



# Customer Research Insights: Cornell Center for Hospitality Research

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## CHR Mission

The mission of the Center for Hospitality Research is to enable and conduct research of significance to the hospitality and related service industries, while offering a series of roundtables, conferences, meetings, and forums to improve the connections between academe and industry.



Cornell University  
School of Hotel Administration

*The Center for Hospitality Research*  
Hospitality Leadership Through Learning



# CHR Structure



Executive Director

Industry Advisory Board

Research Fellows

Associate Director

Editor, Cornell Hospitality Quarterly

Visiting Scholars & Research Associates

Support Staff

Director of Publications

Student Researchers



Cornell University  
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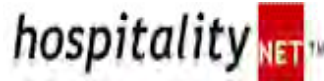
## CHR Senior Partners



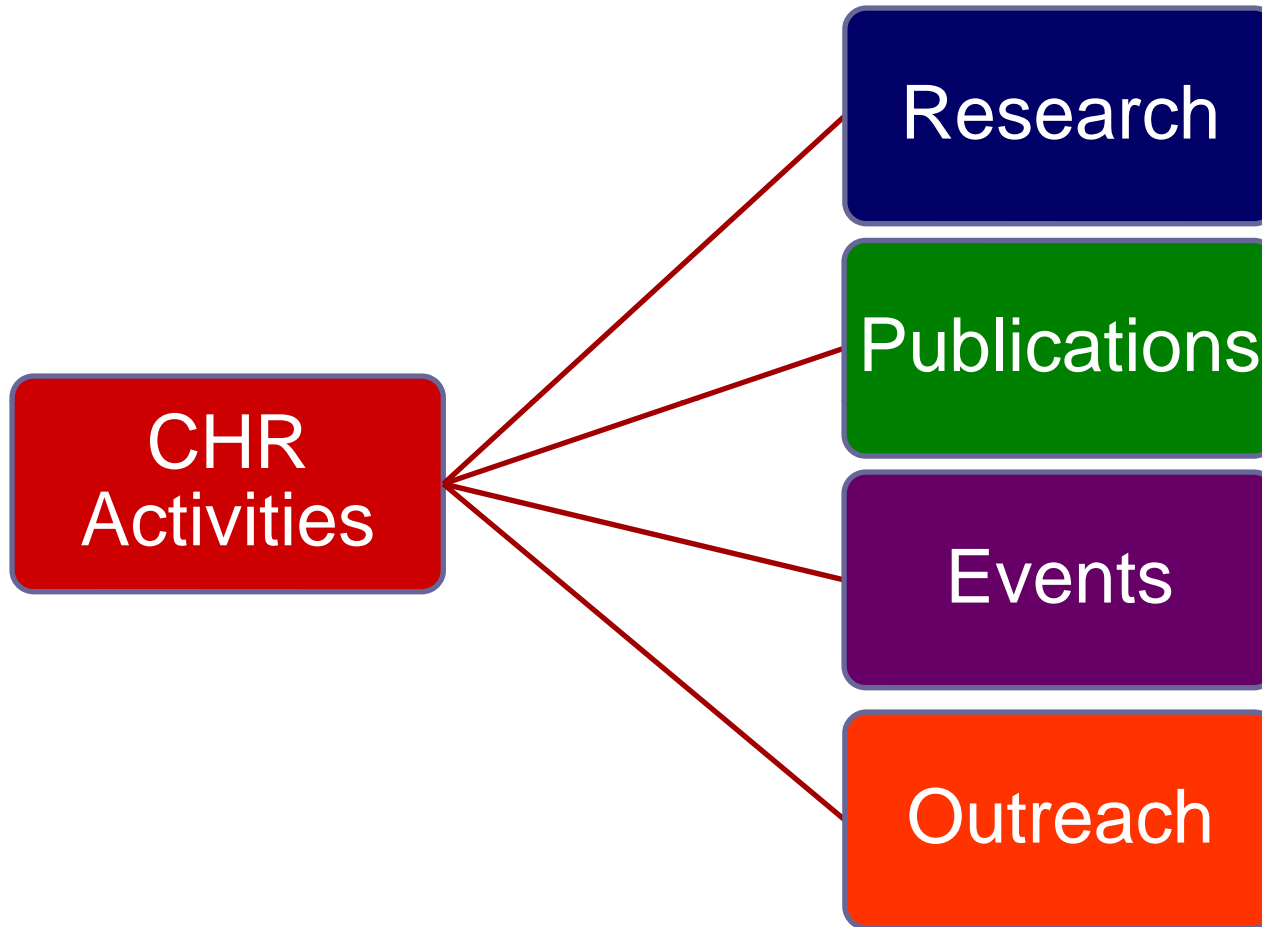
## CHR Partners



# Corporate Friends



THE WALL STREET JOURNAL.





# CHR Events

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## Conference Theme

*Service Excellence and Performance Growth in the Global Hospitality Industry:  
Strategies and Approaches for Navigating Forward*





## Roundtables for 2012

- International Roundtable (Jan Katz): April 1-2
- Brand Management Roundtable (Chekitan Dev): April 2-3
- Ethics Roundtable (Judi Brownell): April 29-30
- Labor and Employment Law Roundtable (Dave Sherwyn): May 6-7
- Sustainability Roundtable (Rohit Verma): November 1-2

## CHR Advisory Board Meetings

- April 12, 2012 – Ithaca
- November 12, 2012 – NYC

## CHR/SAS Webcasts and Blogs

- Once / Month



# CHR Publications

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# CHR Publications

## Research Reports

### Service Scripting: A Customer's Perspective of Quality and Performance

Vol 8, No 20

By: Liana Victorino Ph.D., Rohit Verma Ph.D., and Don Wardell Ph.D.



**Executive Summary:** Many hospitality services are scripted, under the theory that scripts are an efficient method of ensuring a consistent level of service quality. However, few empirical studies have examined how the use of scripts affects the customer's view of service quality. Using videotape scenarios in an experimental setting, this study tests

## Research Tools

### Hotel Room Pricing Tool

By: Chris Anderson Ph.D.



**Executive Summary:** Based on the model explained in the report, "Setting Room Rates on Priceline: How to Optimize Expected Hotel Revenue," by Chris K. Anderson, the Hotel Room Pricing Tool is designed to optimize revenue for hotel rooms that are sold via Priceline.

## Industry Perspectives

### Making Customer Satisfaction Pay: Connecting Survey Data to Financial Outcomes in the Hotel Industry

by Gina Pingitore, Ph.D., Dan Seldin, Ph.D., and Arianne Walker, Ph.D.

