

Quality of Service in Hospitality Industry: An Empirical Study

Amanjot Kaur Gill* and Sandeep Singh Gill**

The service industry today occupies a prominent position in the economy of the developed as well as developing nations. There is a perceived need for documented and organized literature on how to achieve quality in the delivery of service in organizations. Service quality is a measure of how well the level of service delivered matches customer expectations. Hospitality sector is a major service oriented sector in the economy of a nation. The present work studies the delivery of service quality in hotels in Ludhiana- An industrial city in the state of Punjab in India.

A hotel service system is visualized as a conglomeration of several service delivery subsystems which are interrelated through internal customer-supplier relationships to provide hospitality to its customers.

In the present study, quality issues in service industry have been analyzed using gap model for hotel service. The purpose of this study is to determine how well these hotels are meeting customer expectations on specific dimensions of service quality.

The study reveals that the gaps between customer's expectations and satisfaction level are high for facilities provided, comfort, food quality, brand image and advertisement. High gap exists regarding the awareness levels in hotels regarding the expectations of the customers i.e. what is expected by the customer and what is perceived by hotels as the need of the customers. High gap exists for interaction of the customers with the top management as well as the methods of interaction.

1. Introduction

In the coming of post industrial society, Bell (1973) used the metaphor of game to describe how the nature of work has changed as the economy has evolved over the years. Work was initially a "game against nature" in which brawn and energy were the skills to work in the land and sea for various purposes. Next came, "game against fabricated nature", in which efficiency and organization were used to produce a stream of goods from people and machines.

*Amanjot Kaur Gill, Assistant Professor, Department of Business Administration, Guru Nanak Dev Engineering College, Ludhiana, India, Email: ssg270870@yahoo.co.in

**Sandeep Singh Gill, Associate Professor, Department of Electronics Engineering, Guru Nanak Dev Engineering College, Ludhiana, India, Email: sandeepgill27@yahoo.in

This will be followed by the emergence of a service-dominated post-industrial economy in which work become a “game between persons” – between teacher and student, between bureaucrat and client, between hotel clerk and guest – in which interpersonal skills must supplement technical skills if the game is to be played well.

With the life getting sophisticated day by day, the variety of services is also rapidly increasing. A century back, the services of importance were primarily education, banks and health care. Now it spans a vast continuum: the beauty parlors and entertainment service to the insurance service and coaching centre. In a recent study to investigate the customer switching behaviors in service industry, a sample of as much as 45 different services shows that while these services are diverse, they are also distinctly different and often have peculiar characteristics of their own such as beauty parlor, auto mechanics, insurance agents, dry cleaners, professional gymnasiums, hotels, accountants, etc. (Keaveney, 1995). The importance of services in relation to that of manufacturing activities is increasing rapidly. The emerging concept of hollow organizations points to the trend that will dominate the future. The manufacturing organizations (say, a major automobile company) will out-source more than 90% of its production activities to the vendors. It would only assemble the final product, put its brand name on the product and market it. Their entire operation, except a small part, would thus turn service in nature. It can be concluded therefore that the service sector is going to play a significant role in shaping the future of economy and the economy of future. Consequently, the focus of the studies in the area of management activities and decision models, which at present are highly biased towards manufacturing operations, will be gradually shifting towards service operations.

Providing hospitality to strangers has been a social and religious practice in the long history of human kind. The advent of rapid industrialization has necessitated movement of persons for business and commercial needs. Movement is also growing for sightseeing and excursion purposes. Besides, the availability of easy and multiple modes of transportation have resulted into movement of large number of people. Consequently, over the time, demand for lodging and boarding has got multiplied. This has resulted in the establishment of separate institutions called ‘hotels’. In the past, the hotel industry has been one of individual ownership. Because of the average hotel size, an individual businessman has been able to finance a hotel-keeping operation and keep the ownership and management united, i.e. the owner takes care of all managerial activities by himself. Over the years, skyrocketing costs have resulted in the formation of hotel groups/chains. They employ a sizeable manpower and offer a large number of facilities and sophisticated gadgets. The control of management has been transferred from owner to the professionally qualified managers. In addition, a maze of complex scientific, financial and operating systems are used for an efficient running of a hotel.

