

## **An Empirical Study on Service Quality of Star Hotels: Using Servqual Model**

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### **ABSTRACT**

*Service sector being a significant contributor to the country's GDP, is a significant factor in the sustainable expansion of a country's economy. Hotels are a part of the service sector generating huge amounts of profits throughout the years and expanding their branches throughout the tourism attractions. To ensure sustained profits throughout the years the hotels need to have competitive edge over their rivals in the industry by promising high quality of service. This study recognizes the gaps amid the expectations and perceptions of the customers. This research paper has been prepared by using the most acclaimed model, i.e. SERVQUAL model in the 5-star hotels in Bengaluru city. There has been a gap discovered in the course of conducting the SERVQUAL analysis. Though the expectations and perception of different customers were different the places where the quality of the hotels have to be improved have been circled down to some. Thus, the hotels should make the necessary efforts to match the customer's expectations and perceptions by providing high quality of service and attaining customer loyalty. It is further recommended that the hotels must conduct timely analysis on the service quality provided to ensure constant customer satisfaction by removing gaps identified.*

**Keywords:** Customer satisfaction, SERVQUAL, Expectation, PerceptionS.

### **INTRODUCTION:**

In a country like India where it is said "Atithi Devo Bhava" which means guest is god, quality of service and customer satisfaction is of utmost importance especially in the hotel industry. Hospitality signifies warmth, respect and protection of guests in spirit of goodwill. The hospitality business is a multibillion-dollar industry that relies upon the accessibility of recreation time and disposable cash (Johns, 2018). The increase in disposable income in India has been nearly 9.45% which has led to an expected increase in the growth rate of our hotel industry by 6-7%. The Indian tourism has contributed as one of the main propellers of growth in the hotel industry midst the service sector. India was ranked seventh amongst 184 nations in terms of travelers' contribution to Global domestic product in 2017. Definition of service quality is given as the comparison amid service hope and service conduct. The perception of quality service differs from customer to customer. SERVQUAL is a multidimensional research instrument (i.e. survey or estimation scale) intended to check how effectively the delivery of services is being made by directly taking feedback from the recipients of that service. The expectations and the perceptions component of the SERVQUAL questionnaire consists of 22 items, containing 4 items to gauge tangibles, 5 items for reliability, 4 items to gauge responsiveness, 4 items to gauge assurance and 5 items to gauge

empathy. In reality, it is common to add additional items such as the customers' demographics, previous experience with the brands and behavioral intention.

### **RELATIONSHIP BETWEEN SERVQUAL AND HOTEL INDUSTRY:**

"The customer is always right" is a well-known saying in the business world. Satisfied customers are searching for a noteworthy experience and dynamic service where it really matters. It is a well-known fact that a characteristic of services is perishability, which means that it cannot be stored for consumption later. There has to be simultaneous consumption when the service is actually being provided. In the hotel industry, there are many factors which affect the level of consumer contentment. For example, the availability of a trained team to cater to customers' needs is very crucial. The 3 Rs – respect for customers, resolution of issues and responsibility of the business, must be paid due heed. Lack of personal touch can make customers feel like they are talking to robots while interacting with grievance departments. It's important to be empathetic to the customers and understand their issues, while treating them like real people. In the absence of the following factors, the goodwill of a business can be negatively affected.

### **REVIEW OF LITERATURE:**

(Godolja, 2014) Tourism industry is amongst the most lucrative industries of today, in which customer satisfaction plays a major role. This study focuses on the same for Tirana hotels which is a 4-star hotel. Model used for the assessment of the satisfaction is SERVQUAL. The data collection methodology was through questionnaires where questions were based on 22 variables in various dimensions like Tangibility, Reliability etc. The responses target area was selected randomly because of the huge customer base. There was a total of 94 responses who were asked to rate the hotel on the Likert scale on various parameters and their individual perceptions. Data was analysed using reliability, means and factor analysis. This gives a fair view of the customer perception and expectation. The findings of the study are considered vital for Tirana hotel managers because they must keep in mind that the level of expectation a customer keeps from the service increases once it's improved. Satisfaction of the guests are affected by both palpable and impalpable factors. It gives them a competitive edge well in advance to be able to serve better.