## Applied Academic Journal





# CHR Research

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# Research Projects

- Research Priorities Identified by
  - Sr. Partner Projects
  - Advisory Board (2 times /year)
  - Annual Survey of Web-Registrants (110k+)
  - Media Affiliates and Industry Outreach
- Faculty members expected to write CHR reports
- Grants from CHR for commissioned projects
- Data Sources and Industry Access



## Sr. Partner Projects

- ASAE Foundation: The Future of Tradeshows
  - Carlson: Changing Face of Leadership
  - McDonald's: Sustainability and Competition
  - NRA: Mobile Innovations in Restaurants
  - Phillips: Sustainable Product Development
- 
- Hilton Worldwide: Brand Management Roundtable
  - SAS: Webcasts and Blogs
  - STR: Data Initiative and CHRS Sponsorship
  - Taj: International Summit and CHRS Sponsorship



## Recent Research Themes

- Distribution Channels and Pricing
- Daily Deals, Discounting, Revenue Management
- Understanding Customer Choices
- Leadership and Strategic Planning
- Sustainable Operations
- HR and Labor Issues
- Technology-based Innovations
- Real Estate Valuation
- Decision-Making Tools and Techniques



# Research Fellows



## CHR Visiting Researchers



**Ming Chen,**  
Ph.D. Candidate  
(Rutgers), Beijing, China



**Hyunjeong (Spring)  
Han,** Ph.D., Seoul, Korea



**Ángel Peiró-Signes,**  
Ph.D., Polytechnic  
University, Valencia, Spain



**María-del-Val (Marival)  
Segarra-Oña,** Ph.D.,  
Polytechnic University,  
Valencia, Spain

## CHR Research Associates

**Youakim Badr,** Ph.D., National Institute of Applied Sciences (INSA-Lyon) Informatics for Enterprise and Production Systems Laboratory

**Utpal Dholakia,** Ph.D., JGSB, Rice University

**Levon Goukasian,** Ph.D., Pepperdine University

**David Jerome,** InterContinental Hotels Group PLC

**Nitin Joglekar,** Ph.D., Boston University

**Michael McCall,** Ph.D., Ithaca College

**Gabriele Piccoli,** Ph.D., Grenoble Ecole de Management

**Eric Ricaurte,** Greenview

**Aleda Roth,** Clemson University

**Liana Victorino,** Ph.D., University of Victoria

**Jie Julia Zhang,** ABD, The University of Vermont





# Spotlight Research Theme: Sustainability

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# Developing a Sustainability Measurement Framework for Hotels: Toward an Industry-wide Reporting Structure

Cornell Hospitality Report

Vol. 11, No. 13, July 2011

by Eric Ricaurte



## EXHIBIT 2

### Presence of measurement criteria in hotel certifications and guidelines

Criteria	GHG Emissions	Energy Usage	Water Usage	Waste Generation and Disposal	Materials Purchasing	Food and Beverage items	Toxicity / Biodegradability of Cleaning Supplies	Guest Satisfaction
GSTC	●	●	●	●	●			●
Green Key	○	●	●	○	○		○	
Green Seal (GS-33)	○	○	●	○	○			
LEED (EB): O&M	●	●	●	●	○	○		
AHLA		●	●	●				

● = Directly stated; ○ = Implied or precursor



**APPENDIX A**

Performance disclosed and metrics used in hotel GRI reports through 2009

<b>METRICS BREAKDOWN</b>	<b>Accor</b>	<b>HK-Shanghai</b>	<b>IHG</b>	<b>Jumeirah</b>
<b>Total Energy (EN3 and/or EN4)</b>	MWh	Gj	kWh	kWh (elec only)
<b>Energy Intensity</b>	kWh Per Available Room	MJ per m2	kWh Per Available Room	Not Reported
<b>Total Water (EN8)</b>	Mm3	m3	m3	m3
<b>Water Intensity</b>	Per Occupied Room Mm3	L. Per Guest Night	Not Reported	Not Reported
<b>Total Waste (EN22)</b>	Tons	Not Reported	Not Reported	Not Reported
<b>Waste Intensity</b>	Tons Per Hotel	Not Reported	Not Reported	Not Reported
<b>Total GHG Emissions (EN16)</b>	Metric Tons	Metric Tons	Approximate Metric Tons	Not Reported
<b>GHG Emissions Intensity</b>	Not Reported	Not Reported	kg. Per Room Night	Not Reported
<b>Boundaries</b>	As available from reporting properties (owned, managed, leased, and franchised)	Headquarters + Operational Control + Some External Employees	Managed and Franchised properties	Dubai-based managed properties and those of influence

	<b>Marriott</b>	<b>NH</b>	<b>Rezidor</b>	<b>Sol Meliá</b>	<b>Taj</b>
<b>Total Energy (EN3 and/or EN4)</b>	MWh	MWh	Not Reported	Gj	Gj
<b>Energy Intensity</b>	kWh Per Available Room	kWh Per Guest Night	kWh per m2	Not Reported	Not Reported
<b>Total Water (EN8)</b>	Mm3	m3	Not Reported	m3	m3
<b>Water Intensity</b>	Per Available Room Mm3	L. Per Guest Night	L. Per Guest Night	Not Reported	Not Reported
<b>Total Waste (EN22)</b>	Tons	kg.	Not Reported	Not Reported	Not Reported





# Environmental Management Certification and Performance in the Hospitality Industry: A Comparative Analysis of ISO 14001 Hotels in Spain

## Cornell Hospitality Report

Vol. 11, No. 22, December 2011

by María-del-Val Segarra-Oña, Ph.D., Ángel Peiró-Signes, Ph.D., and Rohit Verma, Ph.D.



EXHIBIT 2

Total mean income comparison between hotels with ISO14001 certification and those without

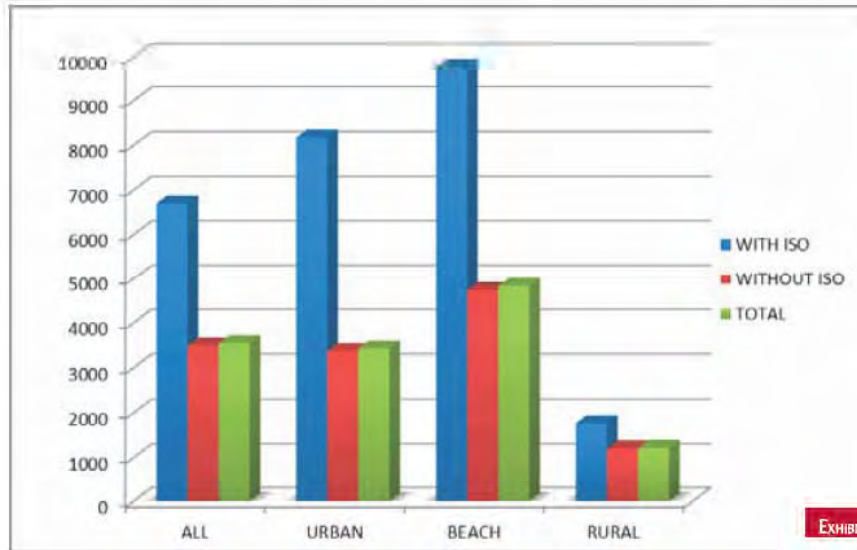
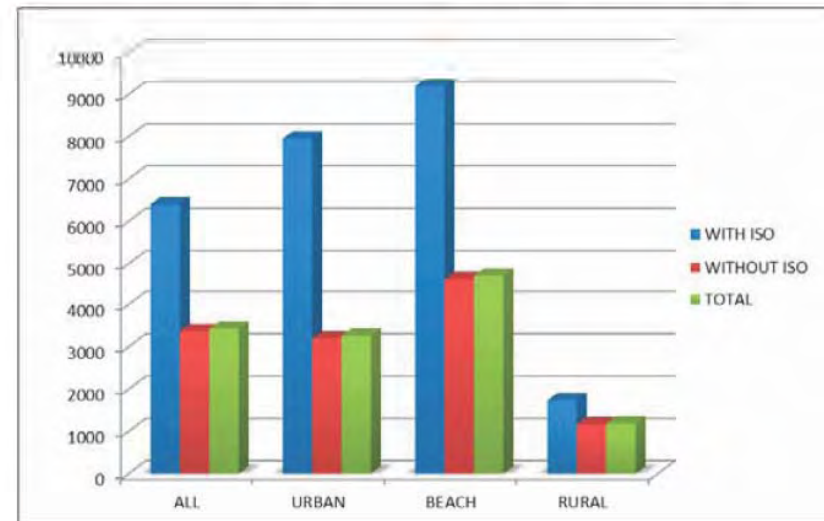


