Mean = 2.76 and in Table 4.12 enough parking lots Mean =1.33 of Radisson blu international chain hotel result is negative. As international standard 5 star hotels the Radisson Blu hotel don't have enough parking lots and outdoor amenities such as swimming pool, children ply grounds, ground tennis, mini golf and shops. But Hilton hotel results are positive Mean = 3.57 and 4.88 respectively. So that the result shows all required amenities listed on adopted by MOCT accreditations international standard are fulfilled by Hilton hotels as compared to Radisson Blu hotel.

2. The challenges of the understudy hotels according to interview performed and comments given by the respondents as follows:

According to the interview performed with kitchen chefs, purchasing manager of the under study hotels the challenges in their business process were Low packaging quality of food items and absence of stable and quality supplier of vegetable that forces them to change some of their food menus. This result is substantiated by the comments of the supplier respondents to get quality products with required quantity in the local markets. The other comments forwarded by the suppliers and purchasing manager of the under study hotels the long process of customs to import goods is one of the challenges to meet customer expectations.

3. The factors those affecting the service delivery of the under study hotels are analysed based on Room guests, travel agents, company coordinators, suppliers and

interview target population (under study hotels department heads, MOCT accreditation offices, and investment offices) responses.

The responses of the room Guest experience with the associates of the hotels shows that at Hilton hotel in professional courteous attitude, professional appearance and knowledge about hotel and local area were according to Table 4.13, mean = 3.01, 2.7 and 2.6 respectively which indicates the service delivery of the hotel is in problem. This result substantiated by data in the Table 4.12 overall service received by room guest of Hilton hotel mean = 3.07. The interview performed with front office manager of Hilton hotel indicates that the staff turnover in the department is very high. Because of this inexperienced staffs and new face to the customer makes the service delivery of the department doesn't meet customer expectations. According to Table 4.12 overall physical condition of the hotel, room and cleanness of Guest room of Hilton hotel mean = 2.16, 2.43 and 1.6 respectively which indicates that the hotel needs renovation. The interview made with the chief engineer of Hilton hotel responses the hotel needs renovation soon but the decision is in the hands of the owner this is the crucial challenges of the Hilton hotel to make renovation timely.

4. The opportunities of the understudy hotels analysed based on the comments of the Room Guests. 85% of respondent's response shows that both hotels required establishing new hotels outside Addis Ababa at the historic heritages. According to the data in Table 2.1 by considering increasing rate of inbound tourists comparing with the existing hotel capacity projected and unsatisfied demand shows that there is a big business opportunities for the understudy hotels and for those planning to enter the hotels industry.

5.2 Conclusions

This study examined the aspects of service delivery in understudy hotels that influence the satisfaction of customers and their intention to revisit. The outcomes of this research conclude to provide quality service is the amalgamation of different elements which are intricately linked with each other. The findings of this study suggested that impact of service quality affects the customer satisfaction that results in success of hotel and it is an irrefutable fact. Moreover, sustaining the customer satisfaction level is an on-going process that entails unremitting improvement in service quality at both hotels. This research helps to find out opportunities and challenges they face during business process. The importance of this findings helps for the hotel industry to use opportunities that not taken in to consideration and to work on challenges to find solutions to meet customer expectations. The aim of this chapter is to conclude the findings from the research regarding the aim and objectives set for the research.

Findings indicate that

- Hilton international chain hotel of Addis Ababa was mentioned that the hotel rooms are in need of renovations.
- The main important comment about Radisson blu international chain hotel of Addis Ababa was that there is need for extending parking; there are no enough parking lots.
- The customer service agents and Reservation representatives of Hilton hotel service quality is poor.
- Radisson Blu international hotel don't fulfil the accreditation of international standard adopted by ministry of culture and tourism for Ethiopia as the attached document in appendix II.

Challenges of the hotels

1. Hilton hotel management can't make decision on the renovation of the hotel because the decision is in the hands of the owner (government) because of this factor the decision takes more than five years.
2. The high turnover of front office staffs of Hilton hotel.
3. High dependence on foreign supplies and the long process of customs to import goods.

4. Low packaging quality of food items.
5. Absence of stable and quality supplier of vegetable.

Opportunities of the hotels

6. To establish new hotels outside Addis Ababa at the historic heritages.
7. Expected increasing rate of inbound tourist arrival will create a big business opportunities for existing those planning to enter the hotels industry.

