REVIEW OF LITERATURE ON SERVICE QUALITY OF HOTEL INDUSTRY

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Abstract

The hotel industry has peculiar features being a 24/7 open service industry with a primary objective of providing accommodation, food and basic amenities. Being a service industry, Service quality is a vital requirement and determinant of competitive advantage for creating and continuing positive and satisfactory associations with the customer in hotel industry. Numerous researchers worldwide studied the Service quality gaps in Hotel Industry, dimensions of hotel service quality, expectations and perceptions of hotel service quality and its relationship with customer satisfaction. This paper presents an overview of the literature regarding the service quality of Hotel Industry and studies analysing service quality gaps, studies analysing factors influencing expectations and perceptions of hotel customers. It further provides the review of studies applying SERVQUAL as a tool for measuring service quality and the reliability and validity of the SERVQUAL scale.

Keywords: Hotel Industry, Service Quality, Expectations, Perceptions, Hotel Services, SERVQUAL

Introduction

Tourism is an engine of cultural exchange that enables tourists to explore and discover the beauty, art and history of the world. Tourism endeavor invites people across the world to come and visit a country or a destination. There are mainly two types of travellers, business travellers and leisure travellers. Business travellers visit many places for their business development. Hotel industry caters to their business needs like organizing meetings, conferences, exhibitions and various business events. Hotel rooms are well equipped with various types of suites to facilitate business matters. Hotels provide a full range of catering services for such business events. Leisure travellers visit various places for sightseeing, relaxation and family functions.

Online Travel Agents (OTAs) offering a single marketplace for all travel-related needs, led to fierce competition in hotel service providers. Meta search-engines like TripAdvisor and MakeMyTrip emerged as new platforms for online hotel discoveries and reservations. In the midst of this competitive environment, hotels need to retain their customers and to attract new customers for increasing the market share and consequently the hotel revenue, which is directly related to guest satisfaction. A satisfied guest acts as a 'Brand Ambassador' for the hotel wherein he stayed. Here Service quality plays an important role. Service quality is antecedent of customer satisfaction. Service quality is the difference between perceptions of the customers and expectations of the customers. The negative difference

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between the perceptions and expectations is considered as the service quality gap.

Objectives of the Study

1. To review various studies on service quality of hotel services.
2. To review SERVQUAL studies in hotel industry.

Hypothesis

1. SERVQUAL is a suitable tool to analyze the service quality of hotel industry.

Methodology

This study is based on descriptive data. The secondary data used for this paper is various books, journals, dissertations, online research articles, research agency reports, eBooks, hotel & government websites, etc.

Discussion

This section presents a critical review of studies on different initiatives towards service quality of hotel services, gap model of service quality, used in previous studies and relevant research methodology and survey techniques or tools. It gives a review of applications of SERVQUAL in the hotel industry with a view to identifying the dimensions of service quality. The studies are classified in three sections below:

1. Service Quality in Hotel Industry
2. Studies Analyzing Service Quality Gaps
3. Studies Analyzing Factors Influencing Expectations and Perceptions
4. SERVQUAL as a Tool for Measuring Service Quality
5. Reliability and Validity of the SERVQUAL Scale

Service Quality in Hotel Industry

Service quality is a subjective concept, measuring the difference between expected service and perceived service, related to meeting or exceeding the expectations, aimed at the excellence of service performance. Parasuraman, Zeithaml and Berry (1985[i], 1988[ii] and 1991[iii]) conceptualized the 'Gap Model' of service quality and after refinement and reassessment developed an instrument for measuring the service quality in service organizations, known as SERVQUAL. It was developed, tested and adapted during various researches in cooperation with the Marketing Science Institute from Texas and numerous companies operating in the service sector. The model is based on the comparison of the expected service and the perceived service and believes that service quality is the gap between expectations and perceptions reflecting the client's evaluation of service quality (Griznic 2007[iv]). Hence, it was named the 'Gap Model' of service quality.

The SERVQUAL scale consists of 22 items of service attributes, which can be classified into five dimensions of service quality for assessing customer perceptions and expectations regarding the quality of service. A level of agreement or disagreement with a given item is rated on a seven-point Likert scale. Parasuraman et al. (1988) asserted that the SERVQUAL scale deals with perceived quality and looks specifically at service quality, not customer satisfaction. They further stated that perceived service quality is a global judgment or attitude concerning the superiority of service whereas satisfaction is related to a specific transaction. Perceived quality is a form of attitude, related to, but not the same as satisfaction, and resulting from a comparison of expectations with perceptions of performance (Rowley 1996[v]).