EXHIBIT 3

Net sales mean comparison between hotels with ISO14001 certification and those without





# Reversing the Green Backlash: Why Large Hospitality Companies Should Welcome "Credibly Green" Competitors

## Cornell Hospitality Report

Vol. 11, No. 14, August 2011

by Michael Giebelhausen, Ph.D., and HaeEun Helen Chun, Ph.D.

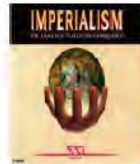


**EXHIBIT 1**

**Images and quotes from the ZMET project exploring perceptions of sustainable hospitality**



"I question whether or not they actually want to help the environment, because I feel with hotel companies it's all about the bottom line."



"I disapprove of them having such power because I just think that big companies...do whatever they want...maybe take away opportunities from other people because they just have so much money and that money gives them power to do kind of what they want to do."



"Sometimes I can't help but think so many of these companies who have this whole green initiative like if they really care about the environment or they're really just trying to look good so they can make more money."



"I guess I feel like they're being hypocritical. I guess it doesn't make me feel too good. I feel like people need to, or companies need to, look at what they're doing and make sure they're not conflicting their ideals."



"You're being posers, just because everyone else is trying to be green, you're trying to be green but what have you done. I guess it all comes back to the whole is this really something that is a trend that everyone wants to do or is this just something McDonald's is doing because it looks good."

Note: ZMET interview participants selected the images shown to depict their feelings and to provide a basis for further discussion.

**EXHIBIT 2**

**Study 2 scenario example**

**Get yourself in a spring break state of mind and imagine that you actually experienced the following scenario.**

Your friends talked you into joining them on a trip to St. Augustine Florida over spring break. One of your friends has access to a family vacation home in St. Augustine and you were able to find a very cheap flight. Your flight has landed, but the rest of your friends will not be arriving for three hours. It is 11:00 and you have not eaten breakfast so you decide to pick up the rental car and find someplace to have lunch while you wait for your friends. Being this close to the ocean makes you hungry for a fish sandwich, so you decide to look for a seafood restaurant. As you are driving you see the billboard below.

