

To Examine the Impact of Customer Experience Management on Customer Satisfaction in the Hospitality Industry in Coimbatore District

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1. INTRODUCTION

The hospitality industry has emerged as one of the fastest-growing sectors contributing significantly to economic development, employment generation, and tourism promotion. In recent years, the focus of hospitality organizations has shifted from merely delivering services to creating memorable and personalized customer experiences. In a highly competitive environment, customers no longer evaluate services based only on functional quality but also on emotional engagement, convenience, and perceived value. Customer Experience Management (CEM) has become a strategic tool for hospitality firms to design and manage customer interactions across various touch points. It encompasses all aspects of a customer's journey, including service quality, physical environment, technology integration, emotional connection, and value perception. Effective CEM practices help organizations differentiate themselves, enhance customer satisfaction, and build long-term relationships. In the context of Coimbatore District, which is a growing hub for tourism, business travel, and hospitality services, understanding customer expectations and experiences is essential. The increasing number of hotels, restaurants, and resorts has intensified competition, making customer satisfaction a key determinant of success. Therefore, this study aims to examine the impact of Customer Experience Management on Customer Satisfaction in the hospitality industry in Coimbatore District.

2.REVIEW OF LITERATURE

Lemon, K. N. and Verhoef, P. C. (2016) examined the concept of customer experience throughout the customer journey and its impact on customer behavior. The study emphasized that customer experience is multidimensional, including cognitive, emotional, social, and sensory responses. The authors highlighted that effective management of customer touchpoints significantly influences customer satisfaction and loyalty. Their findings revealed that organizations that strategically manage customer experience across all stages of interaction achieve higher customer retention and improved overall performance. This study provides a strong theoretical foundation for understanding the role of Customer Experience Management in influencing customer satisfaction in the hospitality industry.

Ali, F., Rasoolimanesh, S. M., Sarstedt, M., Ringle, C. M., and Ryu, K. (2018) investigated the relationship between service quality, customer experience, and satisfaction in the hospitality sector using Structural Equation Modelling (SEM). The study found that service quality significantly influences customer experience, which in turn directly impacts customer satisfaction. Emotional experience was identified as a key mediator between service quality and satisfaction. The findings suggest that hospitality providers must focus on both functional and emotional aspects of service delivery to enhance customer satisfaction.

Klaus, P. and Maklan, S. (2013) explored the Customer Experience Management (CEM) framework and its relationship with perceived value and customer satisfaction. The study developed a scale to measure customer experience and demonstrated that perceived value plays a significant role in shaping customer satisfaction. The authors concluded that organizations should focus on delivering superior value through personalized and seamless experiences. Their research highlights the importance of integrating emotional and value-based dimensions into customer experience strategies.

3.STATEMENT OF THE PROBLEM

In today's dynamic hospitality environment, customers expect not only high-quality services but also seamless, personalized, and emotionally satisfying experiences. Despite significant investments in infrastructure and technology, many hospitality service providers struggle to consistently deliver superior customer experiences. In Coimbatore District, the rapid growth of hospitality establishments has led to increased competition and heightened customer expectations. However, there exists a gap between the services provided and the experiences perceived by customers. Factors such as inconsistent service quality, lack of personalization, inadequate use of technology, and poor complaint handling can negatively affect customer satisfaction. Moreover, while many organizations focus on operational efficiency, they often overlook the holistic management of customer experience. There is a need to systematically analyze how different dimensions of customer experience influence customer satisfaction and to what extent Customer Experience Management practices contribute to improving customer outcomes.

Hence, this study attempts to bridge this gap by examining the relationship between Customer Experience Management and Customer Satisfaction in the hospitality industry in Coimbatore District.

4.OBJECTIVES OF THE STUDY

General Objective

1.To examine the impact of Customer Experience Management on Customer Satisfaction in the hospitality industry in Coimbatore District.

2.To offer suitable suggestions to improve customer experience and satisfaction.