5.3 Recommendations

The hotels all over the world are competing for the market share and develop new strategies to leave the competitors behind. In order to improve the image of the hotel, and accordingly increase the benefits, hotels should put more efforts to investigate the needs and expectations of their customers. Only the deep understanding of the desires of their customers can help the hotels keep their customers loyal. In order to meet customer satisfaction competent employees' are crucial to the hospitality industry. So that:-

- Hilton hotel management must take fast action to retain front line staffs' by implementing any kind of motivation methods based on the drawback of the turnover. In the long plan in order to have sustainable working environment the hotel must incorporates the competent hotel industry competitive advantage. According to the research analysis performed on" Hotel Sector Investment in Ethiopia" by Ebisa C. Gobena and Andualem H. Gudeta (2013) and Embassy of Japan, (2008) indicated that other tourism-based counties such as UAE attract the trained/ skilled workers with better working conditions.
- The Hilton hotel management must take short term plan until the renovation will be done. Such as continuous planned preventive maintenance program and replacing the most essential items to the customers.
- My recommendations to Radisson Blu hotel about the parking place they have to find a solution by consulting Addis Ababa Municipality Offices to extend parking to get enough parking lots. As the interview response from accreditation office

there is a free place nearby the hotel they can lease it from Addis Ababa municipality government and work on the outdoor amenities to meet international 5 stars hotel standards.

- The Addis Ababa Hilton international chain hotel fulfils the international accreditation standards adopted by MOCT according to the attached documents in appendix II but in order to meet customer expectations as the brand standard all amenities of the hotels needs renovation.
- The Addis Ababa Radisson Blu hotel is not fulfils the international accreditation standards adopted by MOCT rated as star 5 as documented in standards of classification of hotels. Because there is a request from respondents to fulfil Swimming pool, ground tennis, shops, children play ground, and enough parking places. This international accreditation standard needs further research according to Ethiopian context.

5.4 Limitations of Study

There are few limitations of this study. For this study, research survey was conducted in two international chain hotels in Addis Ababa capital city of Ethiopia, but some other hotels in the city are not covered. For that matter, generalization of outcomes is not warranted.

References

- Addis Ababa Investment Agency, (2013). A Series Data on Hotels in Addis Ababa.
- Akbaba, A. (2006). Measuring service quality in the hotel industry: A study in a business hotel in Turkey. *International Journal of Hospitality Management*, 25(2), 170-192.
- Atkinson A. (1988). Answering the eternal question: what does the customer want? *The Cornell Hotel and Restaurant Administration Quarterly*, 29 (2): 12–14.
- Barsky J. & Labagh R. (1992). A strategy for customer satisfaction. *The Cornell Hotel and Restaurant Administration Quarterly* 35 (3): 32–40.
- Barsky, J., & Nash L. (2006). Companies update loyalty programs, increase effectiveness. *Hotel & Motel Management*, 22(11): 28-29.
- Blank, D. (2005) Business Travel on the Rise. *Hotel and Motel Management*. Vol.220. No 5, pp 47-48
- Chen,(2008). Customer- oriented perceived gap for hotel service quality.
- Choi T. Y., & Chu R. (2001). Determinants of hotel guests' satisfaction and repeat patronage in Hong Kong hotel industry.
- Dr. Jonathan Barsky, (2013) MarketMetrix.
- Ebisa C. Gobena and Andualem H. Gudeta (2013), Hotel Sector Investment In Ethiopia.
- Ethiopia, In Makeda's Footsteps: Towards a Strategy for Pro-Poor Tourism Development Prepared for the Government of Ethiopia by The World Bank, (2006), Private Sector Development, Report No. 38420 –ET.
- Ethiopia's Economic Growth Performance: Current Situations & Challenges", Economic Brief, Vol.1, Issue 5, 17 Sept. 2010.
- He, Y., Li, W., Lai, K.K. (2011), Service Climate, Employee Commitment and Customer Satisfaction: Evidence from the Hospitality Industry in China.
- Henkin, S.,(2001) Opportunities in Hotel and Motel Management Careers.
- Henry Tsai1, Haiyan Song and Kevin K. F. Wong, (2008). Tourism and Hotel Competitiveness.
- Hospitality Market Opportunities for the Business Market Segment, (2007).
- Jackson, S.L. (2009). *Research Methods and Statistics: A Critical Thinking Approach* 3rd edition. Belmont, CA: Wadsworth.