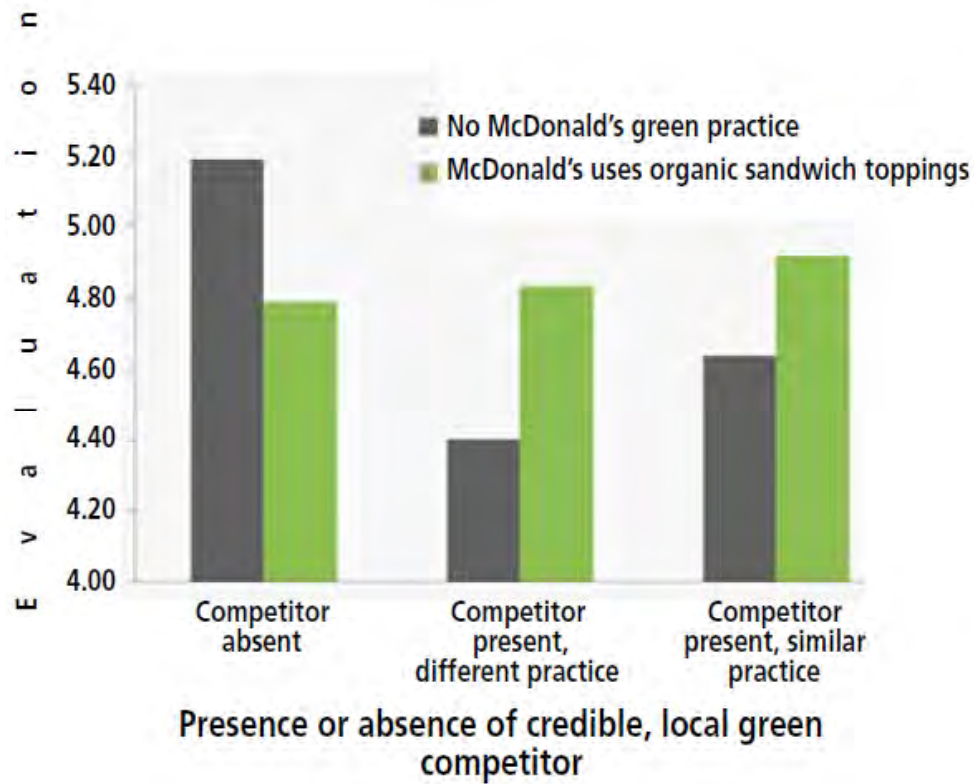


On the opposite side of the road is another billboard



**EXHIBIT 5**

**Study 3 ANCOVA results showing evaluation of McDonald's, with and without a competitor**





# Developing Measures for Environmental Sustainability in Hotels: An Exploratory Study

Cornell Hospitality Report

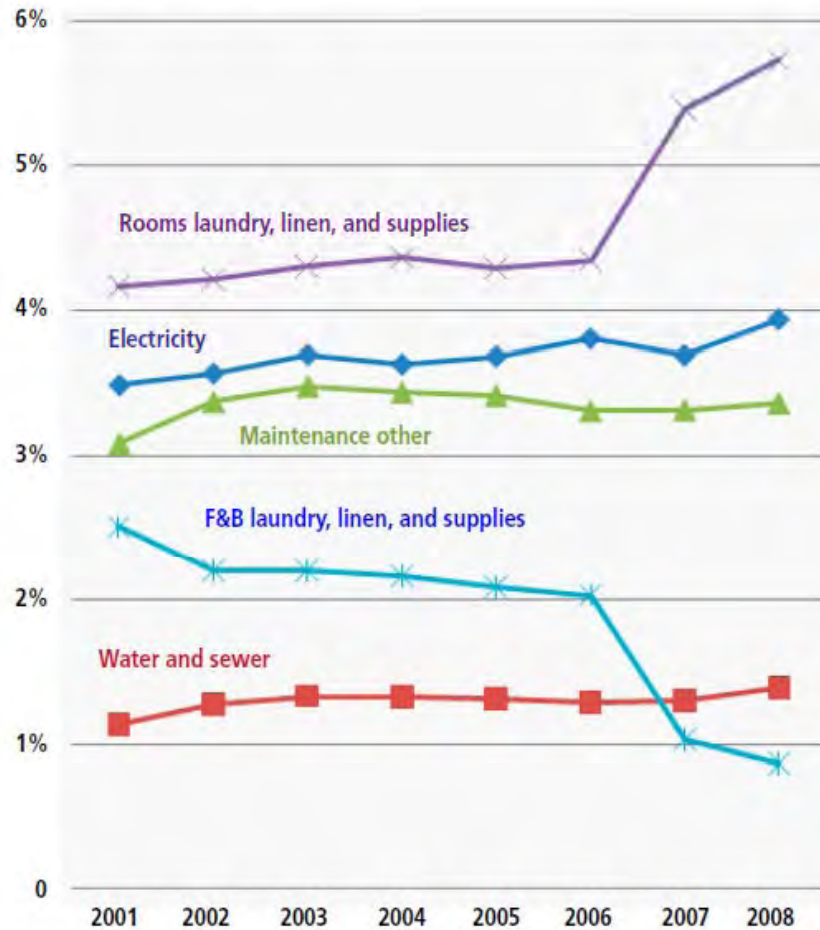
Vol. 10, No. 8, May 2010

by Jie J. Zhang, Nitin Joglekar, Ph.D., and Rohit Verma, Ph.D.



**EXHIBIT 5**

**Energy, water, and supplies as a percentage of RevPAR, 2001-2008**



## EXHIBIT 7

### Factor loadings, showing variables included in each of the two factors

Variables	Factor 1 (Behavioral)	Factor 2 (Operating)
Electricity expense (% of RevPAR)	0.134	0.586
Water & Sewer expense (% of RevPAR)	-0.183	0.550
Maintenance other expense (% of RevPAR)	0.377	0.430
Rooms LLS expense (% of RevPAR)	0.571	-0.047
F&B LLS expense (% of RevPAR)	0.597	-0.116
Number of observations = 7,854. Principal factor method, oblique promax rotation (Kaiser on)		

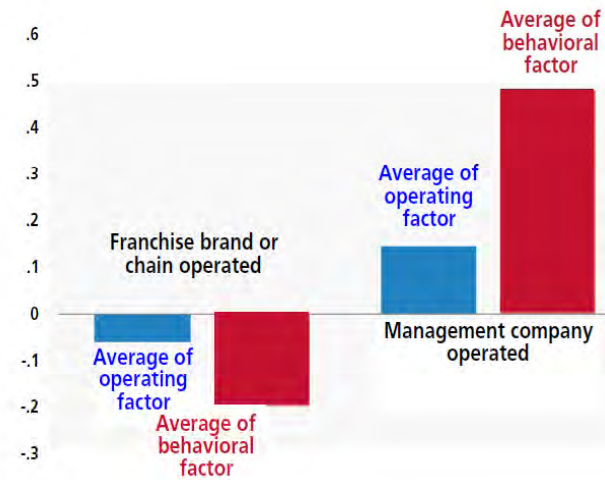


**EXHIBIT 8**  
Environmental sustainability factor scores and chain segment



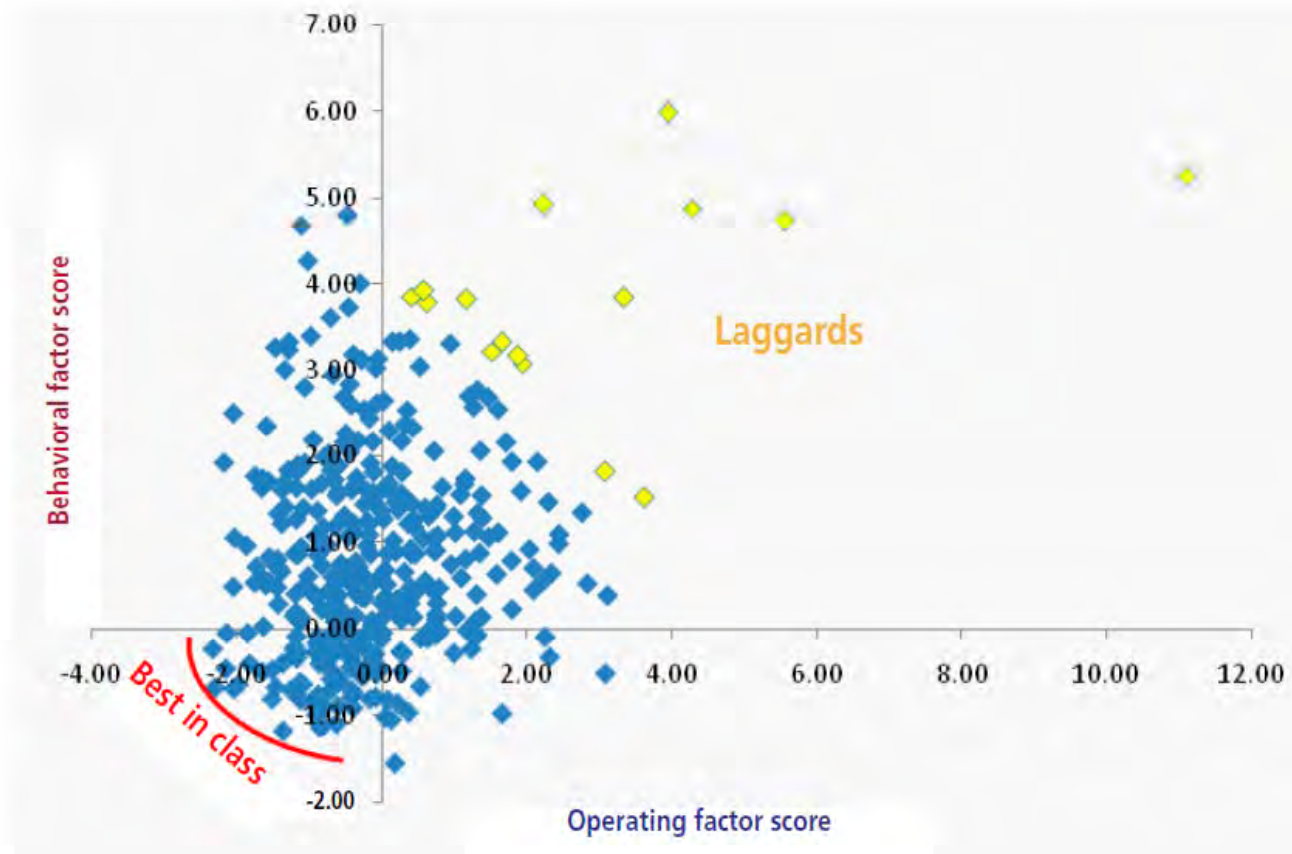
**EXHIBIT 9**  
Environmental sustainability factor scores and management structure

**EXHIBIT 9**  
Environmental sustainability factor scores and management structure



**EXHIBIT 14**

Environmental sustainability profile for 389 upper tier hotels with F&B, 2001-08 average





# Hotel Guests' Reactions to Guest Room Sustainability Initiatives

## Cornell Hospitality Report

Vol. 11, No. 6, March 2011

by Alex Susskind, Ph.D., and Rohit Verma, Ph.D.