Type of services provided by a typical modern hotel can be broadly classified as primary, secondary and additional services. The primary purpose of a hotel is to provide the customer with lodging and boarding. Secondary services include services which enhance the quality of primary service. It makes the stay in the hotel more enjoyable. The services provided in this category include entertainment services, swimming pool, dance room, gymnasium, games and sports facilities, television, internet,

teleconferencing and other business related services and comfortable lobby space. Certain additional services called value added services are added services to the basic hospitality service which include Conference room facilities, transportation service, business centre and mail-handling facilities, telephone service in the room, health related service, money changing facility, shopping complex, exhibition rooms and sightseeing service etc.

In today's era of liberalization and globalization, every industry faces increasing competition. Hotel industry is no exception. Rather, the presence of so many hotel groups in the market ensures that the level of competition remains considerably higher than many other service industries. It becomes increasingly difficult to keep one's market share intact for a long time. For any hotel, a reasonable utilization of its room capacity is essential to earn a reasonable rate of return. Hence, retaining regular customers and attracting new customers are the priorities for the management. Any hotel which wants to retain the customers in the long run will have to constantly outperform the competitors when it comes to customer satisfaction. This requires that customer dissatisfaction should be avoided at any cost. The present work is an attempt to analyze and provide a feedback to the hotels so that they can bridge this gap.

2. Literature Review

Many researchers have studied the hospitality industry in general and hotel industry in particular regarding the quality of service provided by these organizations. A review of some of these works is presented.

Parasuraman et al. (1985) have suggested that face-to-face interactions, developing customer trust through long-term strategy, understanding customer habits to consume, pre-testing new procedures and equipments, teaching consumers regarding use of service innovation would help in closing the standard gap between customer expectation and customer perception.

Gronross (1987) has reported that functional quality is a more important dimension of perceived service than technical quality. Essence of service quality lies in improving the functional quality of a firm's service by managing the buyer-seller interaction as compared to traditional marketing activities. He emphasized the need for more research on consumer's view of service quality.

Lewis (1987) has examined hotel services quality in relation to the services quality model suggested by Parasuraman. These findings could have considerable impact for hotel service marketers.

Graham (1987) has said that customer judgment, customer panels and outcome plus delivery are important for better service quality. Firms organize panels of 15-20 customers who meet 3-4 times a year. Only customers can judge quality and not the manager or employees.

Denton (1990) has found that for the improvement of service quality – managerial vision, innovation, setting of standard and performance measuring is important. Shanker (1990) emphasized that sales promotion in hotel marketing does not consist merely of a series of schemes defined in terms of time but also certain schemes that are ongoing in nature. These are travel workshops; sales seminars; trade and consumer fairs and exhibitions; travel trade conventions and conferences; educational tours and direct mail promotions.

Bowen (1990) has reported that 72% of GDP of USA was contributed by service sector in the year 1988. Baldacchino (1995) has postulated that total quality management (TQM) has become popular in the hospitality industry. Gundersen et al. (1996) have reported that in their quest for improved quality, hospitality industry managers often face two major obstacles viz. they do not know what aspects the guest considers to be important when evaluating the hotel experience, and they do not have reliable and valid instruments for measuring quality perceptions.

McKenna (1997) has said that in service organization, marketing is everything and everything is marketing. The underlying idea is that everyone in the organization who is in customer contact should be oriented towards customer relations. Jones (1997) has surveyed two hundred and ninety nine customers staying at eight small hotels/guesthouses in the UK, who were asked to provide written free responses indicating the best and worst aspects of the service they had experienced. Service quality attributes were identified as 'satisfiers' or 'dissatisfiers', and as relating to tangible or intangible aspects of the guest experience. Service quality scores based upon both aspects and attributes showed good agreement with customer satisfaction ratings and revealed clear differences between establishments. Tangible aspects of service quality were most frequently mentioned overall, but intangibles showed the greatest power to discriminate between establishments. Customers' comments were used by some service providers to correct faults and to focus staff onto customer needs.

Armstrong et al. (1997) have said that early service quality research posited that service quality is the gap or difference between "perceptions and expectations". Ekincia and Riley, (1998) reported that, despite progress in using the gap model and its associated instrument SERVQUAL, all the original problems remain in place. A model was prepared and tested using different scaling techniques and advocacy of the adoption of a wider psychological perspective.

