

Assessment of SERVQUAL Model in Hospitality Industry “A Study of Indore”

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ABSTRACT

The purpose of the study is to examine customers' Expectation and perceptions of service quality in the hotel industry at Indore by Gap analysis. A SERVQUAL scale was used to assess service quality perceptions from the perspective of users. Data were collected in 4 hotels in Indore, using a self-administered questionnaire by 180 sample size. The results of the quantitative assessment of perceived service quality may provide some insights on how customers rate the service quality of a particular hotel. Thus, the findings can be used as a guide for hotel managers to improve the crucial quality attributes and enhance service quality and business performance.

Keywords: Service quality, SERVQUAL, hotel industry

INTRODUCTION:

Over the past decade, the Indian economy has transformed from a manufacturing-based economy to a service-based economy. Service Industries are playing an increasingly important role in the overall economy growth of India. Hospitality industry is one of them.

In recent years thrust on customer satisfaction has increased manifold in the hospitality environment because of increased competition, seamless increase in the reach and ability of service and growing customer sophistication. Customers have become more and more aware of their requirements and demand higher standards of services.

It is often argued that the customer attraction costs are significantly higher than the retention costs and hence the degree of satisfaction derived from the delivered services has become the single most important differentiating factor in almost every hospitality industry, in particular, the hotel industry. This has made hotels to constantly search for new and exciting ways to promise more than the competition and deliver on their promise and bring about a feeling that the customer may live up with for a longer period.

Indore is fast developing into an educational hub and a medical tourist destination. Besides, Indore has always been the commercial capital of the state and with newer and larger industries setting up their businesses in the city, the demand for hospitality services has seen a multifold growth. There are various hotels located in Indore and its surrounding vicinity. To name a few: Marriot, Sayaji, Radisson Blu, Effotel, Shreemaya, Best Western Plus, Hotel Horizon, Lemon Tree, Ginger and Red Maple Mashal etc. The presence of these big wheels in the market has made it mandatory for every player to be exceptionally efficient in its service performance.

Customer satisfaction and efficient customer service is a critical component contributing to the profitability of this sector. Customer satisfaction has been shown to influence both loyalty and switching behavior. It is seen that when customers are satisfied with the service efforts, they are more inclined to be loyal to the

organization and continuously show their support through repeat visits and positive word of mouth. Therefore, hotels in this competitive growth market must make a committed effort to provide the services from the perspective of the customers.

Present study attempts to analyze quality of product offerings of the selected hotels in the region to enlighten what is being done and what's needs to be done to enhance their customer satisfaction and experience.

Customer's Expectations of Service

The beliefs about service delivery in the minds of customers are the customers' expectations that acts as benchmarks against which performance of services are judged" (Zeithaml, and Bitner, 1996). These authors argued that customers have different kinds of expectations for service performance (Zeithaml and Bitner, 2003). In hospitality industry customers may have many expectations regarding the performance of services, and they can compare their perceptions regarding the services quality with their expectations. This evaluation is very important for hospitality providers too because it explore the strengths and weaknesses of organizations and help them in gaining competitive advantage (Zeithaml and Bitner, 2003). Failure to understand these gaps will lead to losing a customer to competitors.

Perceptions of Service Quality

Perceptions are always considered in relation to expectations. Perceptions are formed through customers' assessment of the quality of service provided by a company and whether they are satisfied with the overall service (Zeithaml and Bitner, 2003). (Zeithaml, Bitner and Gremler, 2009) Zeithaml and Bitner (2003) argue that because perceptions may shift over time and therefore it is necessary for companies to continually assess customer perceptions (Zeithaml and Bitner, 2003).

