



Impact of Service Quality on Customer Satisfaction in Hotel Industry : The Comprehensive Study

Mr. Sachin D. Kharde

Research Scholar / Assistant Professor,
Dept. of MBA Amrutvahini College of Engg, Sangamner

Prof. Arvind Chaudhari

Research Guide, Arts, Commerce and Science College,
Bodwad (Dist. Jalgaon)

Abstract

Services quality to the customers is considered a key to the success of the hotel industry. The business success strategy is to deliver the best service quality to customers. Today, there is a need to improve service quality in the Shirdi hotel industry as it's under tough competition where hotels are trying to attain a competitive advantage through the proper service. Therefore, Hotel industry management needs to focus on offering better quality services at affordable prices for the customers. This main objective of this research is to Study of Impact of Service Quality on Customer Satisfaction in Hotel Industry in the Shirdi city. In this research paper, quantitative methods were used. The data were collected through a questionnaire that contained five-point scale statements. The main goal of the hotel industry is to the fulfillment of customer satisfaction in terms of services and maintains long term relationships with customers. By providing quality service, hotels can sustain customer's confidence and gain competitive advantages over their competitors. The results of this assessment of service quality will throw light into how customers rate the service quality and assessed customers' satisfaction. This study shows there is a relationship between Customer Satisfaction and Service Quality.

Keywords: Customer Satisfaction, Service quality, Customer Perception, Hotel Industry.

Introduction

As the hotel is a service industry, customer experience and service quality are the two main aspects taken into consideration. The hotel industry in Shirdi is an important part of Maharashtra as many tourists and devotees turn around a year in Shirdi for the blessings of Sri Saibaba. As the market has become more competitive and challenging customers are always focusing on the right service quality at the right time and right place. This has endorsed the hotel industry to continuously strive on customer satisfaction through quality of service. The change in IT enabled services has given customers a wide range of options for selection of hotels, facilities, locations using websites and mobile applications. In choosing the hotels by the customer hotel management must ensure that customer meets there's expectation through the quality service. Customer satisfaction is the indicator that indicates the relationship between the customer and the service provider. With the change in lifestyles pattern of the Customers, a significant shift has been observed in the demands and expectations of the customers through service. The American Marketing Association defines services marketing as an organizational function and a set of processes for identifying or creating, communicating, and delivering value to customers and for managing customer relationships in a way that benefits the organization and stake-holders. Service quality has been recognized as a key factor in differentiating service products. Customer satisfaction can be secured through high-quality products and services (Getty & Getty, 2003; Gupta & Chen, 1995; Tsang & Qu, 2000). Edvardsson (1996) highlighted that the concept of service should be approached from the customer's point of view since it was his/her perception of the outcome that constituted the service.

These studies attempt to determine the Impact of Service Quality on Customer Satisfaction in Hotel Industry which differ from each other based on Location, Rooms, Service, Cleanliness, Value for money, Comfort, Facilities, Food, staff, security, and safety. The study measures the satisfaction level on the ratings given for attributes using the scale.

Objectives of the Study

1. To study the impact of service quality on customer satisfaction in the hotel industry.
2. To find factors affecting customersatisfaction.
3. To suggest the measures for improvement in services for hotels.

Hypotheses of the Study

H₀ There is no significant impact of service quality on customer satisfaction.

H₁ There is significant impact of service quality on customer satisfaction.



Scope of the Study

In the hotel industry, it's essential to provide proper quality service to customers at right place and right time. It is difficult to differentiate hotels during making selection for booking based on service and quality. As tourism industry is growing in Shirdi city it's essential to identify whether service quality, need and expectation of customers are met. So this research will help to identify the relationship between the service quality and customer satisfaction in the hotel industry in Shirdi. As the quality of service in the hotel industry is an important factor of successful business it will help hotel industry to enhance its services in future.

Research Methodology of the Study

The researchers have collected data from the primary and secondary source. The primary source consists of the structured questionnaire from shirdi location randomly. Secondary data gathered from journals, websites, books, research papers and published materials.

The data consist of total 100 respondents from the hotels which has been sourced from shirdi city. Statistical tools like measures of central tendency, average and Chi Square shall be used to analysis the data so collected for the purpose.