Spinelli and Canavos (2000) found a statistical connection between employee satisfaction and guest satisfaction. Regarding employees' satisfaction, the data indicated that monetary factors can be dissatisfiers. The best way to build employee satisfaction is to let employees know that their efforts are appreciated; that they can participate in decision making; and that they observe all employees working enthusiastically together to provide excellent service. Guests responded favorably to personable staff members who are quick and competent. Cleanliness of the room ranked high, while guests reported being most dissatisfied with the hotels' food quality and value.

Raymond and Choi (2001) examined the relative importance of hotel factors in relation to travelers' overall satisfaction levels with their hotel stays in Hong Kong and the likelihood of returning to the same hotels in their subsequent trips. Using a factor analysis technique, the study identified seven hotel factors that were likely to influence customers' choice intentions: 'Staff Service Quality', 'Room Qualities', 'General Amenities', 'Business Services', 'Value', 'Security' and 'IDD Facilities'. Multiple regression analysis technique was then applied to examine the relative importance of each of these hotel factors in determining travelers' overall satisfaction levels and their likelihood of returning to the same hotels. In order of importance, 'Staff Service Quality', 'Room Qualities' and 'Value' were the three most influential factors in determining travelers' overall satisfaction levels and their likelihood of returning to the same hotels.

Su and Allan (2004) have focused on hotel guest comment cards (GCCs) and customer satisfaction management schemes in Taiwan. Content analysis was used to determine the extent to which each hotel's comment card design corresponded to the identified best practice criteria. Results revealed that no single hotel analyzed within the survey sample of study meets all identified best practice criteria for their GCCs. It has been recommended that the hotel industry in Taiwan reexamine its approach to evaluating customer satisfaction, with the goal of achieving conformity to all critical best practice criteria.

Mahadevappa (2004) presented the finding of an empirical service quality perception study undertaken in five nationally reputed banks in India. The primary objective of the research project conducted at the University of Mysore was to determine how well these banks were meeting customer expectations on specific dimensions of service quality.

Akbaba (2005) has said that the role of service quality in the success of hotel businesses cannot be denied. It is vital for the hotel managers to have a good understanding on what exactly the customers want. Identifying the specific expectations of customers, the dimensions of the service quality, and their relative importance for customers for each specific segment of hotel industry would definitely help managers in the challenge of improving the service quality. The business travelers have the highest expectations for the dimension of "convenience" followed by "assurance", "tangibles", adequacy in service supply", and "understanding and caring".

McCaina and Shiang-Lih (2005) conducted a gap analysis between loyal customers and potential switchers in evaluating service quality attributes. It was found that the top three gaps were all related to the functional quality (interactions between customers, and employees), not technical quality and customer relation.

Based on the review of past works, the necessary conceptual framework to undertake the present study is designed. The above mentioned studies provide a great help in designing the methodology of the present study.

3. Methodology and Model

This study attempts to prepare guidelines for hotels in their endeavor to achieve excellence in service. It outlines how a service organization can start the process of quality improvement and carry out a quality management programmer. The focus of this study is on hotel organization.

The basic objectives are as follows -

- To study the process of service provision adopted by the Hotel.
- To assess the service quality perceptions of hotel service providers.
- To assess the expectations of customers.
- To identify the service quality gaps using GAP Model.
- To suggest the measures to bridge such gaps.

Service quality can be viewed from two perspectives – internal and external. Internal quality is based on the conformance to specification. External quality is based on relative customer perceived quality. According to Parasuraman et al. (1994), four distinct gaps on the service provider side can impede delivery of service that consumer perceives to be of high quality. These gaps are:

- Gap 1: Not knowing what customers expect.
- Gap 2: Not selecting the right service design and standards
- Gap 3: Not delivering to service standard.
- Gap 4: Not matching performance to promises.

The research design of this study is descriptive. By conducting the study the reasons for service quality gap between customer expectation and hotel service providers' perception in various hotels of Ludhiana are determined. The population consists of all the hotels of Ludhiana, which are recognized by Federation of Hotel & Restaurant Associations of India or are Govt. approved. It includes owners and administrators of various hotels and customers seeking hotel services. The sample size of this study consisted of 19 hotels. Sample size also included 10 customers of each hotel. In total 190 customers have been surveyed.