SERVQUAL

The SERVQUAL service quality model was developed by a group of American authors, (Parasuraman, Valarie A. Zeithaml and Len Berry, in 1988). It highlights the main components of high quality service. The SERVQUAL authors originally identified ten elements of service quality, but in later work, these were collapsed into five factors - reliability, assurance, tangibles, empathy and responsiveness - that create the acronym RATER. Businesses using SERVQUAL to measure and manage service quality deploy a questionnaire that measures both the customer expectations of service quality in terms of these five dimensions, and their perceptions of the service they receive. When customer expectations are greater than their perceptions of received delivery, service quality is deemed low. The SERVQUAL scale is designed in a form of a survey containing 22 service attributes, grouped into the five service quality dimensions (Zeithaml, Bitner and Gremler, 2009). The level of service quality is determined by subtracting the average score obtained from the expectations section to that obtained from the perceptions section (Weitz and Wessley, 2002). The calculated difference between the expectations and perception ratings constitutes a quantified measure.

LITERATURE REVIEW

JoleenBiziMubiri, (2016) Qualitative and quantitative methods of research were used to collect the data for the research. This included collecting both primary and secondary data to make the research comprehensive and credible. Interviews and questionnaires were used to collect first-hand data while an evaluation of the past literature provided the secondary data. Findings of the research evidenced that there are many factors prompting customer satisfaction. However, the main factors that increased satisfaction combined the quality

of services provided by a hotel as well as customer relationship management. Findings of the research are intended to influence hoteliers to essence on customer satisfaction through strategies such as decent customer relationships management and improvement of the quality of their services.

Mai Ngoc Khuong, Pham Le Hoang Ngan, and Nguyen Thi Minh Phuong, (2015) The study aimed to analyze and test the effects of tangibility, assurance, reliability, responsiveness, empathy, price, and hotel image on guests' satisfaction and their loyalty towards luxury hotels in Ho Chi Minh City. Quantitative research methodology was applied with 255 questionnaires delivered directly to international tourists who were staying at 3-5 star hotels. The empirical results showed that factors of empathy and assurance, tangibility, and hotel image both directly and indirectly affected guest loyalty. Satisfaction affected guest trustworthiness while price negatively and circuitously affected guest loyalty. Reliability and responsiveness did not significantly affect guests' loyalty.

Umesh Gunarathne, (2014) In this research paper, quantitative methods were used. The data were collected through questionnaire which contained five point likert scale Statements. Results of different correlations, Ttest and hypotheses testing revealed a great deal of existing services with customer satisfaction. In order to generate the results employed confirmatory factor analysis by using Smart PLS. Mainly courtesy of attendants, comfort in guestroom, cleanliness and environment of hotel have played vital role in creating serenity and subsequent contentment among customers. The study confirms relationship between Service Quality and customer satisfaction. It seems thoughtful to believe that understanding of customer satisfaction role is extremely significant as it appears key factor in the success of modern organization specially hotels.

Dr. P. Srinivas Rao and Dr. Padma Charan Sahu, (Nov. - Dec. 2013) Customer satisfaction means that how the customer perceives service delivery by service provider. That customer satisfaction is a function of service presentation relative to the customer expectation. For this reason, it is needful to understand how customer expectation was formed in order to identify the factors of service in the hotel industry. As different customers have different expectations, constructed on their knowledge of a product or service.

Philaiwan Chompupor and Siriwan Ghuangpeng (2012): The study explored factors affecting service quality perceived by a local hotel guest based on SERVQUAL framework and the impact of service quality on customer service satisfaction and customer buying intention. A total of 400 questionnaires were collected at, a four star accommodation located in Muang District of Mahasarakham. The questionnaires were distributed to the hotel's guests during October 2011 to August 2012. The study found that SERVQUAL's factors: tangibles, reliability, responsiveness, assurance, and empathy were perceived to have impact on service quality of the hotel. It also found that customer service satisfaction affected customer buying intention.

OBJECTIVE OF THE STUDY:

Identify Gaps to measure the service quality of Hotel Industry in Indore.

HYPOTHESIS:

H_{01} : There is no significant gap between service quality with Expectation and actual hotel services.

H_{02} : There is significant gap between service quality with Expectation and actual hotel services.

