International Journal of Research in Engineering, Science and Management
Volume-3, Issue-2, February-2020
www.ijresm.com | ISSN (Online): 2581-5792

A Study On Service Quality and Customer Satisfaction in Hotel Industry – An Empirical Study with Special Reference to 3 Star Hotels in Coimbatore

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***Abstract*: The study is focus on to measure service quality and customer satisfaction in the hotel industry. Quality and Customer satisfaction measures are two areas that play a vital role in the achieving productivity and customer satisfaction in any organization. The primary objective of the study is to evaluate the service quality and customer satisfaction in Coimbatore. The prepared questionnaire is used to collect data by way of personal interview. The sample size is 60.**

To measure service quality and customer satisfaction in the hotel industry, there are some models. However, in this study, three most popular and quite complete models which are SERVQUAL, HOLSERV and LODGING QUALITY INDEX are chosen for analysis. It also provides suggestions of disable people about the hotel services. To have the statistical data for the study, one survey with 24 questions was implemented. After the data collection, the data were classified and analyzed with the suitable tables and charts. For discussing the data analysis, simple statistical tool like simple Frequency method, chi-square, correlation and Regression methods are used.

***Keywords*: Customer Satisfaction, HOLSERV, LQI, Service Quality.**

1. Introduction

Customer Satisfaction, in business terms is a measure of how products and services supplied by a company meet or surpass customer expectation. It is seen as a key performance indicator within business and is part of the four of a balanced scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Importance of customer satisfaction:

- Customer satisfaction is a gateway to earning loyalty.
- Measuring satisfaction.
- It keeps ahead of the competitors.
- It promotes customer retention.
- It improves customer lifetime value.

A. Service Quality

Service Quality is known as an excellent strategy against customers' expectations. It is defined as the level of difference between customer's perceptions and expectations in terms of diverse but comparatively imperative magnitude of service quality, which can concern their potential behavior. The five dimensions of service quality that is Tangibility, Reliability, Responsiveness, Assurance and Empathy, ultimately directed to the development of SERVQUAL a model for measuring service quality.

B. Holserv

HOLSERV is a new format of SERVQUAL. HOLSERV is the one-column format questionnaire that has produced a reliable instrument specifically for the hotel industry. In HOLSERV, eight items of the original SERVQUAL scale were either modified. The HOLSERV scale is a shorter, more user friendly Compared to SERVQUAL scale.

HOLSERV uses the rating seven-point scale (1 = Highly Satisfied and 5 = Highly dissatisfied) that is easier for customers to answer the questionnaire. This is useful to indentify the best predictor of overall service. One column questionnaire combined with seven-point scale rating is the biggest advantages of HOLSERV which make HOLSERV become easy to be applied in reality.

C. Lodging quality index

LODGING QUALITY INDEX (LQI) was built based on SERVQUAL (Parasuraman, 1988). From this main structure and eight-step procedure of Churchill (1979), Getty and Thompson (1994a) developed the lodging quality scale.

At the beginning, the researchers interviewed travelers and executives of both luxury and economic hotels. They based on the ten dimension of SERQUAL scale. In this way, the result was a pool of 63 scale items. Then the coefficient alpha which was is a measure of reliability or internal consistency of items was computed (Cronbach, 1951). The higher alpha was; the more significant or interested item was. After that the correspondence of each items and the overall scale item pool was considered to eliminate the unimportant items. As a result, only 43 items were kept. With the appearance and appreciation of SERVQUAL scale of Parasuraman in 1988 with five

dimensions, researchers one more time collected data and computed again all the items and coefficient based on the new SERVQUAL scale. In the end, the final lodging quality index with 5 dimensions and 26 items was born and has been used until now. Five dimensions are tangible, reliability (includes original reliability and credibility dimensions), responsiveness, confidence (includes original competence, courtesy, security and access dimensions) and communication (includes original communication and understanding dimensions). They are different with the five dimension of SERVQUAL (include tangibles, reliability, responsiveness, assurance and empathy) and they are considered more suitable to evaluate some unique features of the hotel industry.

2. Review of literature

The lodging quality index (LQI) is a multidimensional scale developed by Getty et al. (2003) on the basis of SERVQUAL model. The process of the LQI scale began with ten dimensions that was originally in the first version of SERVQUAL (Parasuraman, Zeithaml, & Berry, 1985). Ten dimensions were represented in the developmental versions of LQI by a pool of 63 items received from a literature review and in-depth interviews with a variety of interested person in United State. After the purification and validation, a pool of 26 items represented five dimensions, was kept in the final version of LQI (Juliet & Robert, 2003). The authors claimed that the LQI is a generic measure of hotel service quality.