- Jennings, G.R., (2005). Interviewing: A Focus on Qualitative Techniques. In: Ritchie, B.W., (ed),
Tourism Research Methods: Integrating Theory with Practice.
Journal of Travel Research, 37 (2): 131-137.
- Juwaheer, T. D; Ross, D. L., (2003). International Journal of Contemporary Hospitality
Management.
- Kandampully, J. Suhartanto, D., (2000). Customer loyalty in the hotel industry.
- Kandampully, Jay (2000). The impact of demand fluctuation on the quality of service.
- Knutson B. (1988). Frequent travellers
- Kothari, C., R., (2004). Research Methodology: Methods & Techniques.
- Kotler, P., Bowen, J., and Makens, J., (2003) Marketing for Hospitality and Tourism.
- LeBlanc G. & Nguyen N. (1996). Journal of Vacation Marketing 3 (1): 32–42.
- LUK, Sherriff T. K., (1997) The role of marketing culture in service quality.
- Medlik, S., (1994) The Business of Hotels.
- Ministry of Culture and Tourism, (2009). Tourism Statistics Bulletin, Addis Ababa, Ethiopia.
- Ministry of Culture and Tourism, (2011). Various Reports on Hotels and Tourism, Addis Ababa
- Nadiri, H; Hussain, K., (2005). Perceptions of service quality in North Cyprus Hotel.
- O'Neill, M; Charters, S., (2000). Managing Service Quality.
- Oppermann M. (1998). Destination Threshold Potential and the Law of Repeat Visitation,
- Page, S., (2007) Tourism Management. Managing for Change
- Preece, R., (1994) Audience Dialogue Qualitative or Quantitative Research
- Reynolds, D. & Biel, D. (2007). International Journal of Hospitality Management, 26(2), 352-
361.
- Richard M.D. & Sundaram D.S. (1993). Journal of Hospitality and Leisure Marketing, 1 (4): 81–98.
- Texas Tech University, (2008). Hospitality Management.
- The Economic Impact of Travel & Tourism, (2012).
- The Embassy of Ethiopia in Washington, (2006). Profile on International/ Tourist Standard
Hotel. Washington, DC. USA. <http://www.ethiopianembassy.org>.
- The Embassy of Ethiopia in Washington, (2012). Ethiopia Investment Guide. Washington, DC.
USA.
- Wuest B.E.S., Tas R.F., & Emenheiser D.A. (1996). Hospitality Research Journal, 20 (2): 77–93.

Appendix I

Survey Questionnaires

Questionnaire on Guest experience in the understudy hotel

Dear Guest -----

Wishing you a pleasant stay in Addis Ababa, the following questionnaire is a research instrument on comparative analysis on opportunities and challenges of international chain hotels in the capital city of Ethiopia, Addis Ababa. Your answers to the questions will be a great help for me to work on post graduate program (Masters of Business Administration) to contribute in evaluating the status quo and finding some solutions to offering better services in Addis Ababa international chain hotels and develop competitive tourism industry in the city in the near future.

I appreciate and thanks from bottom of my heart for your support in answering these questions with your own time.

With Best Regards

MBA Prospective Graduate Student

Room number.....

1. How often do you typically visit the Hotel?
 - a. Once a year
 - b. Every 2-3 months
 - c. Once a month
 - d. More than a year
 - e. Do not use.
2. The purpose of your visit?
 - a. Business
 - b. Conferencing, meeting
 - c. Recreation
 - d. Visiting friends and relatives
 - e. Transit
 - f. Not stated
3. In which age group do find yourself most suited from the following
 - a. 18 – 22 yrs.
 - b. 23 – 29 yrs.
 - c. 30 – 45 yrs.
 - d. 46 yrs. and above
4. What is your gender?
 - a. Male
 - b. Female
5. What is your current marital status?
 - a. Single ,never married
 - b. Married, without children
 - c. Married, with children
 - d. Divorced
 - e. Separated
6. What is the highest level of education you have completed?
 - a. Less than high school
 - b. High school
 - c. Diploma
 - d. Bachelor degree
 - e. Master’s degree
 - f. Doctoral degree
7. How do you make your reservation?
 - a. Travel agency
 - b. Company
 - c. Yourself
8. What is your evaluation for the choice of this hotel?
 - a. Location
 - b. Price
 - c. Brand image
 - d. Friends choice
 - e. Member of loyalty/honours program
 - f. Without preference