RESEARCH METHODOLOGY:

A study of the literature on service quality and especially SERVQUAL helped to set the objectives of this study. The original SERVQUAL questionnaire was adapted to study the peculiar characteristics of the

services provided by hospitality industry. The adapted questionnaire was submitted to a pilot study and with further modifications a final questionnaire with 23 questions was devised. Questionnaire with 23 statements was applied to 180 consumers of Indore, who availed the hospitality service. The expectations and perceptions of the consumers were noted on 5-point rating scale. All the questionnaires were completely and correctly filled. The data was tabulated, analyzed and interpreted. The questionnaire was devised on Likert scale of 1 to 5. The data and the score for each question was collected and tabulated as shown in table 1. As the scale extremities correspond to 1=totally disagree 5=totally agree, the negative difference indicates that there is a gap between the expectations and the perception. Higher score at the perception level is an indication a higher level of satisfaction, and lower score indicates a scope for improvement. Data has been collected from Sayaji Hotel, Radisson Blu, Effotel and Shreemaya in Indore City. Data has been analyzed by SPSS 20. Paired t test was applied for find out the gap between expectation and Perception.

The questionnaire was used to analyze the “gap” in the five dimensions of service quality as shown in the table 1 and the results of the study were presented through the analysis of the data of each dimension and its interpretation. Quantitative data in the form of group interactions was collected as a support to the SERVQUAL data. Quantitative data is used when the solution to a problem is given by an aspect or reality with rigor and generates conclusions that permit generalization. Quantitative data helps the researcher establish reliable conclusions supported by customer views.

Presentation and Discussion of Result

Demographic information in collection was categories into income, age, gender and occupations. Out of 180 respondents, 40% was from income more than 6 lakh and 60% was from less than 6 lakh. 56% respondents were from business class, 44% were from service class. 76% was male and 24% was female. 66% was from more than 40 Years age and 34% were from less than 40 years' age.

ES= Expectation Score, PS= Perception Score, GS= Gap Score

Gap Analysis

Dimension	Statements	ES	PS	GS	T value	P value
Tangible	The hotel has latest equipment	4.88	4.12	-.76	12.779	.000
	The aesthetics (ambience, décor, lighting etc.) of the preferred hotel are appealing	4.89	4.16	-.73	12.031	.000
	Materials associated with the services (general cutlery, crockery, room amenities) are visually appealing in the hotel	4.77	4.09	-.68	12.676	.000
	The hotel provides the Internet accessibility services for its customers	4.44	3.89	-.55	10.984	.000

Dimension	Statements	ES	PS	GS	T value	P value
	The hotel has swimming pool, sauna and gym	4.88	4.04	-.84	11.866	.000
	The hotel has an online reservation system	4.39	3.82	-.57	9.424	.000
	The hotel provides clean and comfortable rooms	4.05	3.47	-.58	11.840	.000
	The hotel has adequate room service facilities	4.52	4	-.52	13.679	.000
	The preferred hotel has efficient housekeeping services	4.65	4.18	-.47	12.352	.000
Reliability	Staff at the preferred hotel is able to provide service as promised	4.61	4.17	-.44	9.950	.000
	Staff of the preferred hotel is capable of handling customers' service problems	4.19	3.72	-.47	10.316	.000
	The hotel performs the promised service right at the first time	4.14	3.59	-.55	11.402	.000
	The hotel maintains error free records	4.84	4.34	-.50	10.498	.000
	The hotel keeps customers informed of its services	4.53	4.14	-.39	11.413	.000
Responsiveness	Staff at the chosen hotel gives prompt service to customers	4.83	4.20	-.63	12.320	.000
	Staff at the hotel is ready to respond to customers' requests	4.46	3.75	-.71	11.493	.000
	Staff at the hotel is always willing to help customers	4.69	4.04	-.65	11.581	.000