Data collected consist of both primary and secondary data. Primary data is collected from various hotel service providers and secondary data is collected from journals, internet and tourism ministry. The source of data for this research was the response of the hotel service providers and customers on the individual questionnaire. Data collection technique for hotels is schedule method and for customers is questionnaire method. Observation method is also used to study the physical evidence of hotel organizations. Statistical techniques of t-test (paired t-test and t-test for independent variables) were used to analyze the data. t-test was used to test the significance of difference in mean scores of different variables for which gaps existed. If the calculated value of Q_tQ is $R t_{0.05}$, the difference between the sample means is said to be significant at 5% level of significance, otherwise the data are said to be consistent with the results (Kapoor and Saxena, 2001).

4. Results and Discussion

The results of the analysis of service quality gaps are presented in this section.

Table 1: Customer Gaps (Paired T test)

Item in the questionnaire	Degree [♦] of Imp	Degree [♥] of Sat.	Gap.	t-value
Easily approachable	4.1	4.13	0.03	-.625
Brand image	3.62	3.96	0.34	-4.574*
Advertisement	3.05	3.27	0.22	-3.481*
Price	3.71	4.04	0.33	-1.115
Facilities	4.37	3.96	-0.41	6.310*
Comfort	4.59	4.0	-0.59	12.488*
Food Quality	4.65	3.80	-0.85	12.116*

* Significant at 5% level

Gaps exist between the basis of selection (degree of importance) of hotels and satisfaction level of the customers. High gaps exist for food quality (gap = -0.85), comfort (gap = -0.59), facilities provided (-0.41). This indicates that the customers consider these factors prominent for the quality of service delivered by hotel service providers. Low gaps are present for approachability, advertisement and price charged for the services provided by the hotel service providers. The negative gap shows that the customers are not satisfied with these factors, but they consider them very important. The positive gap shows that the customers are satisfied with the services rendered by Hotels. Positive gap is a kind of appreciation for hotel service providers.

4.1 Gap 1: Not knowing of what customers expect

Table 2: Gaps between efforts made to know customer expectations

	Per [‡]	Exp [#]	Gap	t-value
Efforts made (overall)	6.21	3.78	-2.43	1.805*
Through mkt. research	4.56	3.55	-1.01	1.479*
Face to face interaction	5.81	4.68	-1.13	2.347*
Seminars	2.86	2.68	-0.18	1.294*
Written feedback	6.25	3.91	-2.34	1.564*

* Significant at 5% level

High gap for not knowing the expectations of the customers i.e. what is expected by the customer and what is perceived by hotels is present. Methods used to know customer expectations indicate high gap in written feedback. Medium gaps existed for the other methods i.e. face to face interaction and through market research. Very low gap existed for the seminars conducted in this regard.

Table 3: Gaps for interaction between top management and customers

	Per ^y	Exp ^u	Gap	t-value
Management interaction	5.85	3.71	-2.14	-.974*
Face to face	5.67	5.01	-0.66	-0.701*
Written comm.	5.61	4.10	-1.51	1.149*
Thro' telephone	5.93	3.47	-2.46	1.515*

* Significant at 5% level

High gap exists for interactions of the customers with the top management, which is clearly testified by t-value. The methods used for interaction between top management and customers indicates low gap for face-to-face interaction, medium gap for written communication and high gap for interaction through telephonic conversation with the top management.

Table 4: Gaps for efforts made to maintain relations

Per ^u	Exp ^u	Gap	t-value
6.38	4.27	-2.11	2.773*

* Significant at 5% level

High gap exists for efforts made to maintain relations with the customers, which surely negates the claim of hotel service providers for maintaining relations with their customers to increase the retention rate through various means of like informing them of new policies providing gifts and providing service according to customers expectations.

The various methods used for imparting knowledge/education to the customer regarding the services existing in their respective organizations indicate that gaps are significant. The customers were not satisfied with the complaint handling system of hotel service providers. There exists huge gap on this issue as most of the hotels were reluctant to provide information regarding complaints made by their customers.