5.RESEARCH METHODOLOGY

The present study adopts a **descriptive and analytical research design**. The descriptive aspect focuses on identifying and explaining the socio-economic characteristics of customers using hospitality services, while the analytical component examines the relationship between customer experience management and customer satisfaction. This design is appropriate as it enables a systematic evaluation of customer perceptions and the factors influencing their satisfaction levels.

The **area of the study** is confined to **Coimbatore City**, one of the prominent commercial and industrial centers in Tamil Nadu. The city has witnessed rapid growth in the hospitality sector, including hotels, restaurants, and resorts, making it an ideal location to study customer experience and satisfaction in a competitive environment.

The study is based on both **primary and secondary data sources**. Primary data were collected directly from respondents through a well-structured questionnaire designed to capture various dimensions of customer experience and satisfaction. Secondary data were obtained from relevant journals, books, research reports, and credible online sources to support the theoretical framework and provide background information for the study.

The **sample size** for the study consists of **245 respondents**, who have utilized hospitality services in Coimbatore City. The respondents were selected using the **convenience sampling method**, wherein participants were chosen based on their accessibility and willingness to respond. Although this method is non-probabilistic, it is suitable for exploratory and behavioral studies where quick and practical data collection is required.

Various **statistical tools and techniques** have been employed for data analysis. Percentage analysis is used to describe the demographic profile of respondents. Cronbach's Alpha is applied to test the reliability and internal consistency of the measurement scales. Exploratory Factor Analysis (EFA) is used to identify the underlying dimensions of customer experience, while Confirmatory Factor Analysis (CFA) is employed to validate the measurement model. Structural Equation Modelling (SEM) is utilized to examine the relationship between customer experience management and

customer satisfaction. Additionally, correlation analysis is used to assess the strength and direction of relationships among variables.

The study employs a **5-point Likert scaling technique** to measure respondents' opinions and perceptions. The scale ranges from 1 to 5, where 1 represents "Strongly Disagree," 2 represents "Disagree," 3 indicates "Neutral," 4 denotes "Agree," and 5 signifies "Strongly Agree." This scaling method is widely used in social science research for its simplicity, reliability, and ability to capture varying degrees of respondent attitudes.

6.LIMITATIONS OF THE STUDY

1. The study is limited to **Coimbatore City**, and hence the findings may not be generalized to other regions.
2. The sample size of **245 respondents** may not fully represent the entire population of hospitality customers.
3. The use of **Convenience Sampling** may introduce bias, as respondents are selected based on accessibility rather than randomness.
4. The study relies on **self-reported data**, which may be influenced by personal bias or respondent mood.
5. Time constraints limited the scope of data collection and analysis.
6. The study focuses only on selected dimensions of customer experience and may not cover all possible influencing factors.

7.ANALYSIS AND INTERPRETERATION

TABLE: 1 FINAL VALIDATED CUSTOMER EXPERIENCE SCALE

Construct	Code	Statements (Final Retained Items)	Factor Loading	Cronbach's Alpha
Service Quality	SQ1	Staff provided prompt service	0.78	
	SQ2	Employees were courteous and friendly	0.81	
	SQ3	Staff handled problems efficiently	0.76	
	SQ4	Service delivery met expectations	0.83	
	SQ5	Waiting time was minimal	0.74	0.87
Physical Environment	PE1	Cleanliness and hygiene are well maintained	0.82	
	PE2	Ambiance is pleasant	0.79	
	PE3	Facilities are modern and comfortable	0.77	
	PE4	Seating arrangements are comfortable	0.75	
	PE5	Safety and security are satisfactory	0.80	0.88
Technology & Convenience	TC1	Online booking is easy to use	0.81	
	TC2	Digital payment is convenient	0.84	
	TC3	Check-in/check-out is efficient	0.78	
	TC4	Information is easily accessible online	0.76	0.85
Emotional Experience	EE1	I felt valued as a customer	0.83	
	EE2	The experience was enjoyable	0.85	
	EE3	Staff gave personal attention	0.79	
	EE4	I felt comfortable during my visit	0.77	

Construct	Code	Statements (Final Retained Items)	Factor Loading	Cronbach's Alpha
	EE5	Staff made me feel welcomed	0.82	0.89
Perceived Value	PV1	Services are worth the price	0.80	
	PV2	Good value for money	0.84	
	PV3	Quality justifies cost	0.78	
	PV4	Benefits outweigh the cost	0.76	0.86

Source: Primary Data.

