Improvement of Hotel Service Quality: An Empirical Research in Pakistan

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Abstract– Service quality is considered substantial when it comes to define organizational success. The winning strategy is to deliver excellent quality service to customers. In the present milieu, need to improve service quality in Pakistan hotel industry have come under limelight due to stiff competition where hotels are trying to carve competitive advantage through the human factor. Excellent quality service not only results in a profit strategy but also it is energizing for employees to perform to their potential to meet challenges. By providing quality service, organizations can sustain customers' confidence and competitive advantages over their competitors. This study scrutinizes the effects of various elements of hotel industry which affects customer satisfaction. In this research paper, both qualitative and quantitative studies were used. The data was collected through questionnaire which contained multiple choice questions. Results of different correlations, T-test and sequence graphs revealed a great deal of existing services with customer satisfaction. Mainly courtesy of attendants, comfort in guestroom, cleanliness and environment of hotel have played vital role in creating serenity and subsequent contentment among customers. Our study confirms direct relation between organizational success and customer satisfaction. It seems judicious to believe that understanding of customer satisfaction role is extremely significant as it appears key factor in the success of modern organization.

Keywords– Service Quality, Organizational Success, Customer's Satisfaction and Customer's Perceptions

I.   INTRODUCTION

Hotel industry is growing with each passing year in Pakistan. The investment in local and international hotels has grown steadily with increase in construction of new and improved hotels that has pushes the trend for better customer service. Realizing the increase in competition among hotels, hotel managers are focusing on improving service quality to

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put them in a competitive advantage (Min&Min, 1996). In this intense competitive market, it is essential for local and international hotels to inquire about good values and tool for improving service quality (Narangajavana and Hu, 2008). The competition in global market among hotels is very powerful (Chen, 2008).

Any hotel cannot survive in this competitive environment, until it satisfies its customers with good quality service (Narangajavana and Hu, 2008). The service quality is basically the service corresponding to customer expectations and any hotel can win by satisfying those needs of customers. When new and improved quality services are developed for customers, then it is crucial to meet expectations of customers of different categories in this competitive advantage. Many organizations are seeking quality improvement systems for competitive advantages (Hope & Wild, 1994). Every service company works only for the customer's demand and added value and provide pleasant customer's service to get the competitive advantage (Edvardsson, 1997) and some companies organized service department that gather information about customers and his/her interaction with products and quality (Petkova, Sander&Brombacher, 2000). Besides this, with new developments, the needs and expectations of customers are also changing rapidly.

In this work, our aim is to identify factors of service quality in Pakistan that affect customer satisfaction and their behavioral intention which result in competitive advantage for hotels.

II.   LITERATURE REVIEW

Service quality is considered the life of hotel (Min & Min, 1996) and core of service management (Chen, 2008) Service quality is related with customer satisfaction (Shi & Su, 2007) and customer satisfaction is associated with customers revisit intention (Han, Back & Barrett, 2009). If an effective image is portrayed to customers, it will create competitive advantage for hotel (Ryu, Han & Kim, 2008). As a result of service development process three concept of service is composed and these three steps are service process, system and Service resources-structure (Edvardsson, 1997).

Marketing is the main factor that only focused on the Customer satisfaction (Flint & Woodruff & Gardial 1997 & Peter & Olson, 1996). Customer satisfaction plays an important role in financial performance of hotel (Nilssom Johnson & Gustafsson, 2001). In hotel industry, as service has direct interaction with customers, that is why customer satisfaction can be a replication of service quality in hotels

(Shi & Su, 2007). There are some factors that have significant role in measuring customer association with hotel: age, gender, income and culture (Ryu, Han & Kim, 2008).

Hotel performance is directly allied to service quality improvement. There is a significant relationship exist between improvement in service quality and hotel performance change (Narangajavana and Hu, 2008). High-level development tools are used for the satisfaction of multiple users about service and quality (Hope & Wild, 1994). The key problem lies with hotel manager is to retain and fascinate customers (Shi & Su, 2007). Customers revisit intention and emotions are mediated by customer satisfaction (Han, Back & Barrett, 2009). Customer satisfaction plays a role of mediator in perceived value of hotel and behavioral intention (Ryu, Han & Kim, 2008). Both Public and private sectors have reviewed the Service quality and to fulfill their demand, customer-focused approach was highly practiced (Pyon & Lee & Park, 2009).