I. Please rate your experience at the understudy Hotel on the following:

	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
Check in					
My reservation record was accurate.					
The check-in process was timely and efficient.					
The check-in staff was courteous.					
Guest Room					
My room was clean and comfortable.					
My room was furnished appropriately.					
My bed and bedding were comfortable.					
Guest Staff					
The guest staff was prompt, reliable, and friendly.					
The guest staff was knowledgeable and fully answered my questions about the area.					
Security was available if needed.					
Housekeeping staff was friendly and reliable.					
Management was available to solve problems.					
Food and Dining					
The food and dining staff was courteous.					
The food quality was good.					
Room service was timely and efficient.					
Room service delivered the correct food order.					
Amenities					
Hotel amenities (squash court, ground tennis, children ply ground) were clean, attractive, and properly equipped.					
Gymnasium properly equipped and attractive.					
Swimming pool water is hot and clean.					
Sauna & Steam bath are efficient, clean and attractive.					
Locker and rest room are ventilated, clean and attractive.					
Check Out					
The check-out process was timely and efficient.					
I received a complete and accurate bill.					
Communication					
There is stable internet connection					
There is information board at the lobby area					

Overall Impression

II. Please rate your experience at Hotel Radisson Blu Addis Ababa on the following:

	Excellent (5)	Very Good (4)	Good (3)	Fair (2)	Poor (1)
Overall service received					
Overall physical condition of this hotel					
Appearance of hotel exterior					
Condition of lobby and reception area					
Overall cleanliness of guest room					
Overall physical condition of room					
Location of the hotel					
Parking area of the hotel					

III. Please rate your experience with associates at Hotel Radisson Blu Addis Ababa on the following:

	Excellent (5)	Very Good (4)	Good (3)	Fair (2)	Poor (1)
Responsiveness to your needs					
Professional, courteous attitude					
Professional appearance					
Knowledge about hotel and local area					

General questions and comments

1. Will you like to revisit this hotel?

- a. Yes
- b. No

2. Do you have any comment? -----

Questionnaire on Supplier experience in the hotel

Dear Supplier -----

The following questionnaire is a research instrument on comparative analysis on opportunities and challenges of international chain hotels in the case of Hilton and Radisson blu hotels located in the capital city of Ethiopia, Addis Ababa. Your answers to the questions will be a great help for me to work on post graduate program (Masters of Business Administration) to contribute in evaluating the status quo and finding some solutions to offering better services in Addis Ababa international chain hotels and develop competitive tourism industry in the city in the near future.

I appreciate and thanks from bottom of my heart for your support in answering these questions with your own time

With Best Regards

MBA Prospective Graduate Student

Supplier Satisfaction Survey Questionnaire or Vendor Satisfaction Survey Questionnaire

	Parameter	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
You understand the terms and conditions of the contract with the buyer organization/hotel	Collaboration					
You receive periodic communication of changes, if any, from the buyer organization/hotel	Collaboration					
Your personnel are trained, based on the need, by the buyer organization/hotel	Collaboration					
The purchase order and schedules are made and sent based on your capacity to supply	Collaboration					
You are informed properly about the rejections and defects	Responsiveness					
You receive orders which are well-prioritized	Responsiveness					
You know whom to talk to in the buyer organization/hotel, in case of issues or concerns	Timely Payment					
You receive orders with agreed lead times to supply	Collaboration					
You find the personnel at the buyer organization/hotel responding to queries within agreed timelines	Timely Payment					

	Parameter	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
In case of operational concerns, the personnel at the buyer organization/hotel is able to direct to the correct person for issue resolution	Collaboration					
You receive your payment within or by the end of the credit period	Collaboration					
You find it easy to talk to the personnel within the buyer organization/hotel	Responsiveness					
In case of delay in payment, the buyer organization/hotel communicates the same on time and ensures the next time frame is shared with you	Collaboration					
Your supplies, based on the orders are accepted and honoured by the buyer organization/hotel every time (except in case of defects)	Collaboration					
Once you receive an order, it is usually not changed by the buyer organization/hotel	Collaboration					
The buyer organization actively pursues issues raised with them and tries to resolve those issues	Collaboration					

	Parameter	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
The periodic ratings you receive from the buyer organization is fair	Collaboration					
Your queries on ratings, if any, are amply clarified by the buyer organization	Collaboration					
Senior Management from the hotel/ buyer organization actively participates in Supplier Forums	Collaboration					

1. How many years have you been associated with the hotel?
 - a. Less than 5 years
 - b. 5 – 10 years
 - c. More than 10 years

2. How many components / material types / parts do you supply to the hotel?
 - a. Less than 5 items
 - b. 5 – 10 items
 - c. More than 10 items

3. Please note down the challenges you face to deliver supplies requested by the hotel

4. Do you have any comments the hotel will experience in the future-----

5. Is there anything you may think of business opportunities hotel will use it?

.....