Dimension	Statements	ES	PS	GS	T value	P value
Assurance	Staff at the hotel are courteous and friendly with customers	4.04	3.62	-.42	12.372	.000
	The hotel provides a safe environment to stay in	4.32	3.72	-.60	11.319	.000
	Staff at the hotel has the knowledge to answer customers' requests	4.48	3.51	-.97	13.655	.000
Empathy	The hotel gives its customers individualized attention	4.94	4.55	-.39	12.996	.000
	Staff of the hotel understands the specific needs of their customers	4.36	3.89	-.47	12.988	.000
	Staff of the hotel have customers' best interests at heart	4.65	4.34	-.31	11.343	.000

The scores of expectations and perceptions are nothing but the mean of each statement calculated by SPSS. Quality Gaps were further found by subtracting consumer's perceptions from their expectations. Negative scores/gaps indicate that expectations are higher than the perceptions and suggest a scope for improvement.

Tangible: shows the scores of all the nine dimensions of SERVQUAL scales. Tangible dimension of service quality obtained an overall score of -.47 to -.84, which signifies that the expectations of consumers are high in case of tangibles but perception is somewhere low. The largest gap was found in swimming pool, sauna and gym. The result indicates that there should be more improvements in infrastructure and equipment's, besides this it further revealed that better working environment and better infrastructure is a need of time. Hospitality organizations should take the issue of swimming pool, sauna and gym and infrastructure on precedence.

Reliability: It has received five parameters on minimum to maximum score by -.39 to -.55 as least gap score among the entire dimensions. The expectations of consumers from hospitality industry are high regarding the reliability of the services but their experiences The largest gap was found in hotel performs the promised service right at the first time. The gap score in this case indicates a large scope for improvement. The organizations must seriously consider an improvement in their attitude to solve the promised service of consumers sincerely with interest and zeal when they have any.

Responsive: discussed in statement number ten to thirteen. This dimension has obtained a gap score of -.63 to -.71, which is the important gap among dimensions. This is an indication that the perception is much below the expectations and there is a big scope for improvement. The largest gap within the dimension is at question regarding the ready to respond to customers' requests about the time of performing of services and time needed by them to avail the service delivery. The gap indicates that the hospitality organizations must take the issue seriously and invest in training employees/staff for responsiveness.

Assurance: It has received highest a gap score of - 0.97, this dimension relates to the Staff at the hotel has the knowledge to answer customers' requests in the mind of hospitality consumers while experiencing the services. A negative gap indicates that this dimension is important to the consumers and the organizations needs to take measures for employees/staff awareness about their job and behavior for required quick reply in the form of answer. Consumers are looking for a more decent and secure service experience and hospitality industry has to consider this aspect seriously.

Empathy: It has received the gap score of -.47 it indicates the dissatisfactions of consumers about the Staff of the hotel understands the specific needs of their customers. This gap score among the statements which indicates that hospitality organizations will provide proper understanding to their customers. Therefore, organizations should improve their operational strategies so that customers get the convenient for avail hospitality services.

So overall gap score is between -.97 to -.39 and p value of all parameters is less than to .000 that's why null hypothesis has been rejected and converted into alternate hypothesis. Which says about presence of gap that should be taken as improvements from industry. The total average SERVQUAL gap for all the five dimensions has received negative gap score as discussed by Parasuraman et al (1991). These gaps suggests a need for improved communication within the organization, better understanding, commitment of management, affective team work, proper goal setting, and standardization of tasks. The result indicates a great opportunity for hospitality industry to improve the entire service providing mechanism.

CONCLUSION:

The results revealed from this study highlighted the quality of services provided by hospitality industry. The quality of the hospitality services provided by organizations must be reviewed as the expectations of the consumers are ever increasing. Hospitality services providers must adapt to the latest technology and switch over to latest technology after leaving traditional one. This is the big need of the time. The negative average gap scores of all the dimensions indicate discrepancy between the expectations and perceptions. The service experiences are generating unsatisfactory perceptions among the hospitality consumers. The hospitality organizations should seriously consider about the quality issues and measure to tackle them.

The objective of the study was to assess the quality of services hospitality industry is providing, by applying SERVQUAL instrument. The study is a small contribution towards improving the affectivity and efficiency of hospitality industry by analyzing the results of this study.

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