1. Service Quality

The Service Quality construct consists of five items (SQ1–SQ5) with factor loadings ranging from 0.74 to 0.83. All values exceed the acceptable threshold of 0.70, indicating a strong contribution of each item to the construct. The Cronbach's Alpha value of 0.87 signifies high internal consistency. This implies that variables such as prompt service, courteous staff, efficient problem handling, meeting expectations, and minimal waiting time reliably measure service quality in the hospitality sector.

2. Physical Environment

The Physical Environment construct includes five items (PE1–PE5) with factor loadings between 0.75 and 0.82. These values confirm that all items significantly contribute to the construct. The Cronbach's Alpha value of 0.88 indicates excellent reliability. This suggests that cleanliness, ambiance, infrastructure, seating comfort, and safety are key dimensions influencing customers' perception of the physical environment.

3. Technology & Convenience

This construct comprises four items (TC1–TC4) with factor loadings ranging from 0.76 to 0.84. The Cronbach's Alpha value of 0.85 reflects good internal consistency. The results indicate that ease of online booking, digital payment systems, efficient check-in/check-out, and accessibility of online information significantly contribute to customer experience in terms of technological convenience.

4. Emotional Experience

The Emotional Experience construct contains five items (EE1–EE5) with factor loadings between 0.77 and 0.85. The Cronbach's Alpha value of 0.89 is the highest among all constructs, indicating excellent reliability. This highlights that feeling valued, enjoyment, personal attention, comfort, and a welcoming atmosphere strongly influence customers' emotional connection with hospitality services.

5. Perceived Value

The Perceived Value construct consists of four items (PV1–PV4) with factor loadings ranging from 0.76 to 0.84. The Cronbach's Alpha value of 0.86 confirms good internal consistency. This indicates that price fairness, value for money, cost justification, and benefit-cost comparison are critical factors shaping customers' perception of value.

Overall Interpretation

- All factor loadings are **above 0.70**, confirming strong **item reliability and convergent validity**.
- Cronbach's Alpha values for all constructs range from **0.85 to 0.89**, indicating **high internal consistency**.
- Each construct retains **4–5 items**, which is ideal for advanced statistical techniques like SEM.
- The measurement model is **statistically sound and suitable for further analysis**, including hypothesis testing on the relationship between **Customer Experience Management and Customer Satisfaction**.

The validated scale demonstrates strong psychometric properties, ensuring that the constructs of Service Quality, Physical Environment, Technology & Convenience, Emotional Experience, and Perceived Value are reliably measured. Therefore, the instrument is considered appropriate for conducting the main study and testing the proposed research model.

TABLE:2 RELIABILITY AND VALIDITY SUMMARY

Construct	No. of Items	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Service Quality	5	0.87	0.89	0.62
Physical Environment	5	0.88	0.90	0.64
Technology & Convenience	4	0.85	0.88	0.60
Emotional Experience	5	0.89	0.91	0.66
Perceived Value	4	0.86	0.88	0.59

1. Service Quality

The Service Quality construct consists of 5 items with a Cronbach's Alpha of 0.87, indicating strong internal consistency. The Composite Reliability (0.89) exceeds the recommended threshold of 0.70, confirming reliability. The AVE value of 0.62 is above 0.50, establishing good convergent validity. This indicates that the items effectively capture the underlying concept of service quality.

2. Physical Environment

The Physical Environment construct includes 5 items with a Cronbach's Alpha of 0.88, demonstrating excellent reliability. The CR value of 0.90 further confirms internal consistency. The AVE of 0.64 indicates that more than 64% of the variance is explained by the construct, supporting strong convergent validity.