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On balance, guests were pleased with their rooms and did not remark on the different television power levels or lighting treatments.

One hopeful finding is that 45 percent of guests from this sample indicated that they would be willing to pay a higher room rate for hotel sustainability initiatives.



# Sustainability and Customer Choices

Vanessa Choy  
MMH Student, Class of 2012

Howard Chong  
Assistant Professor, Applied Economics and Sustainability

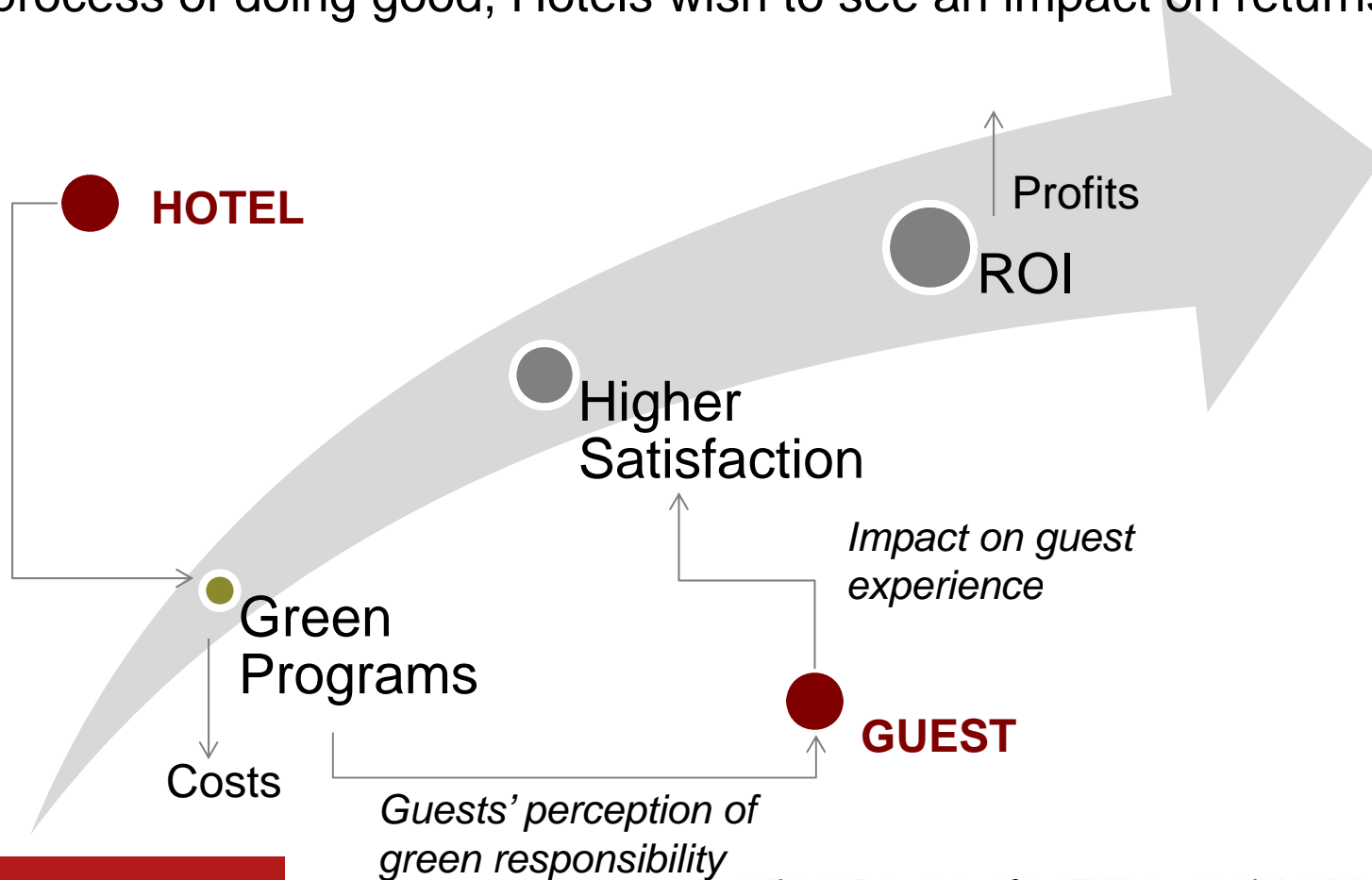
Rohit Verma  
Professor, Service Operations Management &  
Executive Director, Center for Hospitality Research