LODGSERV (Knutson et al., 1990), LQI (J. M. Getty & R. L. Getty, 2003), and HOLSERV (Mei et al., 1999) are all developed on the basis of SERVQUAL scale to measure service quality in the lodging, hospitality industry. Moreover, there have been numerous empirical studies supporting for the validity of the SERVQUAl model in the hotel service industry (Wilkins et al., 2007; Ladhari, 2009). These study adapted SERVQUAL scale with some modifications to measure hotel service quality such as Tsang and Qu (2000), Al Khattab & Aldehayyat (2011), Boonitt & Rompho (2012), Karunaratne & Jayawardena (2010), Juwaheer & Ross (2003). Moreover, there are studies which not only apply SERVQUAL to measure hotel service quality, but also use this measurement to investigate the impact of service quality on customer satisfaction such as Hossain (2012), Markovic & Raspor (2010), Juwaheer (2004).

HOLSERV Al Khattab & Aldehayyat (2011), is the one-column format questionnaire that has produced a reliable instrument specifically for the hotel industry. In HOLSERV Karunaratne & Jayawardena (2010), eight items of the original SERVQUAL scale were either modified. The HOLSERV scale is a shorter, more user friendly Compared to SERVQUAL scale.

3. Objective of the study

A. Primary Objective

The objective of this study is to evaluate the service quality and customer satisfaction in the Hotel in Coimbatore.

B. Secondary Objectives

- To examine the effect of major service Quality dimensions on Customer Satisfaction in three star hotels.
- To examine the correlation between Service Quality and Customer Satisfaction.
- To develop a business service excellence model and strategy to improve service quality.

C. Classification of hotels

The Ministry of Tourism has formulated a voluntary scheme for classification of operational hotels into different categories, to provide contemporary standards of facilities and services at hotels. Based on the approval from the Ministry of Tourism, hotels in India can divided into two categories:

1. DoT (Department of Tourism) classified hotels
2. DoT (Department of Tourism) unclassified hotels

D. Hotels

Hotels are an important component of the tourism product. They contribute to the overall tourism experience through the standards of facilities and services offered by them. With the aim of providing contemporary standards of facilities and services available in the hotels, the Ministry of Tourism has formulated a voluntary scheme for classification of operational hotels which will be applicable to the following categories: Star Category Hotels: 5 Star Deluxe, 5 Star, 4 Star, 3 Star, 2 Star & 1 Star Heritage Category Hotels: Heritage Grand, Heritage Classic & Heritage Basic

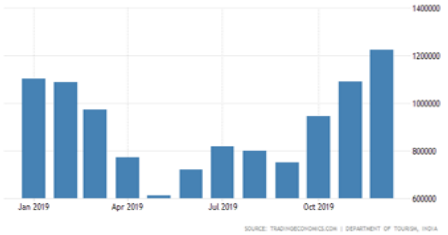


Fig. 1. Foreign Tourist Arrivals in India in 2019

Table 1
Share of Top 10 States/UTs of India in Number of Domestic Tourist Visits in 2018

Rank	State/UT	Domestic Tourist Visits in 2018 (revised)	
		Number	Percentage Share(%)
1	Tamil Nadu	385909376	20.8
2	Uttar Pradesh	285079848	15.4
3	Karnataka	214306456	11.6
4	Andhra Pradesh	194767874	10.5
5	Maharashtra *	119191539	6.4
6	Telangana	92878329	5
7	West Bengal	85657365	4.6
8	Madhya Pradesh	83969799	4.5
9	Gujarat	54369873	2.9
10	Rajasthan	50235643	2.7
	Total of top 10 States	1566366102	84.4

Source: State/ UT Tourism Departments.
** Figure for the year 2017 has been repeated in the year 2018*

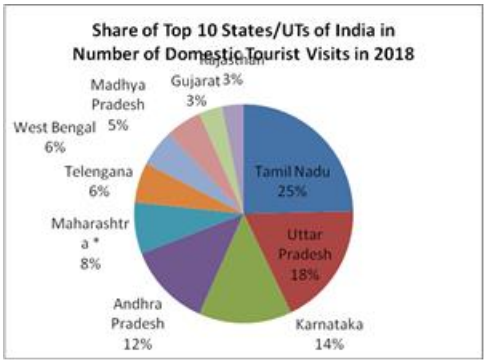


Fig. 3. Number of domestic tourist visits in 2018

Table 2
Number of Hotel in Coimbatore City 2019

S.No.	Cities	5star	4star	3 star
1	Coimbatore	5	7	14

4. Research methodology

The methodology describes the research procedure. It describes the overall significances of the study, area of the study research design and the method of data collection, the data analysis and interpretation of data.