4.2 Gap 2: Not selecting the right service quality design and standard

Service quality design is fully standardized for all the recognized hotels. It is based on the Rules and Regulations of Ministry of Tourism and Federation of Hotel and Restaurant Association of India. So customer defined service design and standards are less important. So high gap is present in level of standardization of hotel services and customer defined standards.

4.3 Gap 3: Not delivering to service standard

All the hotels have considered the communication skills to be most important for the selection of the employees. Factors like educational qualification and concern for customers have also been considered important. But the customers reject the claim made by hotel service providers as is clear from very high gap existing on the issue of complaints.

4.4 Gap 4: Not matching performance to promises

There has been fulfillment of the promises made to the customers. Over promising has never been done as claimed by hotel service providers. But the customers are not completely satisfied with the services provided. So, gap exists. Hotels have used all the methods such as face-to-face interaction, written communication, learning from employees and other customers and signage in the service environment at high extent. Customers have also considered all the methods used by the company at medium to high level. Still the gap is there.

4.5 Suggestions

For closing gap 1, hotels should carry out more marketing research and should encourage written feedback from the customers. Customers should be encouraged to be the members of the club formed by the organization. They should make more effort in having relations with the customers. Hotels should also carry out more marketing research to satisfy customer expectations. They should make extra effort in maintaining relations with the customers through postal method, e-mails etc. Hotel service providers should make efforts to know customer expectation and handling of customer complaints. Hotel management should make efforts in maintaining interaction between customers and top management and relations with customers. All hotels need to handle customer complaints by being calm, listening to the problems of clients, and pacifying them in case of anger. The management should try to resolve their complaint and make them understand about the work pressure of the employees of the hotel.

Gap 2 can be bridged if hotel service providers make more efforts in improving their interiors and décor. More of the display/signage should be there to guide customers. They should make efforts in improving interiors and signage for closing the Gap.

For closing Gap 3, hotel service providers should give importance to information from the customers so as to impart quality services. This is important due to a very large gap.

All the hotels should make efforts in improving face-to-face interaction, written communication, learning from employees and other customers and signage in the service environment to high extent. The fourth gap shall be narrowed with these efforts.

All the hotels should make more efforts to retain their customers as customer retention rate will decide their future prospective. They should also focus on advertisement through mailer, television and through banners. Seminars and participating in trade fairs should also be encouraged.

3. Summary and Conclusions

The major findings of the study are summarized in this section.

All the hotels have been providing boarding, lodging, and restaurant services. Out of nineteen hotels, thirteen hotels provide banquet facility. All the hotels have carried out advertisements through newspaper because of wide spread coverage and carried out least promotional activities through television.

High gaps are present for food quality, comfort and the facilities provided which show that customers are not satisfied with these parameters. Low gap exists for approachability and price charged for the services provided by the hotel service providers showing that customers are by and large satisfied with these parameters.

High gap for not knowing the expectations of the customers i.e. what is expected by the customer and what is perceived by hotels is present. Methods used to know customer expectations indicate high gap in written feedback. Medium gap for the other methods i.e. face to face interaction and through market research are present. Very low gap existed for the seminars conducted in this regard.

High gap existed for interactions of the customers with the top management. The methods used for interaction between top management and customers indicates low gap for face-to-face interaction, medium gap for written communication and high gap for interaction through telephonic conversation with the top management.

Hotel service providers have made high efforts to maintain relations with the customers. Twenty six out of thirty eight hotels have informed customers regarding new policies and thirty four out of thirty eight claimed to have provided services according to customer expectations.

Eighty seven percent hotels have maintained database of the customers. Majority of hotels (58%) used both manual and computerized system to upgrade customer's database. Only 16% of the hotels maintained database of the customers manually. Most of hotels reported to have faced the complaint of cleanliness, deficient room service and poor quality of food. But the customers reported to have complaints regarding food quality, poor interaction with the service providers and comfort. Customers also reported that room service was not up to the mark. There were complaints regarding cleanliness and room service also.

50% of the customers were satisfied with complaint handling system. 18% of the customers were not satisfied. However 32% of the customers neither confirmed their satisfaction nor dissatisfaction.

All the hotels have considered imparting education to their customers to be most important. But according to the customers, hotels have made medium efforts for formal orientation, written communication, signage in service environment and learning from employees and other customers to impart education to customers.