Center for Hospitality Research  
Through Learning

# Hotels run green programs in hope of increasing guest satisfaction

In the process of doing good, Hotels wish to see an impact on returns



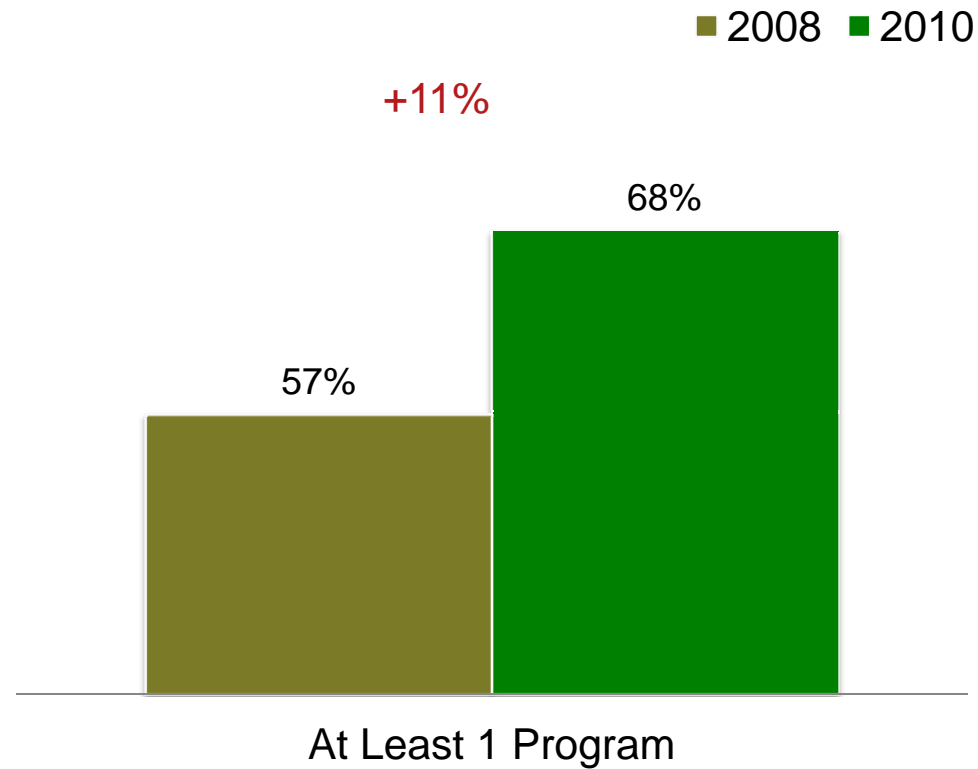


# Sample

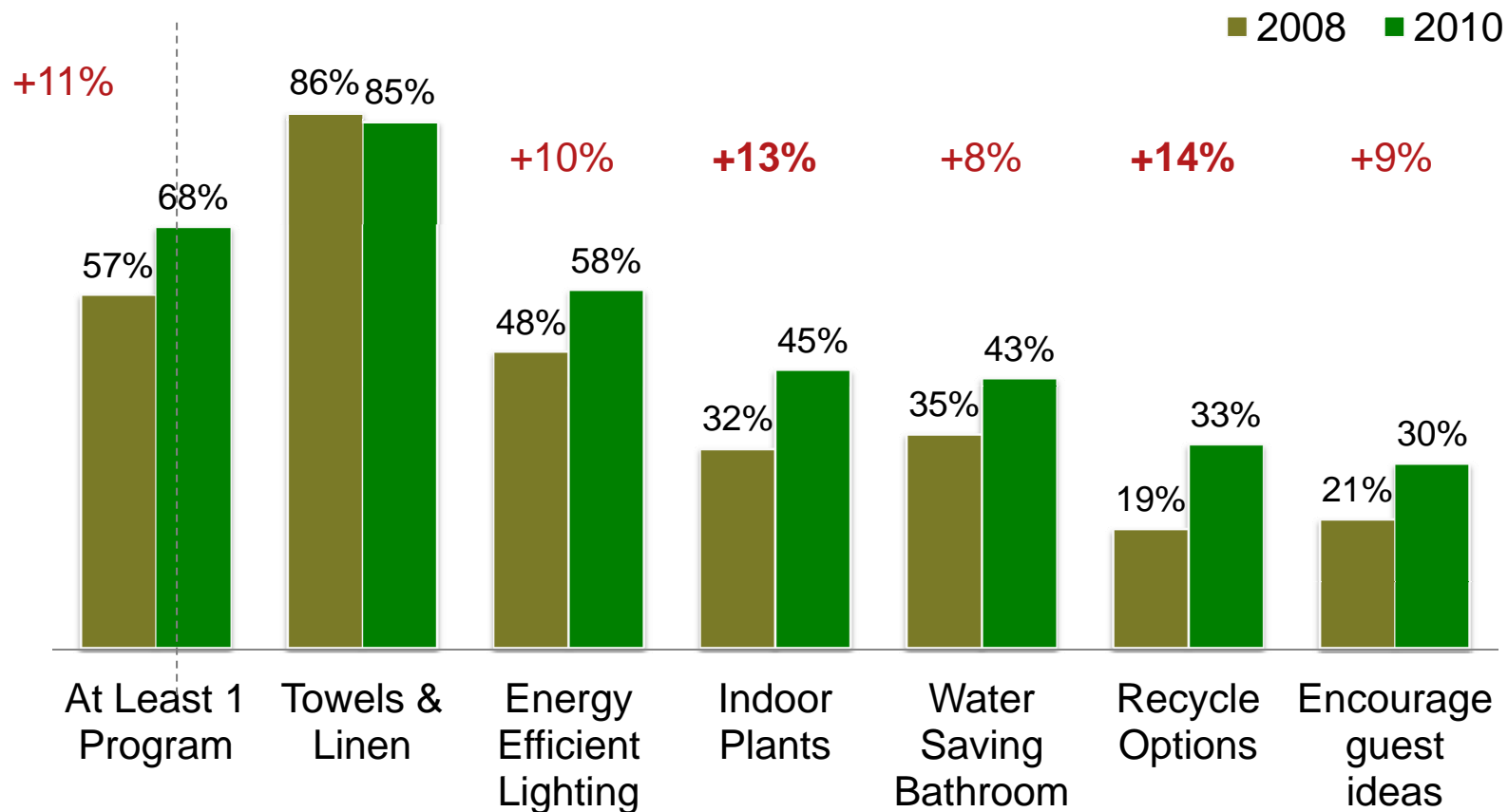
- J.D. Power and Associates
- 4 years from 2007 – 2010
- Sample Size 30,000 per year
- 89 Brands