According to PZB (1990), **Service quality scores (Q) can be measured by subtracting the customer's perception score (P) from the customer's expectations score (E).**

It can be denoted by the equation: $Q = P - E$. The results of the equation are used to identify positive and negative gaps. A positive result means that the perceived service exceeds the expected service, while a negative result means low quality of service. PZB reported that the scale had

a reliability rating of .92 and ranked the five dimensions in the order of importance as reliability, assurance, tangibles, responsiveness, and empathy. Gabbie and O'Neill [vi](1997) analyzed service quality in Northern Ireland Hotel Sector with SERVQUAL and reported that the customers had higher expectations for reliability followed by the assurance, whereas, they had lowest expectations for tangibility and empathy.Mei et al. [vii](1999) studied three dimensions of service quality: employees, tangibles and reliability in five mid-luxury hotels in Australia. While using HOLSERV scale, they focused on the employees as being the most critical dimension of service quality. They identified that the urge for improvement in the behaviour and appearance of hotel employees was crucial to enhance consumer perceptions of service quality.

Lau et al. (2005)[viii] examined the relationship between the overall satisfaction level and five dimensions of service quality for Four and Five-Star hotels in Malaysia. They found a significant difference in the role of dimensions determining overall satisfaction level for these two classes of hotels. They concluded that in the case of four-star hotels, tangibility, empathy and assurance dimensions constituted overall satisfaction whereas, responsiveness and reliability, did not contribute to the overall satisfaction level of customers. In the case of five-star hotels, tangibility, reliability and assurance, constituted the overall satisfaction, whereas, empathy and responsiveness, did not significantly contribute to the overall satisfaction level of customers.
Karunaratne and Jayawardena (2010)[ix] assessed the level of customer satisfaction in local and foreign guests in the Five Star hotel in Kandy district of Sri Lanka. They used a SERVQUAL based questionnaire with 49 questions based on 22 variables of the five dimensions of Tangibility, Reliability,

Responsiveness, Assurance and Empathy, using Five-Point Likert Scale. They assigned Cumulative Average Ratings (CAR) to the expectations, perceptions and the customer satisfaction and found that Staff Appearance scored the highest rating, however, the hotel failed to fulfil the customers' expectations about Reliability and Empathy with least CAR scores. They noted that the highest proportion of tourists was from Middle East countries, and most of them were Muslims. However, hotel staff lacked the knowledge of other cultural and religious practices. They concluded that the hotel industry should consider the culture of customers in order to improve its services.

Marković S. and Raspor S. (2010)[x] examined domestic and international tourists' perceptions of service quality in the Croatian Hotel Industry using a modified SERVQUAL scale. They deleted one original SERVQUAL item and included eight new items, leaving a total 29 attributes of hotel services represented seven dimensions: tangibles, reliability, responsiveness, assurance, empathy, accessibility and output quality. They identified the negative service quality gap and revealed that reliability, empathy and competence of staff, accessibility and tangibles were the key factors of customer expectations influencing perceived service quality. They also concluded that their modified version of the SERVQUAL model was suitable for easy interpretation and for getting reliable data of customers' perceptions for hotel services.

Bucak (2014)[xi] in his paper titled 'The Effect of Service Quality on Customer Satisfaction: A Research on Hotel Businesses,' analyzed impact of service quality on customer satisfaction in 13 hotels of Turkey. He used SERVPERF scale developed by Cronin and Taylor (1992),[xii] taking performance as the base of service quality and the five dimensions given by PZB. He

identified that empathy was the significant factor of perceived service quality determination in the selected hotels. He also noted that major tourist composition of Civil servants and self-employed people, should be taken care of while designing service strategies to achieve customers satisfaction. He also pointed out that staff satisfaction is too an essential factor to enhance customers satisfaction.

Studies Analyzing Service Quality Gaps

Saleh and Ryan (1991)[xiii] examined the hotel managers' perception of consumer expectations in a 300 bedrooms Four Star Canadian hotel using modified SERVQUAL with 33 items on Five-Point Likert scale. They identified a major negative gap in management's perception of customers' expectations and perceptions and actual customers' expectations and perceptions, resulting in customers' dissatisfaction. Douglas and Connor (2003)[xiv] studied to investigate the management perception gap in the hospitality industry of Northern Ireland. They tried to find out the difference between consumer expectations and management's perceptions of consumer expectations. They found that there was a significant gap between managers' perceptions of consumers' expectations and actual consumers' expectations.

