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THE RELATIONSHIP AMONG GUESTROOM RENOVATION, CUSTOMER SATISFACTION, AND PROFITABILITY

Barry A.N. Bloom

ABSTRACT

This study identifies a negatively correlated relationship between the time elapsed since a hotel's last rooms renovation and overall guest satisfaction, using a secondary dataset of 46 hotels operated under various sub-brands of a major hotel company. The study also identifies a relationship among guest satisfaction scores and common measures of revenue and profitability. In the ongoing discussions between hotel operators and hotel owners regarding capital expenditures, the impact on guest satisfaction should be an important consideration as this study indicates that there is an implicit positive relationship between a recently renovated hotel and higher guest satisfaction scores and profit.