.....

6. Span of supply
 - a. Locally
 - b. Globally

Questionnaire on Travelling Agent Representative Experience

In

The Hotels

Dear Travelling Agent Representative -----

The following questionnaire is a research instrument on comparative analysis on opportunities and challenges of international chain hotels in the capital city of Ethiopia, Addis Ababa. Your answers to the questions will be a great help for me to work on post graduate program (Masters of Business Administration) to contribute in evaluating the status quo and finding some solutions to offering better services in Addis Ababa international chain hotels and develop competitive tourism industry in the city in the near future.

I appreciate and thanks from bottom of my heart for your support in answering these questions with your own time.

With Best Regards

MBA Prospective Graduate Student

	Strongly Agree(5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree(1)
It is convenient to work with this hotel					
This Hotel is professional.					
Compared to their competitors, the service quality of this hotel is the best.					
Compared to our competitors, our prices are more reasonable					
This hotel is highly responsive					
The customer service representatives at this hotel answer your questions appropriately.					
Overall, you satisfied with the employees at this hotel.					
You recommend this hotel to people you know or work with.					
Your wait on hold before speaking with the hotel customer service representative is very short time.					
The hotel customer service representative understood what you were saying easily.					
The customer service representatives at this hotel eager to help you.					
Customer service representative solved your problem quickly					
The hotel customer service representative are knowledgeable					
The information that the customer service representative provided to you is clear.					
Many of your questions/ problems at this hotel resolved by the customer service representative					
The customer service representatives are helpful.					
Your experience with customer service at this hotel better than you expected it to be.					
Overall, you are satisfied with the customer service you received.					
You acquired enough commission from the hotel.					

Please can you suggest your opinion or comment?

1. Do you have any comment?

.....
.....

2. What challenges do you face when working with the hotel?

.....
.....
.....

3. What business opportunities do you experience in the hotel?

.....
.....
.....

Appendix II

2.4 Star rating system

A star rating symbolizes the level of service, range of facilities and quality of guests' care that you can expect. Hotels are required to meet progressively higher standards as they move up the scale from one to five stars. A star rated property has to provide the following before they can be considered for star rating.

- ❖ High standard of cleanliness throughout the year.
- ❖ Pricing and conditions of booking system should be clear.
- ❖ Local information should be provided to help customers and to make their stays best.
- ❖ Comfortable accommodation with a range of furniture to meet customer's needs.
- ❖ Colour television (where signal available) at no extra charge.
- ❖ Kitchen equipment to meet all essential requirements.

According to the facilities provided star rated hotels are rated one to five star level. The criteria of ratings to different star level are discussed here below.

One-star hotel

A hotel to be rated as one star hotel it has to fulfil the following criteria.

- Practical accommodation with a limited range of facilities and services, but a high standard of cleanness throughout the year.
- Friendly and courteous staffs to give help and information to make the stay of the customer full of enjoy.
- Restaurant/eating area open to you and your guests for breakfast and dinner.
- Alcoholic drinks will be served in a bar or lounge, 75% of bed rooms will have en-suite or private facilities.

A two-star hotel

A two- star hotel will have the following facilities (in addition to what is provided at one star).

- Good overnight accommodations with more comfortable bedrooms, better equipped –all with en-suite or private facilities and colour TV.
- A relatively straightforward range services of food, drink and a personal style of service.
- A restaurant/drinking room for breakfast and dinner.
- A lift is normally available.

A three-star hotel

It will have the following facilities (in addition to what is provided at one and two stars).

- Possibly larger establishments, but all offering significantly greater quality and large facilities and services, and usually more spacious public areas and bed rooms.
- A more formal style of service with the receptionist on duty and staff responding well to your needs and requests.
- Room service of continental breakfast.
- Laundry service available.
- A wide selection of drinks, light lunch and snacks served in a bar or lounge.

A four-star hotel

It will have the following facilities (in addition to what is provided at one, two, and three stars).