A. Research Design

The objective of this research was to evaluate the service quality and customer satisfaction in the selected three-star hotel in Coimbatore. This study falls in Empirical in nature.

5. Data collection

A. Primary data

Primary data was used for this study. The questionnaire comprised two parts. The first part required the respondents to give their demographic information. The aim of this part was to provide information on the type of the customer. The second part required them to rate the extent to which they believed the indicated factors influences customer satisfaction.

- Here Questionnaire was used for collecting the data

Secondary data

Secondary data refers to the information gathered from already existing sources. Secondary data may be either published or unpublished data.

B. Table showing factor analysis

Factor analysis is a statistical procedure used to identify a small number of factors that can be used to represent relationship among sets of interrelated variables.

- *Basic assumption;* underlying – or factors – can be used to explain complex events or trends.
- *Goal;* To identify otherwise not-directly-observable factors on the basis of a set of observable variables.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.545
Bartlett's Test of	Approx. Chi-Square	90.793
Sphericity	Df	55
	Sig.	0.002

Interpretation

- *Kaiser-Meyer-Olkin;* measure of sampling adequacy is used to compare the magnitudes of the observed correlation coefficient in relation to the magnitude of the partial correlation coefficient. Large values are good because correlation between pairs of variables can be explained by the other variables. If the KMO is below .5 don't do factor analysis but the KMO value is .545 it is excellent it is higher than .5 so, continue the factor analysis.
- *Bartlett's Test* of Sphericity is used to test the hypothesis that the correlation matrix is an identity matrix. All items are perfectly correlated with themselves and have some level of correlation with the other items. The significant value is .002 it is less than .05 is good and it is an indication to continue with the factor analysis.

Communalities:

	Initial	Extraction
Parking facility of the respondent	1	0.487
Staff availability of the respondent	1	0.482
Professionalism of the respondent	1	0.501
Pleasantness of the respondent	1	0.56
Room Maintenance of the respondent	1	0.694
Interior Decoration of the respondent	1	0.733
Wi-Fi facility of the respondent	1	0.629
Technical Support of the respondent	1	0.7
Quality management of the respondent	1	0.678
Room facility of the respondent	1	0.447
Price of the respondent	1	0.564

Table 2
Total variance explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.137	19.426	19.426	2.137	19.426	19.426	1.78	16.219	16.219
2	1.775	16.136	35.562	1.775	16.136	35.562	1.77	16.12	32.339
3	1.422	12.93	48.492	1.422	12.93	48.492	1.6	14.533	46.872
4	1.139	10.357	58.849	1.139	10.357	58.849	1.32	11.977	58.849
5	0.976	8.873	67.722						
6	0.864	7.85	75.572						
7	0.828	7.527	83.099						
8	0.598	5.437	88.536						
9	0.461	4.188	92.724						
10	0.414	3.76	96.484						
11	0.387	3.516	100						

Extraction Method: Principal Component Analysis.

Table 3
Component matrix

	Component			
	1	2	3	4
Parking facility of the respondent	0.648	0.026	0.074	-0.25
Staff availability of the respondent	0.635	-0.133	0.235	-0.08
Professionalism of the respondent	0.625	0.008	0.297	0.146
Pleasantness of the respondent	0.255	0.023	0.703	-0
Room Maintenance of the respondent	0.333	0.216	-0.09	0.728
Interior Decoration of the respondent	0.664	-0.125	-0.52	-0.04
Wi-Fi facility of the respondent	0.417	0.07	-0.41	-0.53
Technical Support of the respondent	0.033	0.828	0.112	-0.02
Quality management of the respondent	0.159	0.788	0.152	-0.09
Room facility of the respondent	0.292	-0.091	-0.35	0.479
Price of the respondent	0.143	-0.612	0.412	0.002

Table 4
Rotated component matrix[a]