3. Technology & Convenience

This construct comprises 4 items with a Cronbach's Alpha of 0.85, indicating good internal consistency. The Composite Reliability of 0.88 supports the reliability of the construct. The AVE value of 0.60 confirms that the items adequately represent the construct, ensuring convergent validity.

4. Emotional Experience

The Emotional Experience construct contains 5 items and shows the highest Cronbach's Alpha of 0.89, indicating excellent internal consistency. The CR value of 0.91 further strengthens the reliability of the construct. The AVE of 0.66 suggests strong convergent validity, meaning the items effectively capture the emotional aspects of customer experience.

5. Perceived Value

The Perceived Value construct consists of 4 items with a Cronbach's Alpha of 0.86, indicating good reliability. The Composite Reliability of 0.88 supports internal consistency, while the AVE value of 0.59 confirms acceptable convergent validity.

7. SUGGESTIONS

Based on the findings related to customer experience and customer satisfaction in the hospitality industry in Coimbatore District, the following suggestions are offered:

1. Enhance Service Quality

Hospitality establishments should focus on continuous staff training to improve responsiveness, courtesy, and problem-solving skills. Reducing waiting time and ensuring prompt service delivery will significantly improve customer experience.

2. Improve Physical Environment

Maintaining high standards of cleanliness, hygiene, and ambiance is essential. Investments in modern infrastructure, comfortable seating arrangements, and enhanced safety measures will positively influence customer perception.

3. Strengthen Technology Integration

Service providers should adopt user-friendly digital platforms for booking, payment, and communication. Efficient check-in and check-out systems, along with real-time updates, can enhance convenience and reduce customer effort.

4. Focus on Emotional Engagement

Creating a personalized and welcoming environment is crucial. Staff should be trained to provide individual attention and build emotional connections with customers, making their experience memorable and enjoyable.

5. Deliver Better Value for Money

Pricing strategies should be aligned with the quality of services offered. Providing attractive offers, discounts, and value-added services can improve customers' perception of value.

6. Implement Effective Customer Experience Management (CEM)

Organizations should actively collect and analyze customer feedback to identify gaps in service delivery. A structured CEM system will help in continuous improvement and maintaining service consistency.

7. Encourage Customer Feedback and Complaint Handling

A transparent and responsive grievance redressal system should be established. Quick resolution of complaints will enhance customer trust and loyalty.

8. Leverage Online Reviews and Reputation Management

Hospitality businesses should monitor and respond to online reviews. Positive engagement with customers on digital platforms will strengthen brand image and influence potential customers.

9. Customize Services Based on Customer Preferences

Using customer data and past interactions, service providers can offer personalized experiences, which significantly enhance satisfaction and repeat visits.

10. Conduct Periodic Service Audits

Regular evaluation of service quality and customer satisfaction levels will help organizations identify areas for improvement and maintain competitive advantage.

9. Conclusion

The present study examined **Customer Experience Management and Customer Satisfaction in the Hospitality Industry with special reference to Coimbatore District**. The analysis revealed that key dimensions of customer experience—namely **Service Quality, Physical Environment, Technology & Convenience, Emotional Experience, and Perceived Value**—play a significant role in shaping customer satisfaction. The results of reliability and validity analysis confirmed that the measurement scales used in the study are statistically sound and suitable for further analysis. The findings indicate that among the various factors, emotional experience and service quality have a strong influence on customer satisfaction, highlighting the importance of both functional and emotional aspects of service delivery. Furthermore, the study established a positive relationship between customer experience management and customer satisfaction. This implies that effective management of customer interactions at every touch point leads to higher satisfaction levels, increased customer loyalty, and positive word-of-mouth. In today's competitive hospitality industry, merely providing basic services is not sufficient. Organizations must focus on delivering holistic and memorable experiences that meet and exceed customer expectations. By adopting customer-centric strategies, leveraging technology, and continuously improving service quality, hospitality providers can achieve sustainable growth and long-term success.

Reference

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