- Accommodation offering superior comfort and quality; all bed rooms with en-suite bath, fitted overhead shower and WC.
- The hotel will have spacious and very well appointed public areas and will put a strong emphasis on food and drinks.
- Staff will have very good technical and social skills, anticipating and responding to your needs and requests.
- Room service of all means and 24 hours drink, refreshments and snacks.
- Dry cleaning service available.

A five-star hotel

It will have the following facilities in addition to the above star rated hotels.

- A spacious, luxurious establishment offering you the highest international quality of accommodations, facilities, and services and cuisine.
- It will have striking accommodation throughout, with a range of extra facilities.
- You will feel very well cared for by professional, attentive staff providing flawless guest services.
- A hotel that fits the highest international standards for the industry, with an air of luxury, exceptional comfort and a sophisticated ambience.

2.5 Hotels Grading Factors

Hotels grading factors are rated from 1000 and the distribution of points with the standard given above discussed here below.

Part I: Structural features (23 points)

Confined to the building (s) , as such, external and internal structures adequacy of both room/toilets facilities(overall) bedrooms, suites, kitchens(s) dining rooms, lounges, verandas, function rooms, public toilets, bars, reception, office and storage facilities, staff facilities, corridors, stair cases, lifts, and fire escapes and state of repair, of these facilities.....230

Part II: Furnishings, fittings, Equipment's, and internal decorations (22 points)

Adequacy, quality, comfort, and conveniences, colour matching, decor throughout the hotel, Including soft furnishings and linen, cutlery, crockery, glassware, chinaware, and state of conditions220

Part III: Staffs and services

Availability, appearance, efficiency and courtesy of staff throughout the hotel, and all those attributes.....230

Part IV: Food, Quality, Variety and Deco ration

Quality, preparation, presentation and variety of food are rated under this part. Quality choice and availability of wines, alcoholic drinks, soft and beers, hot and cold beverages.....140

Part V: Safety and hygiene

Cleanliness, safety device, and proper ventilations throughout the hotel over and above the qualities marked in other features.....100

Part VI: Amenities

Other facilities provided by the hotel for the convenience, comfort, entertainment and recreation of the guests.....80

Part VII. Classification grading range for hotels

Mark range Grade

875-1000	5 star
744-874.....	4 star
608-743.....	3 star
467-607.....	2 star
321-466.....	1 star
170-320.....	Basic level hotel

5 - Bed-Places capacity – All accommodation establishments

	2006		2007		2008		2009		2010		2011		NOTES
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
TOTAL	12,236	100	16,250	100	16,848	100	17,936	100	21,937	100	24,083	100	The standard of the accommodation establishments was based on previous classifications, which didn't clearly segregate according to the services they provide. However, the ministry is in the process of classifying existing hotels based on a new criterion. Source: Ministry of Culture and Tourism (MOCT)
COLLECTIVE TOURISM ESTABLISHMENTS	12,236	100.00	16,250	100.00	16,848	100.00	17,936	100.00	21,937	100.00	24,083	100	
HOTELS & SIMILAR ESTABLISHMENTS	12,236	100.00	16,250	100.00	16,848	100.00	17,936	100.00	21,937	100.00	24,083	100	
HOTELS	12,236	100.00	16,250	100.00	16,848	100.00	17,936	100.00	21,937	100.00	24,083	100	
Deluxe													
5 stars	705	5.76	705	4.34	895	5.31	1,264	7.05	1,264	5.76	1,264	5.25	
4 stars	790	6.46	1,393	8.57	1,331	7.90	1,197	6.67	1,197	5.46	1,197	4.97	
3 stars	1,352	11.05	1,558	9.59	1,872	11.11	2,314	12.90	2,314	10.55	2,314	9.60	
2 stars	1,072	8.76	1,285	7.91	2,101	12.47	1,898	10.58	1,898	8.65	1,898	7.88	
1 star	910	7.44	922	5.67	967	5.74	941	5.25	941	4.29	941	3.90	
Unclassified Hotels	7,407	60.53	10,387	63.92	9,682	57.47	10,322	57.55	14,323	65.29	16,469	68.38	

Source: Ministry of Culture and Tourism (MOCT)