(Dr. Harish B. Bapat, 2015) For the service industry here, the major contributor of growth can be considered as Indian tourism. It's growing at such a pace that in the upcoming future, it might surpass the average global hotel growth as well. Over the next decade the market could reach approximately 84 million international passengers and 337 million domestics. The study uses the parameters of SERVQUAL to find out the current type of products offered and also compares the quality of product offerings of the selected Hotels in the region. It is an explorative research, which deploys statistical analysis tools, after development of defined frame work, like Eigen value scores. This study helps the concerning organisations in identifying gaps and benefitting by offering good quality products.

(Ivana Blesic, 2014) SERVQUAL's application here, has been slightly twisted to gain information about the expectation and perspective of customers of spa hotels. They have adjusted the SERVQUAL model to gain tangible and intangible elements of the spa hotel. The results of the SERVQUAL test resulted in quality improvement in the following sections; food and benefits, responsiveness, entertainment, assurance, empathy, recreation facility, wellness, reliability. This research paper has taken into consideration the efficiency of hotel resources allocation and the way the management of the hotels improve their resources and quality of their services.

(Gabbie, 1996) The Northern Ireland tourism on realising that it needs to increase its profits after being on a low tourism position for years has decided to meet the customers' demand for high service quality. It used the SERVQUAL instrument to explore the relationship between what the recipients visualise and what they actually get amongst the two hotels within the province. They developed a total quality management programme using the findings of the SERVQUAL analysis.

(Juwaheer, 2004) Realising the immense importance of quality service in Mauritius' hotels, SERVQUAL model was applied so that we can know the perceptions of international customers of the Mauritius hotels. They used SERVQUAL along with Varimax Rotation technique for analysing 9 hotel factors out of the total 39 hotel dimensions in order to assess the satisfaction of tourists as to the quality of services of the hotels in Mauritius. By using the regression analysis, they realised that their services fall short due to the reliability attribute of the SERVQUAL model. Using this model, they can direct their efforts towards achieving high service quality and increasing their international tourism.

(Farouk Saleh, 2006) This research attempts to identify the difference between what the customers expect and what they actually get in the five attributes of the SERVQUAL model. It mentions that the model was originally

introduced for analysing the services in the financial sector but due to its wide and flexible applicability, it can be used by various other industries as well. It realised that the gap between the expectations and perceptions signifies the dissatisfaction amongst the customers and can help the management in coming up with appropriate and adequate solutions to eliminate the gaps. It therefore emphasizes on the importance of SERVQUAL model in identifying the attributes that need to be improved and come up with strategies to enhance the management style as well.

(Mei, Amy Wong Ooi) Inspects the components of administration quality in the neighborliness business by stretching out the SERVQUAL scale to incorporate eight new things that explicitly relate to the cordiality business, hence alluded to as HOLSERV. An aggregate of 1,000 polls were conveyed at five mid-luxury lodgings in Australia amid July to October 1998 and a reaction rate of 15.5 percent accomplished. The main finding states that the quality of benefits can be gauged by 3 major factors- conduct and looks of the employees, quality of physical assets of the hotel and how much they are relied upon and the quality of administration is best measured by a variable called “representatives”.

(Rompho) The point here is to focus on the quality of lodging administration dependent on the application of 30 trademark markers through SERVQUAL model demonstrate by observing at least two lodging types, in the area of research i.e. Thailand. The investigation connected a self-directed poll to gauge the desire and view of administration quality qualities of inns in Thailand. A total of 108 usable surveys were broke down. The study proves that the advantageousness of inns there was relatively low. The clients were more concerned about the administration of these inns than businesses themselves. It is concluded that this can be very effective in finding out the efficiency of lodging services. This examination likewise gives a chance to a correlation with different investigations directed beforehand in various parts of the world.