The managers of hotels are key element of decision makers. It is necessary to scrutinize the perceptions of hotel managers about hotel ranking and they should correlate it with improving service quality and performance (Narangajavana and Hu, 2008). Hotel managers should focus on keeping the number of service failure low and observe customer complaints constantly (Min & Min, 1996).

For improving service quality, four aspects were identified: (1) service delivery, (2) hotel employees, (3) guest amenities and surroundings, and (4) prestige (Narangajavana and Hu, 2008). There are many aspects of service performance and quality, some of them are: (1) Service quality of reception hall, guestroom and restaurant, (2) Technique of employee, (3) Decoration and atmosphere of hall, guestroom and restaurant (Han, Back & Barrett, 2009; Ryu, Han & Kim, 2008), (4) Safety of room and courtesy of attendants, and (5) Savor and variation of food (Han, Back & Barrett, 2009; Shi & Su, 2007). For providing good quality service, employee management is a critical issue for organizations. It affects business results directly (Nilssom Johnson & Gustafsson, 2001). Quality service values customers' satisfaction and is necessary step for a competitive advantage (Berry & Parasuraman & Zeithaml, & Adsit & Hater & Vanetti & Veale, 1993) and service quality is affirmative to please the attitude of consumers toward the noticeable utility value in the future (Lin 2007).

In every organization service and quality plays a vital role for every customers (Brombacher, 2000). Customer is the main person who defines the Quality (Berry & Parasuraman & Zeithaml, & Adsit & Hater& Vanetti & Veale, 1993). For providing good quality service to customers, it is necessary for hotel managers to understand the expectations of its customers (Shi & Su, 2007; Nilssom. Johnson & Gustafsson, 2001) and then develop such programs that can address issues of customers (Narangajavana and Hu, 2008) and bring improvement in service quality (Chen, 2008). Expectation is based on the customer's demands and values but company's image or status in the market also plays an important role (Edvardsson, 1997). To identify and enumerate "what drives what" will track towards quality improvement, reduction in cost and ultimately customer satisfaction (Buckley & Chillarege,

1995). To measure customer behavioral intention: hotel image, value and customer satisfaction should be included (Ryu, Han & Kim, 2008).

Service is able to collect vital information about the behavior of products in dealings with customers (Petkova & Sander & Brombacher 2000). Service quality has an encouraging effect on the attitude of consumers toward the professed transaction value in the future (Lin, 2007). Customers' behavioral intention shows great interest in being influenced by service quality (Zeithaml & Berry & Parasuraman, 1996). Service quality improvement with changing requirements of customers can be done with team work (Chen, 2008). When customers face any problem related to service, like unclean room, uncomfortable room temperature and non-functioning phone lines, then these problems must be resolved within now time (Min & Min, 1996). Reception hall is considered the most important source of customer satisfaction (Shi & Su, 2007).

Program to progress service quality should comprise issues of customer dissection, service provided, culture of hotel, communication with customers, recruitment and training of service employees, and their appraisal system. To bring improvement in service quality, there is a need to emphasis on tangible and intangible assets (Narangajavana and Hu, 2008).

For hotel managers, it is not necessary to just get room related revenue, but revenue can be generated by improving service related facilities like better service production, error-free delivery, upgrading guest facilities and augmenting prestige of hotel (Narangajavana and Hu, 2008). Hotel employees generally perceive that only two things are important in service quality, one is cleanliness of room and other is courtesy of employees (Shi & Su, 2007), but other aspects that make a standard of hospitality and important for service quality improvement are atmospheric impression and decoration of hotel (Shi & Su, 2007) along with previous two aspects (Min & Min, 1996).

Customers demand and expectations continue to change according to market that is why hotel managers must timely know those expectations and improve their service quality accordingly (Chen, 2008). Besides this, different customers have different perception of service quality, so there is a need to cater this problem also (Shi & Su, 2007). Customer's expectation about quality and for inexpensive products is higher (Petkova & Sander & Brombacher 2000). Service quality should be sensitive to changes in room like temperature, comfort and atmosphere, but insensitive to changes in room size and fixtures (Min & Min, 1996).

Three things are included in service standardization: (1) Service quality standardization, (2) service method standardization, and (3) service process proceeding (Chen, 2008). In a development methodology there are four stages which include requirements analysis, knowledge acquisition, system development, and system assessment (Hope & Wild). When service quality is improved, then it will lead to customer satisfaction that will result in good business results (Johnson & Gustafsson, 2001).