# Hotels are offering more programs.

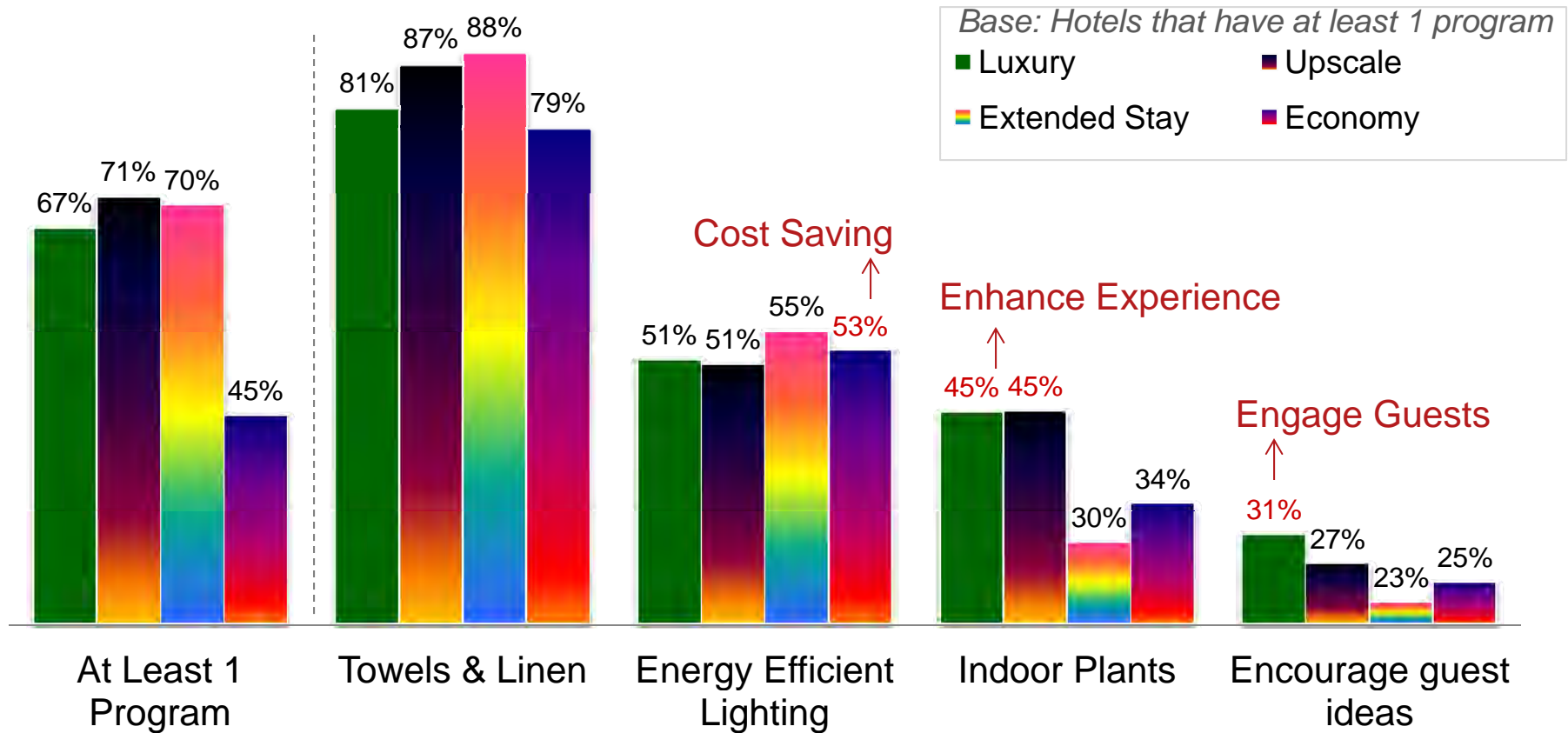


# Which programs are being offered?

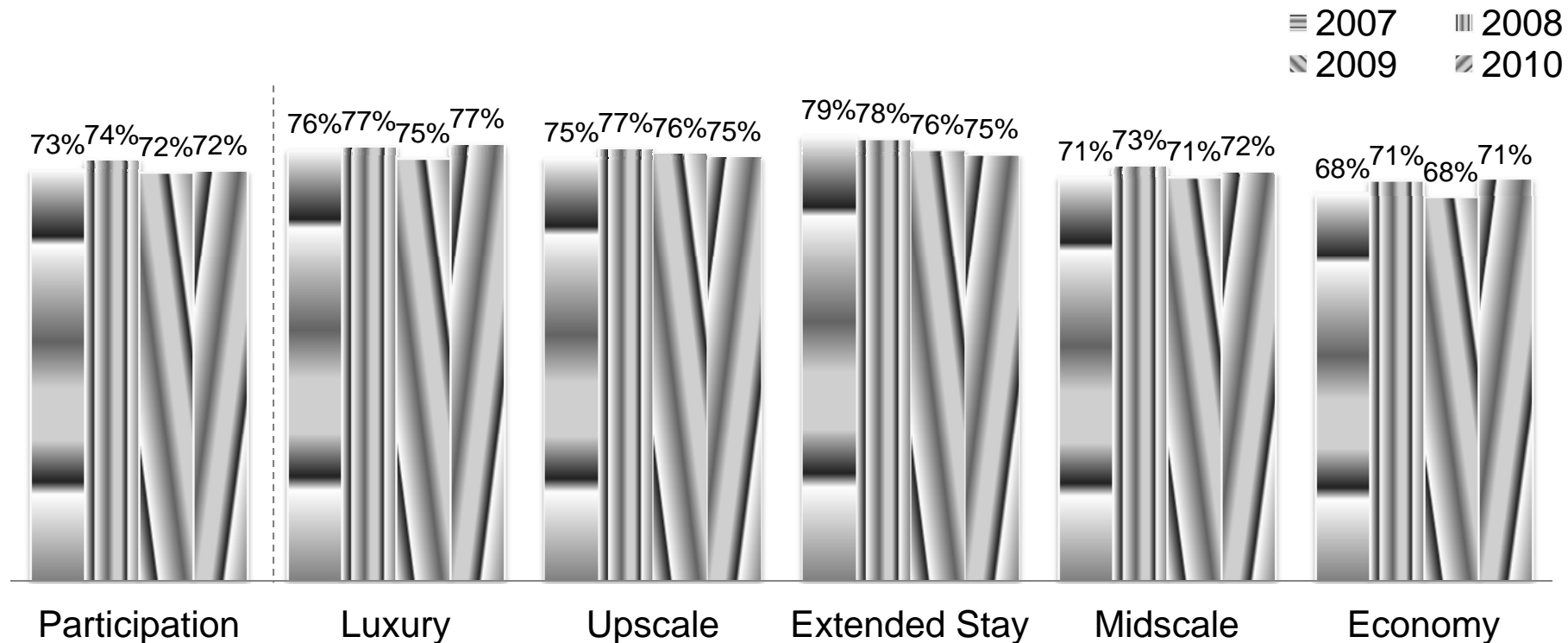


Base: Hotels that have at least 1 program

# Choice of programs reflect the needs of the hotel segment.



Green programs is seldom the main reason for selecting hotel. But, consistently, about 70% of guests participate in programs.



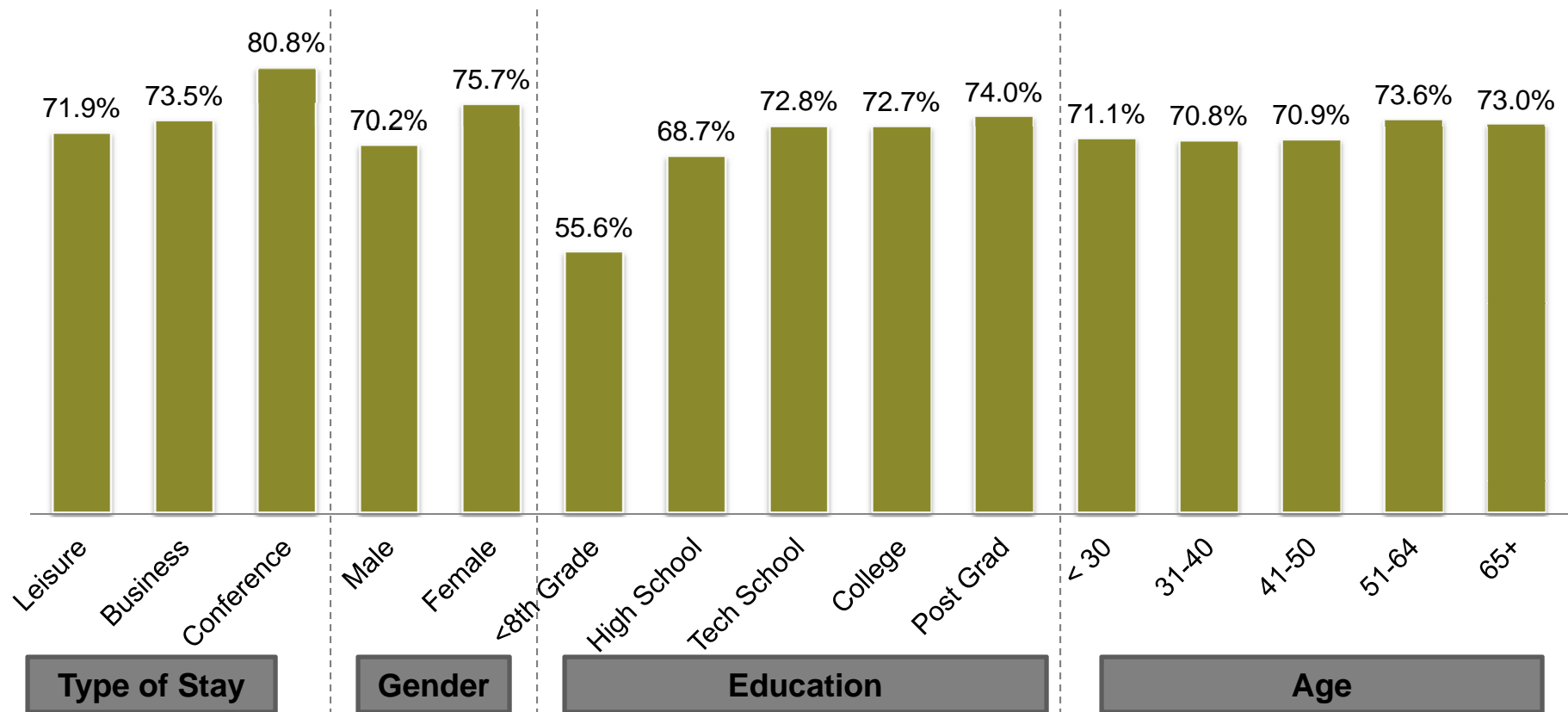
# Top brands by segment

	Brands	% Program Offered	% Participation
Luxury	Fairmont	77.4	81.9
	JW Marriott	72.6	78.4
	Loews Hotel	72.3	77.3
	InterContinental	68.2	74.5
Upscale	Westin	75.7	78.2
	Doubletree	73.6	74.6
	Hyatt	73.5	76.5
	Embassy Suites	73.4	75.1
	Crowne Plaza	71.0	72.2
	Hilton	70.5	75.6
	Sheraton	70.2	76.5
	Wyndham	68.4	80.6