### **Scope:**

The scope of this study is Bengaluru city. The study aims to find out what is it that makes the customers' expectations vary from the actual quality of services received by them.

### **Significance:**

There are various factors that affect a customer's choice of a particular service. When they choose a service, they expect certain things out of it. This model aims at measuring the extent to which their expectations are met by the service providers. The need is to explore the gap between customer expectation and services provided by them. Hence the end result will be to decipher the customers wants and how they can be satisfied.

### **Objectives:**

This research is conducted to find out if any gaps exist between the customers' expectations vs the services provided by the hotels. Hence, the current research focuses on the following:

- 1) To identify the key factor influencing the customer satisfaction
- 2) To find out the difference between customer expectation and reality in Bengaluru.

### **MATERIALS AND METHODS:**

The main focus of the paper is to measure the efficiency of services provided by hotel industry in Bengaluru city. The model developed by Parasuraman, Berry and Zeithaml in 1988, popularly known as SERVQUAL model is used to achieve the objectives of the study. The data was collected using questionnaire based on the SERVQUAL model. The main 5 dimensions of the model were taken into consideration which are namely;

- Tangibles (4 attributes)
- Reliability (5 attributes)
- Responsiveness (4 attributes)
- Assurance (4 attributes)
- Empathy (5 attributes)

For the purpose of the study, 100 respondents were taken who were customers of 5 star hotels from the Bengaluru region. As per 2017 report Department of Tourism, Karnataka, there are 18 approved 5 star hotels. (Indiastat, n.d.) Of these, 4 hotels were selected (approximately 20% which is the accepted sample for social science research) (Suresh, 2012). Using purposive sampling, 25 customers from each of these were selected. The methodology used for the study was 'T Test'. T test is considered to be the most appropriate tool when measuring the before and after effects of a variable where before is expectation and after is perception.

## RESULTS AND DISCUSSION:

**Table showing the calculation of SERVQUAL gap score**

Sl.no	Variable	Average Mean Perception	Average Mean Expectation	SERVQUAL Score (Gap)
1.	T1	4.11	3.91	0.2
2.	T2	4.24	4.03	0.21
3.	T3	4.29	4.21	0.08
4.	T4	4.01	4.12	-0.11
5.	RE1	4.22	4.2	0.02
6.	RE2	4.04	3.96	0.08
7.	RE3	4.13	4.2	-0.07
8.	RE4	4.11	4.05	0.06
9.	RE5	4.22	4.25	-0.03
10.	RES1	3.94	3.87	0.07
11.	RES2	4.18	4.15	0.03
12.	RES3	4.22	3.89	0.33
13.	RES4	4.09	4.01	0.08
14.	A1	4.11	3.97	0.14
15.	A2	4.26	3.97	0.29
16.	A3	3.95	3.86	0.09
17.	A4	4.24	4.35	-0.11
18.	E1	4.01	4.28	-0.27
19.	E2	4.2	4.18	0.02
20.	E3	3.93	3.99	-0.06
21.	E4	4.29	3.98	0.31
22.	E5	4.04	4.13	-0.09

**Source:** Primary data

The above table indicates the gaps found between what the customers expect and what they get of 22 service quality elements of SERVQUAL of hotel industry. The table reveals that in the hotel industry the service quality attributes “RE1”, “E2”, “RES2” and “RE4” show that there is minimum gap between the perception and expectation of customers. This means that the hotel industry focuses on providing timely and efficient services to the customers giving top priority to their convenience. Further, “RES1”, “A1” and “T3” also depict a close match between the expectations and perceptions of customers. All this reveals that the employees of hotel industry are trained to cater to the needs of the customers with utmost dedication possible. The behavior of employees will contribute towards increasing the customers’ loyalty. However, attributes such as “T4”, “RE3”, “RE5”, “A4”, “E1”, “E3”, “E5” display that the customers’ expectations were much more than what they actually received. It has come to light that the ambience of the hotels failed to meet customers’ expectation levels, the records maintained by hotels are not very systematic and lack the necessary accuracy, the training given to the employees fails to empower them to clarify customer queries and serve them as individuals. On the other hand, attributes such as “T1”, “A2” and “E4” indicate that latest infrastructure was incorporated in providing services, customers are made to feel safe in all aspects including privacy, financial transaction and personal records in order to go an extra mile for their customers’ needs. Hence, this shows that hotel industry makes sufficient investment in improving the service quality and in eliminating all the gaps.