All the hotels have made high efforts for formal orientation, written communication and learning from employees and other customers to impart knowledge/education to customers. Hotels have engaged in average efforts or using display/ signage in service environment.

References

1. Akbaba, A 2005, 'Measuring service quality in the hotel industry : A study in a business hotel in Turkey', *International Journal of Hospitality Management*.
2. Armstrong, R, Connimok FM, and Go Allan C 1997, 'The importance of cross-cultural expectations in the measurement of service quality perceptions in the hotel industry', *International Journal of Hospitality Management*, vol. 16, no. 2, pp. 181-190.
3. Bell, D 1973, *The coming of Post Industrial Society: A venture in social forecasting*, New York: Basic Books.
4. Baldacchino, G 1995, 'Total quality management in a luxury hotel: A critique of practice', *International Journal of Hospitality Management*, vol. 14, no.1, pp. 67-78.
5. Bowen, J. 1990, 'Development of a Taxonomy of Services to Gain Strategic Marketing Insights', *Journal of the Academy of Marketing Science*, vol. 18, no. 1, pp. 43-49
6. Denton, K.D. 1990, "The service imperative", *Personnel Journal*, March, pp. 66-74.
7. Ekinici, Y. and Riley M. 1998, 'A critique of the issues and theoretical assumptions in service quality measurement in the lodging industry: Time to move the goal-posts?', *International Journal of Hospitality Management*, vol. 17, no. 4, pp. 349-362
8. Gundersen, Marit G, Heide, M. and Olsson H. U. 1996, 'Hotel guest satisfaction among business travelers: What are the important factors?', *The Cornell Hotel and Restaurant Administration Quarterly*, vol. 37, no. 2, pp. 72-81.
9. Gronross, C. 1987, 'A service quality model and its marketing implementations', *European Journal of Marketing*, vol. 18, no. 4, pp. 36-44.
10. Graham, J. 1987, 'A Field Study of Causal Inferences and Consumer Reaction', *International Journal of Service Industry Management*, vol. 15, no.1, pp. 27-53.

11. Jones, N 1997, 'A study of service quality in small hotels and guesthouses', *Progress in Tourism and hospitality research*, vol. 3, no. 4, pp. 351-363.
12. Kapoor, JN and Saxsena, H.C. 2001, *Mathematical Statistics*, S. Chand and Company Ltd. N.Delhi.
13. Keaveney, Susan M 1995, 'Customer switching behaviour in service industries and exploratory study', *Journal of Marketing*, vol. 59, pp. 71-82.
14. Lewis, RC 1987, 'The measurement of gaps in the quality of hotel services', *International Journal of Hospitality Management*, vol. 6, no. 2, pp. 83-88.
15. Lun, S and Allan, Y 2004, 'Customer satisfaction measurement practice in Taiwan hotels', *International Journal of Hospitality Management*, vol. 23, no. 4, pp. 397-408.
16. Mahadevappa, B 2004, 'Service quality in Indian Banks', *Productivity*, vol. 45, no. 2, pp 259-266.
17. McCaina, C and Shiang-Lih C. 2005, 'Service quality gap analysis toward customer loyalty: practical guidelines for casino hotels', *International Journal of Hospitality Management*, vol. 24, no. 3, pp. 465-472.
18. McKenna, R 1997, 'Mass-customization in marketing: the consumer perspective', *Journal of Consumer Marketing*, vol. 20, no. 5, pp. 463-479.
19. Parasuraman, A., Zeithaml V, and Berry, L 1985, 'A conceptual Model of Service Quality and its implications for Future Research', *Journal of Marketing*, pp. 41-50.
20. Raymond, C. and Choi TY 2001, 'Determinants of hotel guests' satisfaction and repeat patronage in the Hong Kong hotel industry', *International Journal of Hospitality Management*, vol. 20, no. 3, pp. 277-297.
21. Shanker, D 1990, 'Control combinations of marketing: Conceptual framework and empirical evidence', *Journal of Marketing*, vol. 57, pp. 57-69.
22. Spinelli and Canavos 2000, 'Investigating the relationship between employee satisfaction and guest satisfaction', *The Cornell Hotel and Restaurant Administration Quarterly*, vol. 41, no. 6, pp 29-33.