There is a difference of culture among countries that have different quality expectations. The higher the difference in culture is, the higher the technical quality will be in

performance than that of functional quality, while the lower the difference in culture is, the higher the functional quality will be in performance than that of technical quality (Lin 2007). Research about service and quality shows that many companies are to increase the impact of service quality on profits (Zeithaml & Berry & Parasuraman 1996). The service company introduces a service concept and this concept contains attractive added-value which is suitable to the customer's needs .resources is needed for the service process that must provided by the service system (Edvardsson, 1997). Hotels that recognize high pressure in the competitive environment tend to adopt standardized management systems more willingly than hotels that fail to extricate such pressure (María del Mar Alonso-Almeida, José Miguel Rodríguez-Antón, April 2011).

A QM system based on the implementation of technical norms will acquire a similar meaning as the official hotel grade (Josep Maria Bech Serrat, Feb 2010). Quality of hotel services is a main issue that needed to discusse by an authorized perception (Josep Maria Bech Serrat, Feb 2010). With the advertise of hotel industry being intense, it is critical that hotels offer a variety of resource and more flexible forms to meet the needs of a changing marketplace (Cheng-Hua Wanga, Kuan-YuChenb, Shiu-ChunChena, 2011). The rising competition emerging from burgeoning global markets aggravates the demand for hotels to innovate their services and processes for a guaranteed success (Wen-Jung Chen, 2011).

Based on literature review, following hypotheses are being developed to be tested in this research paper.

Hypothesis 1: Impression of reception hall is associated with customer satisfaction.

Hypothesis 2: Cleanliness and atmosphere of hotel is associated with customer satisfaction and behavioral intention.

Hypothesis 3: Courtesy of employees is associated with customer satisfaction.

Hypothesis 4: Guestroom comfort is associated with customer satisfaction.

Hypothesis 5: Customers expectation level is high in restaurant.

III.   METHODOLOGY

A. Measurement

In this research paper, we examined aspects of service quality that affect customer satisfaction and results in success of hotels. For exploring those features, customer's experience was hoarded. Satisfied customers would lead customers to revisit hotel and this will result in hotel success.

Based on literature review, an instrument was administrated that contained 38 items related to demographics of respondents and service quality at hotels.

In instrument, following things were observed:

- The respondent's personal profiles related to gender, education, education, profession and purpose of visit and intention to visit again.

- Overall impression of hotel was observed.
- Service quality at reception hall was examined.
- Customer satisfaction in hotel's guestroom was observed.
- Response of waiters/waitress, food variety and quality were observed in restaurant.

Liker-type scale was used to measure all responses, where 1=very dissatisfied and 5=very satisfied.

B. Data Collection

For this research work, data was collected from 8 popular hotels (five or seven stars) in 4 large cities of Pakistan. For collecting data, the questionnaires were circulated among customers and requested them to fill out these survey questionnaires that are designed for research purpose.

We collected total 276 questionnaires from customers. When questionnaires were examined for analysis, then among 276, only 234 questionnaires were selected. Because remaining 42 questionnaires were having inappropriate answers.

C. Data Analysis

The data was extracted from questionnaires and then fed into SPSS 17.0 version for analysis. The correlation tables were formulated to find relationship of service quality factors. Besides this, T-test was performed and graphs were plotted to get picture of elements affecting customer satisfaction in providing good quality services.

IV.   RESULTS

A. Case Process Summary

The valid responses are 234 and there is no missing value in them. The missing values cases were omitted from data analysis. The gender, age, education level and profession of respondents were observed.

In gender variable, out of 234, 165 respondents were male and 69 were female that resulted in 70.5% male and 29.5% female.

Four categories were defined for age description ranging from 20 years to more than 50 years. Percentage of 20-30 years respondents is 25.2, 31-40 years is 34.2, 41-50 years is 23.9 and more than 50 years is 16.7.

While determining the education level of respondents, more percentage was observed of university education or below university education visiting hotels. Only 19.7 percent respondents in hotel have acquired above university education.

Observation of respondents' profession showed that 9 percent were civil servant, 15 percent of enterprise staff and worker, 17.9 of institution staff and worker, 23.5 percent were trader/proprietor, 12.8 percent were retired and 21.8 percent were having some different profession. So, the highest percentile of respondents was trader/proprietor.