1 - Arrivals of tourist at national borders, by month

	2006		2007		2008		2009		2010		2011		NOTES
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
TOTAL	290,458	100	311,943	100	330,157	100	427,286	100	468,305	100	523,438	100	ARRIVALS THROUGH ALL PORTS OF ENTRY.
1st QUARTER	69,529	23.94	78,934	25.30	75,240	22.79	94,566	22.13	117,368	25.06	136,442	26.07	
January	26,360	9.08	37,460	12.01	24,784	7.51	36188	8.47	48173	10.29	52,243	9.98	
February	21,185	7.29	20,206	6.48	24,494	7.42	27529	6.44	33701	7.20	40,567	7.75	
March	21,984	7.57	21,268	6.82	25,962	7.86	30849	7.22	35494	7.58	43,632	8.34	
2nd QUARTER	75,179	25.88	69,061	22.14	83,677	25.34	91,183	21.34	101,735	21.72	123,351	23.57	
April	24,062	8.28	23,950	7.68	29,211	8.85	34006	7.96	31263	6.68	37,315	7.13	
May	25,015	8.61	22,034	7.06	26,154	7.92	29869	6.99	36838	7.87	44,383	8.48	
June	26,102	8.99	23,077	7.40	28,312	8.58	27308	6.39	33634	7.18	41,653	7.96	
3rd QUARTER	78,540	27.04	78,816	25.27	85,331	25.85	96,217	22.52	123,304	26.33	123,571	23.61	
July	27,770	9.56	21,616	6.93	29,574	8.96	32446	7.59	42445	9.06	37,992	7.26	
August	25,765	8.87	32,514	10.42	29,428	8.91	31218	7.31	40137	8.57	44,251	8.45	
September	25,005	8.61	24,686	7.91	26,329	7.97	32553	7.62	40722	8.70	41,328	7.90	
4th QUARTER	67,210	23.14	85,132	27.29	85,909	26.02	145,320	34.01	125,898	26.88	140,074	26.76	
October	24,700	8.50	22,806	7.31	28,687	8.69	36203	8.47	39991	8.54	39,702	7.58	
November	22,515	7.75	27,434	8.79	28,453	8.62	58392	13.67	41549	8.87	53,971	8.87	
December	19,995	6.88	34,892	11.19	28,769	8.71	50725	11.87	44358	9.47	46,401	10.31	

Table: 2.3 Arrivals of Tourist at National Borders by month

Summary of International Tourists Flow to Ethiopia by Purpose of Visit

	2006		2007		2008		2009		2010		2011		NOTES
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
TOTAL	290,458	100	311,943	100	330,157	100	427,286	100	468,305	100	523,438	100	ARRIVALS THROUGH ALL PORTS OF ENTRY.
LEISURE, RECREATION AND HOLIDAYS	85,769	29.53	128,533	41.20	99,394	30.11	138,070	32.31	171,414	36.60	183,008	34.96	
VISITING FRIENDS AND RELATIVES	28,468	9.80	26,337	8.44	25,482	7.72	35,593	8.33	28,672	6.12	37,116	7.10	
BUSINESS AND PROFESSIONAL	98,593	33.94	61,337	19.66	64,930	19.67	118,890	27.82	113,961	24.33	141,595	27.05	
Business	58,593	20.17	43,455	13.93	49,209	14.90	71374	16.70	77816	16.62	91,064	17.40	
Meetings, conferences, congresses	40,000	13.77	17,882	5.73	15,721	4.76	47516	11.12	36145	7.72	50,531	9.65	
OTHER	77,628	26.73	95,736	30.69	140,351	42.51	134,733	31.53	154,258	32.94	161,719	30.9	
Transit	76,556	26.36	58,916	18.89	77,572	23.50	81481	19.07	84229	17.99	86,020	16.43	
Not stated	1,072	0.37	36,820	11.80	62,779	19.01	53252	12.46	70029	14.95	75,699	14.46	

Source: Ministry of Culture and Tourism (MOCT)

DECLARATION

I hereby declare that this work entitled: “*Comparative Analysis on Opportunities and Challenges of selected international Chain hotels in Addis Ababa*”, is outcome of my own effort and that all sources of materials used for the study, to the best of my knowledge, have been duly acknowledged. I have produced it independently except for the guidance and suggestion of my research advisor.

This study has not been submitted for any degree in this university or any other university. It is offered for the partial fulfilment of Degree of Masters in Business Management.

DECLARED BY: DEREJE BOGALE

Signature: _____

Date: _____

ENDORSEMENT

This thesis has been submitted to ST. Mary's University, School of Graduate Studies for examination with my approval as University advisor.

Advisor: Abdurezak Mohamed (PHD)

Signature: _____

Date: _____