



**THE SEARCH FOR COMPETITIVE ADVANTAGE OF A HOTEL:
GENERIC COMPETITIVENESS, CUSTOMER SATISFACTION
AND SERVICE QUALITY**

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ABSTRACT

In a world of increasing competition with every business looking for an edge to be profitable, the hotel industry is no exception to such challenging market environment. In fact, the hotel business is even tougher nowadays with emerging hoteliers providing cutting edge facilities, outstanding service quality and over the top customer services that leads to excellent customer satisfaction.

This study focuses on the search for a competitive advantage of a local hotel to outshine its competitors in its product or service domain. Competitive advantage is very generic in its application to either services or products, and therefore in order for competitive advantage to be more valid and profound in the hotel business, it is always interlink with customer satisfaction and service quality.

Fundamentally, competitive advantage is a ‘knock-out’ game or goal of a company in competing with competitors locally or globally to become a market leader as long as the business keeps going, which is ideally for infinity. One of the best ways for companies in any industry to compete effectively, to increase customer satisfaction and earn customer loyalty is to provide outstanding quality products and services consistently. Notwithstanding, this is the main objective of any hoteliers in its pursuits to become the top hotel in the market.

This study also discusses on the generic competitiveness, customer satisfaction and service quality of the hotel and how it interlinks with each other in searching for an answer to achieve a defined competitive advantage.

1.0 INTRODUCTION

In any businesses today, marketers are looking to create and maintain a competitive advantage in a complex and changing environment (Shocker et al., 1994; Mattsson et al., 2006). In the turbulent environment of the 1990s, marketers must identify and sustain competitive advantage if they are to survive and prosper (Czepiel, 1992; Hamel and Prahalad, 1993). This project is a reference guide for hotel business which believe that the determinants of competitive advantage do exist in the four generic types of competitive advantages that is ownership-based, access-based, proficiency-based and resource-based. We will discuss further on the four generic competitive advantage in the literature review.

It is hope that this project will answer the question of what competitive advantage is all about to a firm/ company, what are the determinants of competitive advantage, how does the relationship between customer satisfaction and service quality affect competitive advantage of the hotel and how to be sustainable through this volatile economy of this millennium. As all business owners know, competitive advantage is widely sought after in this new economic era of modernisation and globalisation. Thus, it is imperative that a firm must have its own competitive advantage in its pursuits to stay in business for many more years to come.