Review of literature

Customers' Satisfaction

The satisfaction is an attitude or evaluation that is formed by the customer comparing their pre-purchase expectations of what they would receive from the product to their subjective perceptions of the performance they actually did receive (Oliver, 1980). As Kotler (2000, p.36) defined that satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectation. Additionally, Yi (1990) also stated that customer satisfaction is a collective outcome of perception, evaluation and psychological reactions to the consumption experience with a product/service.

Services Quality

Bitner, Booms and Mohr (1994, p. 97) define service quality as „the consumer s overall impression of the relative inferiority / superiority of the organisation and its services . While other researchers (e.g. Cronin and Taylor, 1994; Taylor and Cronin, 1994) view service quality as a form of attitude representing a long-run overall evaluation, Parasuraman, Zeithaml and Berry (1985, p. 48) defined service quality as „a function of the differences between expectation and performance along the quality dimensions . This has appeared to be consistent with Roest and Pieters (1997) definition that service quality is a relativistic and cognitive discrepancy between experience-based norms and performances concerning service benefits.

Dr. P. SrinivasRao and Dr.PadmaCharanSahu in Impact of Service Quality on Customer Satisfaction in Hotel Industry states that this study focused on the gap between customers' expectation and their perception of front office service quality. The results showed that the overall mean score of perception was higher than expectation in all dimensions, yielding a positive SERVQUAL gap. First, research could be broadened to include other star hotels of metropolitan cities. It would be valuable to conduct further research concerning customers' attitudes towards the quality of other service businesses such as restaurants, travel agencies and airlines.

Dr. Harish B. Bapat, Dr. Vishal Soni, Dr. Vishal Khasgiwala states that there remains a scope and gap for further research in this domain of knowledge. It can be extended to regional, national level and to other professionally managed organizations. New variables can be developed taking in to account the other aspects of service quality. Further research can be done by developing a suitable model to test the contribution of each variable on dependent variables. In brief, it can be suggested that replication of this study on other randomly selected hotel organizations, and comparative analysis of hotel organizations can be made. Also further study can be done to identify the performance indicators of various categories of hotels with a view to evolve training policy/designs for marketing and product development personnel.

Dr. DilPazir and Insha Amin states that in his study to measure customer satisfaction in the hotels of the Kashmir valley. The study provides various suggestions to the customers so as to make their services more efficient and effective. Simple random sampling technique was adopted by the researcher to collect the data. On the basis of results 40 % of the respondents are highly satisfied with safety and security of the hotel while 20 % are highly dissatisfied with the location of the hotel. With the every attribute the level of satisfaction changes, thus making it clear that customers rate their satisfaction differently with every single attribute ,finally it has been proved that the customer satisfaction in the hotels are high.



Limitations of the study

1. This study is limited only to the selected hotels functioning at Shirdi.
2. It is limited to shirdi city.

Testing of Hypothesis

H₀ There is no significant impact of service quality on customer satisfaction.

H₁ There is significant impact of service quality on customer satisfaction.

Analysis and discussion

OBSERVED FREQUENCIES		Excellence in Customer Satisfaction					TOTAL
		Highly Satisfied	Satisfied	Uncertain	Dissatisfied	Highly Dissatisfied	
EXPERIENCE	Best	17	1	6	2	1	27
	Better	2	8	2	4	8	24
	Neutral	4	3	5	1	5	18
	Bad	5	4	2	4	6	21
	Worst	2	1	1	4	2	10
	TOTAL	30	17	16	15	22	100

Sr No	H ₀	H ₁	χ_{cal}	χ_{table}	p_value	Decision
1	There is no significant impact of service quality on customer satisfaction	There is significant impact of service quality on customer satisfaction	38.05	26.30	1.71E-05	Reject H ₀ (i.e. There is significant impact of service quality on customer satisfaction)

**Here level of significance is 0.05

Thus, our null hypothesis “There is no significant impact of service quality on customer satisfaction” is rejected. Alternatively we accept our alternative hypothesis “There is significant impact of service quality on customer satisfaction”

Findings

1. The most preference in hotel industry among the respondent is towards safety, security, food and comfort. Service quality is the main key factor which played important role in customer satisfaction.
2. The more important issue from this analysis is that, the parking facility and location of hotel are still not giving good ratings by customers and few customers are not satisfied with the services.

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