Paired sample T test attempts to compare the following parameters

- TE and TP
- REE and REP
- RESE and RESP
- AE and AP
- EE and EP

The hypothesis formulated for the study are given as follows

H01-There exists no significant difference between TE and TP

H02-There exists no significant difference between REE and REP

H03-There exists no significant difference between RESE and RESP

H04-There exists no significant difference between AE and AP

H05- There exists no significant difference between EE and EP

#### Paired Samples Test:

Paired Samples Test:

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair1	TE - TP	.09500	.14888	.07444	-.14191	.33191	1.276	3	.292
Pair2	REE - REP	.01200	.06221	.02782	-.06524	.08924	.431	4	.688
Pair3	RESE - RESP	.12750	.13672	.06836	-.09005	.34505	1.865	3	.159
Pair 4	ASE - ASP	.10250	.16520	.08260	-.16037	.36537	1.241	3	.303
Pair 5	EME - EMP	-.01800	.21183	.09473	-.28102	.24502	-.190	4	.859

From the table above it is understood that there exists no noteworthy gap between the customer expectations and their perception. The T-test shows that all significant values are more than the P Value whose value is 0.05. Therefore, the null hypothesis can be accepted. The pairs 1,2,3,4,5, with the respective values 0.292, 0.688, 0.159, 0.303, 0.859 have a significance level above 0.05

#### CONCLUSION:

From the above research, it can be concluded that there is a gap between what the customers significantly expect before going to a hotel and what they actually experience in the hotel. These gaps are the ones that may reduce customer satisfaction and it's imperative that they are filled as soon as possible. For this purpose, the company needs to adopt an approach of regression of factors. Under this approach, the company can identify the areas it is the strongest at and hence to maintain them at the same level, as well as the areas it is relatively weaker at, in order to find solution as to how to improve the performance in those areas. The hotel must go for comprehensive staff training and try not to promise things that they may not be able to live up to later on. The best way to fill these gaps in expectations and perceptions is by changing the management style and following the recommendations given below

#### RECOMMENDATION:

SERVQUAL, being a popular and widely used tool, can be used by various industries to analyse the service quality. This assists them in understanding where they are lagging behind from their competitors and where can they improve to maintain a competitive edge.

- To fulfill customers' demands, the employees must be given adequate training to enhance their hospitality training. They should be easy to approach, courteous, polite etc.

- There should be state of the art infrastructure in order to attract and retain the customers lifetime value and any sort of obstacles due to lack of communication or resources to cater to the needs of the customers should be eliminated to facilitate smooth operation for the hotel industry
- The materials used in providing services to the customers must be of topmost quality and must ensure complete safety of the customers.
- The hotels must motivate their employees to work not only for the betterment of the hotel services but also for their own career growth. Only when the employees will be able to grow on a personal level, they will be satisfied with their jobs.
- Since, in today's world, customer is considered the king, the needs and the wants of the customers must be thoroughly understood. For this, different methods can be used like regular surveys etc.
- There must be proper and regular evaluation of services provided by the employees of the hotel customer feedback forms can be used for the same.
- A hotel's image can skyrocket if it focuses on customization and personalization of services to meet customer needs. If every customer's individual needs are met then the hotel will gain a competitive edge over its competitors and also be able to keep the customers satisfied.

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