Studies Analyzing Factors Influencing Expectations and Perceptions

Jeong Miyoung (1993)[xv] in his M.S thesis studied consumers' attitudes of fast-food restaurants in hotels. He revealed that fast food operators needed to understand customers' expectation of in-hotel fast food restaurants and to develop their marketing strategy with a view of making their products and advertisements based on customers' perceived expectations. Ndhlovu Jabulani (2001)[xvi] in his study titled 'An examination of customer service employee's self-efficacy, job satisfaction, demographic factors and customer perception of hotel service quality delivery in Jamaica' revealed that customers perception of service quality in hotels differed by age and education. Further, he noted that the perceived service quality in select hotels did not differ by gender.

Sidin et al. (2001)[xvii] explored the factors influential to the perceived service quality in hotels of Kuala Lumpur, Malaysia and found that Personal Services, Technology Innovations and Food Quality had a strong positive association with the service quality using regression and correlation analysis. He identified negative service quality gap in all five dimensions of SERVQUAL with significant difference among all dimensions for service quality scores using ANOVA analysis and noted the rising level of expected service as the major factor behind negative service quality.

Widjaja (2005)[xviii] studied how to manage service quality in the Hospitality Industry through managing the 'moment of truth' or service encounter. She analyzed the problems and challenges in managing service encounters and found that service encounter was a critical part of the service delivery process that affects the perceptions of customers. She pointed out the substantial role of non-verbal cues, cultural aspect, purchase motivation and effective use of service blueprint in managing the service encounter effectively. She concluded that adding more tangibility in the service encounter would be helpful to reduce wider service quality gap.

Siddique et al. (2013)[xix] examined the service quality in three Five-Star Hotels in Bangladesh, identified the moderate level of service quality and revealed that Service design failure due to lack of understanding customer needs, as the primary reason behind the service quality gap.

SERVQUAL as a Tool for Measuring Service Quality

Whether service quality to be measured as the customers' perceptions-expectations gap, or whether some alternative approach to be used; remained the key question of debate in service quality studies (Markovic and Raspor 2010). Carman (1990)[xx] identified that SERVQUAL measures the expectations and perceptions at the same time; hence, proposed service performance as the only criteria for assessing service quality. Cronin and Taylor (1992, 1994), Teas (1994)[xxi], Brady et al. (2002)[xxii] criticized the SERVQUAL scale for using the customers' expectations as a standard for measuring service quality because of the dynamic and subjective nature of the expectations.

Additionally, they opined that expectations do not provide extra information in measuring service quality for many reasons such as difficulty in contacting the customers under the study before their arrival to the hotel, absence of the beforehand-after approach in data collection and hence concluded that the gap model measures expectations and perceptions at the same time.

Buttle (1996)[xxiii] contradicted the disconfirmation paradigm as the basis of the gap model, instead of an attitudinal paradigm. Secondly, he argued the assumption that customers will assess service quality in terms of the perceptions-expectations gap. Further, he pointed out the difficulty in measuring the expectations and the confusion created by SERVQUAL questionnaire in the minds of the customers. He further emphasized the significance of service encounter over expectations in evaluating service quality. However, despite these odds, he supported the model as a very good tool for understanding customers' expectations and making service improvements.

Reliability and Validity of the SERVQUAL Scale

Teas (1994) pointed out the validity issue as the dynamic expectations and misinterpretations of the expectation questions by customers result in a considerable part of the variance in expectations scores influencing service quality gap. On the contrary, Lam (1997)[xxiv] found evidence of the consistency, validity, reliability and predictive validity of SERVQUAL and its applicability to the health care services in Hong Kong. However, he suggested modifications in the dimensionality of Gap model before applying it to any specific sector.

Atilla Akbaba (2006)[xxv] in his article titled 'Measuring service quality in the hotel industry: A Study in a Business Hotel in Turkey' supported the conceptual framework of the SERVQUAL and found good internal consistency in the attributes of service for each dimension and specifically pointed out the prerequisite of the cultural context of the particular service segment for applying SERVQUAL.

Conclusion

This review revealed that the Gap Model of service quality is a multi-dimensional construct, which is widely used and accepted by numerous researchers in various service sectors. Some researchers focus on the dimensions of service quality, while some of them focus on the service attributes of hotel services. Some studies concentrate on the factors influencing service quality, while some studies concentrate on the impact of service quality. In short, the SERVQUAL is the suitable tool to analyze the service quality of hotel industry.

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