	Component			
	1	2	3	4
Parking facility of the respondent	0.512	0.08	0.467	0.007
Staff availability of the respondent	0.627	-0.078	0.276	0.083
Professionalism of the respondent	0.649	0.054	0.114	0.251
Pleasantness of the respondent	0.671	0.08	-0.277	-0.162
Room Maintenance of the respondent	0.152	0.191	-0.134	0.785
Interior Decoration of the respondent	0.115	-0.116	0.741	0.395
Wi-Fi facility of the respondent	0.008	0.097	0.774	-0.145
Technical Support of the respondent	0.033	0.834	-0.061	-0.004
Quality management of the respondent	0.155	0.807	0.031	-0.039
Room facility of the respondent	-0.04	-0.119	0.143	0.641
Price of the respondent	0.441	-0.576	-0.154	-0.122

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Interpretation:

"Communality" is the proportion of variance accounted for by common factor of a variable. Communalities range from 0 to 1. Zero means that the common factors DON'T explain any variance. One means that the common factors explain ALL the variance. In this above communality components are showing relatively high numbers here, this good for result.

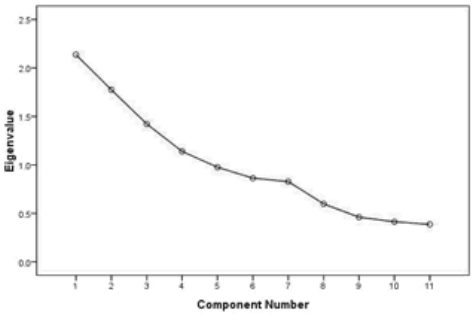
Interpretation:

In the table note that components 4 down have eigenvalues less than 1.0, so they are eliminated from the rest of the analysis. Note that the cumulative % is less than 100%. This is because not all of the variance is explained when only some of the factor are retained in the final analysis (5 through 11 were eliminated, although together they represent over 30% of the variance explained. However, any one of the factors account for very little variance.

Table 5
Component Transformation Matrix

Component	1	2	3	4
1	.709	.057	.595	.374
2	-.083	.995	-.025	.044
3	.700	.060	-.612	-.363
4	-.009	-.051	-.521	.852

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.



Graph showing screen plot for eigenvalue

Interpretation:

This component matrix indicates how each item in the analysis correlates with each of the four retained factors. Negative and positive correlations carry same weight. This chart gives you an idea how the items correlate with the factors, but is not easy to interpret as the rotated solution.

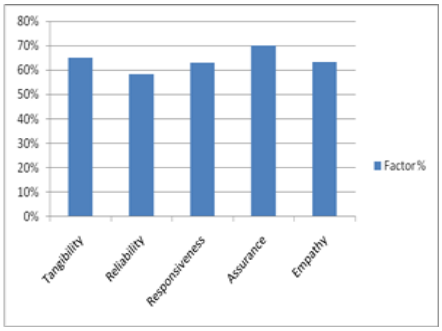
- Extraction Method: Principal Component Analysis.
- Rotation Method: Varimax with Kaiser Normalization.

Interpretation:

The pattern matrix for oblique rotations reports the factor loading for each variable on the components or factors after rotation. The rotated solution gives a clear indication how each item correlated with each factor. Note that there are missing values – this is because we asked the computer to "suppress

values less than .10' to make chart easier to read. If an item correlates less than .1, it doesn't belong with that factor. In this chart we could have suppressed of .3 or even higher and still matched each item with its corresponding factor. Review this chart and group all of the items with its appropriate factor. Once you have done that, see what the various items have in common, and see if you can name the CONSTRUCT these items represent.

Graph: Graph showing attributes for servqual model



Interpretation:

The factor transformation matrix describes the specific rotation applied to solution. It does not need to be reported or interpreted.

Table 6
Table showing important hotel service attributes for servqual model

Dimension	Scale Items	Factor %
Tangibility	Opinion towards Pleasantness	65%
Reliability	Rate the technical support	58.30%
Responsiveness	Professionalism in dealing	63%
Assurance	Price for services	70%
Empathy	Parking facility	63.20%

Interpretation:

From the above table shows that 70% of the respondents satisfied with Price of services 65% of the respondents satisfied with Pleasantness 63.2% of the respondents satisfied with parking facility. And 58.3% of the respondents satisfied with technical support given by the technical staffs so the management must pay more attention to technical support in order to increase the customer satisfaction.