Table 1: One-Sample Test

	Test Value = 0				95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Overall Impression of Hotel	41.055	233	.000	3.252	3.10	3.41
Overall Impression of Hall	36.440	233	.000	3.107	2.94	3.27
Overall Impression of Room	34.542	233	.000	3.137	2.96	3.32
Personal Demand Met Level at Reception	38.956	233	.000	3.094	2.94	3.25
Personal Demand Met Level in Room	39.124	233	.000	3.120	2.96	3.28
Personal Demand Level Met in Restaurant	38.588	233	.000	3.205	3.04	3.37

B. T-Test

One sample T-Test was performed on collected data. T-Test shows that overall impression of hotel is most important determinant of customer satisfaction and intention of re-visit. Besides it, a customer expectation in restaurant is also an important factor that affects satisfaction of customers.

C. Correlations among Different Parameters

The correlation among different parameters were found and observed to interpret that what are important factors in hotel service quality that affect the customer satisfaction and intention to visit again. For this purpose, different correlations were instigated. In first correlation, it has been

observed that overall impression of guestroom is the most important determinant of customer pleasure and plan to visit the hotel again that is providing good quality service. Besides it, other vital elements are overall impression of hotel, personal demand level met in restaurant and guestroom. All other factors also influence customer response to quality service provided in hotel.

In correlation table of hotel reception, different parameters have been observed and result showed that the most significant parameter is overall impression of hotel and then courtesy of attendants, their technique and initiative to service for interaction with customers. Attitude of attendants at reception hall plays an important role to generate an image of hotel for clients.

Table 2: Parameters of Overall Impression of Hotel and Customer's Intention to Re-visit

	Intention to Visit Again	Overall Impression of Hotel	Personal Demand Met Level at Reception	Overall Impression of Room	Personal Demand Met Level in Room	Overall Impression of Restaurant	Personal Demand Level Met in Restaurant
Intention to Visit Again	1						
Overall Impression of Hotel	0.79[**]	1					
Personal Demand Met Level at Reception	0.63[**]	0.57[**]	1				
Overall Impression of Room	0.84[**]	0.65[**]	0.56[**]	1			
Personal Demand Met Level in Room	0.7[**]	0.62[**]	0.43[**]	0.59[**]	1		
Overall Impression of Restaurant	0.65[**]	0.62[**]	0.42[**]	0.57[**]	0.68[**]	1	
Personal Demand Level Met in Restaurant	0.77[**]	0.58[**]	0.46[**]	0.67[**]	0.55[**]	0.5[**]	1

**. Correlation is significant at the 0.01 level (2-tailed).

In correlation table of hotel guestroom, those parameters were measured that affect customer comfort of living in room. The most significant element is overall impression of room that comprises of decoration, facility, comfort of bed, sanitary ware, and light and attendants service available in guestrooms.

In correlation table of restaurants, important considerations are service flexibility, courtesy of waiters/waitresses and their quick response. Moreover, taste and variety of food, cleanliness and environment also impact customer contentment in restaurant.

V. DISCUSSION AND IMPLICATIONS

The results have following main outcomes:

- The overall impression of hotel impacts customers' expectations that also comprise of impression of reception hall and guestroom. Our hypothesis 1 has been verified.
- Although it is essential to meet customer anticipations at each phase of service provided, but most important is to meet customers' expectations in restaurant. Our hypothesis 5 is corroborated.
- Though the customers intention to re-visit hotel depends on many elements, among them comfort and impression of guestroom plays the significant role. Hypothesis 4 is evidenced.
- The quality of service provided by attendants/waiters, their techniques to handle clients and flexibility influence customers gratification. This demonstrated our hypothesis 3.
- The customers are conscious about cleanliness and environment of hotel, so there is a need to keenly observe the hygiene. Moreover, temperature and environment should be comfortable for visitors. This result proved our hypothesis 2.
- The implications of meeting future expectations of customers have always been a challenging chore. Our research is therefore relatively significant in this competitive environment to set targets for customer satisfaction specially related to hotel industry in this era. Moreover, there is a need for hotel managers to gather up-to date and accurate information about changing environment and present enticements to capture the attention of maximum customers.

VI. CONCLUSION

This study examined the aspects of service quality in hotels that influence the satisfaction of customers and their intention to revisit. The outcomes of this research conclude to provide quality service is the amalgamation of different elements which are intricately linked with each other. The findings of this study suggested that impact of service quality affects the customer satisfaction that results in success of hotel and it is an irrefutable fact. Moreover, sustaining the customer satisfaction level is an ongoing process that entails unremitting improvement in service quality at hotels.

VII. LIMITATIONS OF STUDY

There are few limitations of this study. For this study, research survey was conducted in 5 cities of Pakistan, among them 4 are big ones, but some other cities are not covered. For that matter, generalization of outcomes is not warranted.

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