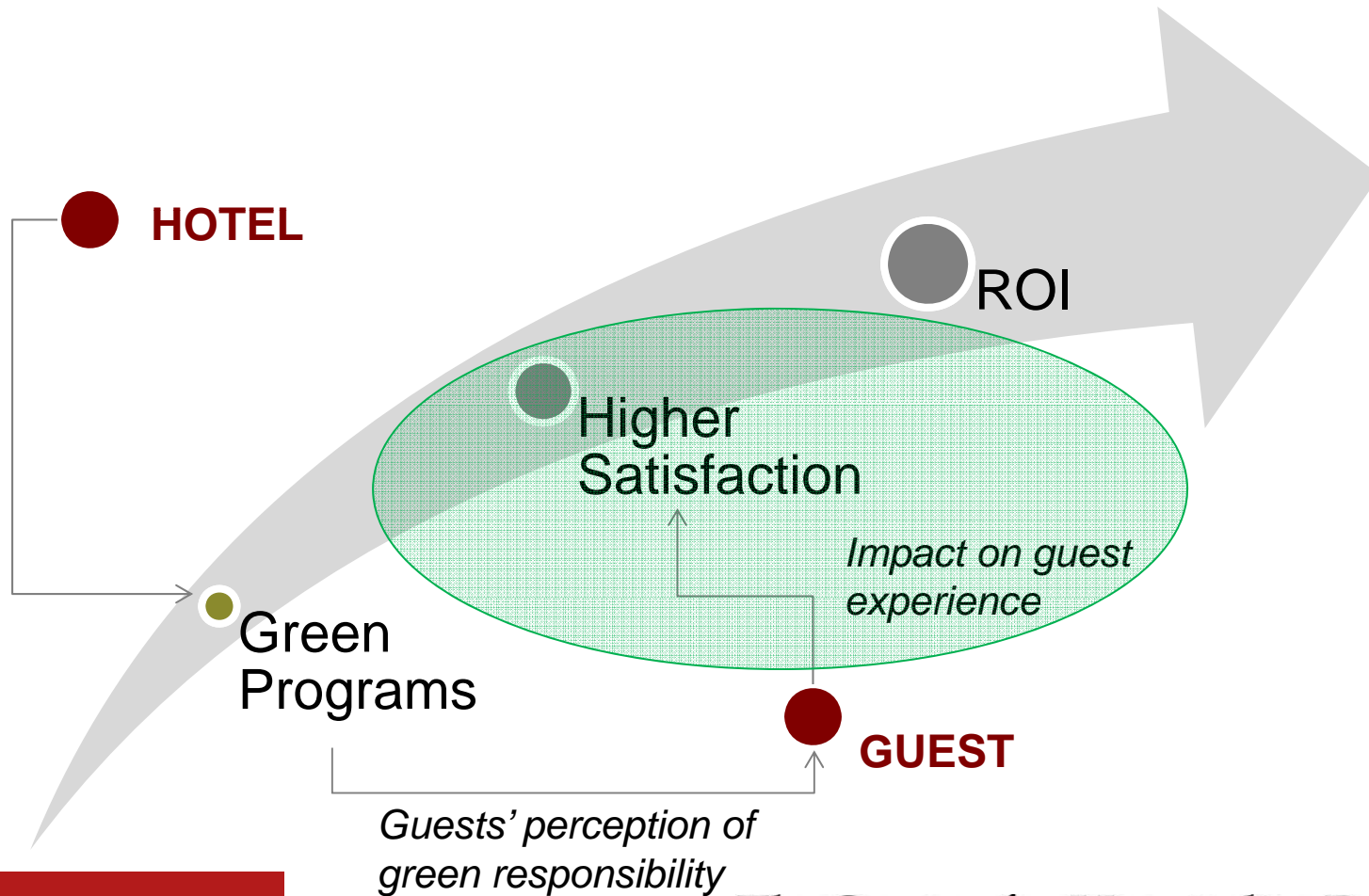
	Brands	% Program Offered	% Participation
Mid scale	Hyatt Place	76.8	73.2
	Hilton Garden Inn	74.2	73.8
	Four Points	69.4	74.9
	Courtyard	67.4	72.0
Economy	Red Roof Inn	50.1	66.9
	Motel 6	49.1	67.6
	Howard Johnson	47.5	69.9
	Travelodge	47.2	72.6
Extended Stay	Staybridge Suites	80.7	77.5
	Hyatt Summerfield	72.4	78.7
	Residence Inn	70.7	79.0
	Extended Stay America	62.0	81.0



Higher participation from conference, female, highly educated and older guests.



# Is there a link from programs and participation to satisfaction?



## Hotels ranked high on satisfaction are not necessarily perceived to be environmentally responsible.

	Brands	Satisfaction Rank	Environmental Responsibility Rank
Luxury	St. Regis	1	10
	Ritz Carlton	2	3
	Four Seasons	3	3
	JW Marriott	4	5
	Fairmont	5	1
Upscale	Embassy	1	3
	Aloft	2	1
	Omni	3	11
	Indigo	4	2
	Renaissance	5	6
	Marriott	6	4
	Westin	7	5
	Hilton	8	9

	Brands	Satisfaction Rank	Environmental Responsibility Rank
Mid scale	Cambria Suites	1	10
	Drury Inn	2	5
	Hampton Inn	3	2
	Hilton Garden	4	4
Economy	Micro Inn	1	1
	Red Roof Inn	2	2
	Super 8	3	5
	Howard Johnson	4	3
Extended Stay	Homewood	1	3
	Staybridge Suites	2	2
	Residence Inn	3	1
	TownePlace	4	5

# Implications

## The Good

- Hotels are offering more varied green programs
- About 70% of guests participate

## The Bad

- Guests are not participating more than before
- Environmental responsibility appears to have little impact on guest satisfaction\*

## The Questions

- Why are guests not participating more? Are these the right programs?
- What is the bottom line?
  - Are people willing to pay more?
  - Are people willing to choose more?





## How you can take advantage of CHR resources

- Get access to latest industry news
- Download reports
- Write reports
- Participate in events
- Participate in research projects
- ...