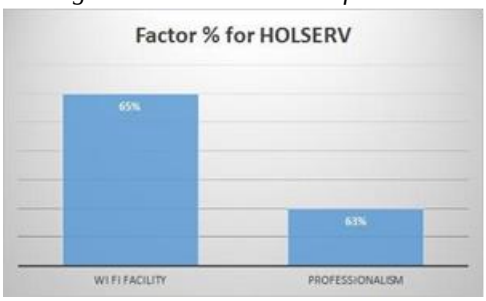
Table 7
Table showing important hotel service attributes for holserv model

Scale Items	Factor %
Wi Fi facility	65%
Professionalism	63%

Table 8
Table showing important hotel service attributes for lodging quality index model

Dimension	Scale Items	Factor
Tangibility	Interior Decoration	68.20%
Reliability	Room maintenance	73%
Responsiveness	Technical service	58.30%
Confidence	Quality management	70%
Communication	Professionalism	63%

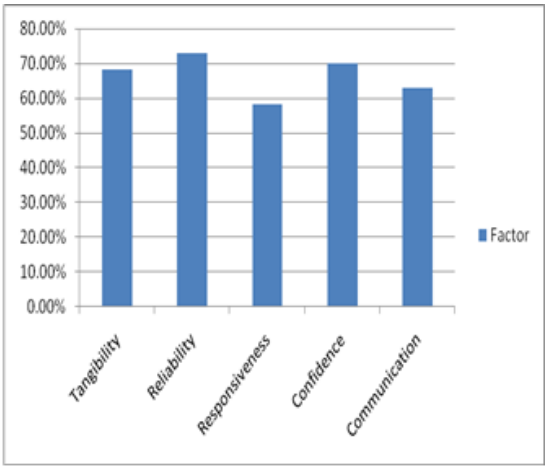
Graph showing hotel service attributes for holserv model



Interpretation:

From the above table shows that out of 60 respondents, 65% of the respondents satisfied with Wi-Fi facility and 63% of the respondents satisfied with Professionalism. So the management must pay more attention to Wi-Fi facility and professionalism in order to increase the customer satisfaction in these two areas.

Graph: graph showing attributes for lodging quality index



Interpretation:

From the above table shows that 73% of the respondents satisfied with Room maintenance.70% of the respondents satisfied with Quality Management 68.2% of the respondents satisfied with Interior Decoration. 63% of the respondents satisfied with professionalism. 58.3% of respondents satisfied with Technical service. So the management should pay much more attention to technical service in order to increase the technical service.

6. Findings

- 68.3% of respondents are belongs to India and 11.7% of respondents from U.S.
- 41.7% of respondents know about Hotel Website & 21.7% respondents came to know from Tourism Information Service and 16.7 % from Newspapers and Local papers.
- 43.3% of respondents came for the Business purpose, so the management should pay much more attention to business peoples.

- From the analysis came to know that 51.7% of respondents satisfied with the Staff availability and 3.3% of respondents dissatisfied with the Staff availability.
- 23.3% of respondents spending average amount of Rs.5000-7000 during their visit.
- Primary data which was used in this study is more reliable and valid.
- From the analysis found that 35.0% of respondents highly Satisfied with the Room maintenance and 41.1% of respondents satisfied with the Room maintenance.
- From the SERVQUAL 70% of the respondents satisfied with price of Royal Castle Inn and 58.3% of the respondents satisfied with Technical Support.
- 65% of the respondents satisfied with Wi-Fi facility from HOLSERV
- From the LODGING QUALITY INDEX 73% of the respondents satisfied with Room maintenance.

7. Suggestions

- The Hotel has to provide other benefits such as incentives and rewards etc.
- Most of the customers have business peoples, so the hotels may concentrate on more business peoples
- It is suggested to discover members' needs and assess service quality continuously, because customers are usually sensitive and if the service quality does not satisfy their needs, their immediate and negative reaction may lead to unfortunate consequences.
- There are gaps between the perception of hotel managers about image, quality, value, expectation and satisfaction which they are delivering and the image, quality, value, expectation and satisfaction which customers really have. It is recommended to find the reason behind these gaps and trying to make them match by identifying the effective factors on customer satisfaction
- From the Quality attributes 58.3% respondents only satisfied with the technical support, so the management give much more important to technical support.

8. Conclusion

The new construct, “Understanding” had a significant positive relationship with the customer satisfaction in housekeeping services. It implied that customers who were highly treated with the friendly manner and being understood or anticipated their need by the hotel housekeeper, trend to have high level of satisfaction. In sum, this study particularly identified the important factors of housekeeping-services quality, which helped the hotelier to improve the housekeeping services in the right point, thus this helps minimizing cost and time investment of the organization.

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