

Service Quality Gap in The Select Star Hotels in Coimbatore City: An Empirical Study

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ABSTRACT

The hotel industry is highly competitive and like any other industry that markets a product in a highly competitive market, competing for the consumer's disposable income. This is particularly significant to the hotel situation in which there is less obvious competition on price, but centers more on issues of facilities, image service and the quality of that provision. While the hotels are offering intangible and perishable personal service encounters, managing these services in terms of offering quality experience to their guests, it must be of a paramount concern of any hotels, and the way in which personalized services are provided. At this juncture, the researchers have made an attempt to examine the service quality gap in the select star hotels in Coimbatore. This study is confined to the customers of the select star hotels in Coimbatore. In the present study, the sampling involves two stages. In the first stage, by adopting stratified random sampling, 30 per cent of the hotels are selected from each category i.e. 10 three star hotels, 2 four star hotels and 1 five star hotel. In the second stage, by adopting convenience sampling, 50 customers are selected from each star hotel selected for this study. Therefore, the sample size consists of 650 customers. As a vital part of the study, the primary data were collected from 650 customers who stayed in the select three, four and five star hotels at least one day. The reception desk employees of the select star hotels were requested to administer the questionnaires to guests during their hotel stay, and to collect them after completion. The secondary data have been collected mainly from journals, magazines, reports, books and unpublished dissertations. In order to study the perception of customers towards service performance of the star hotels, analysis of variance, student t-test, paired t test, analysis of co-efficient of variation, multiple regression analysis and percentage analysis have been employed. The study reveals that there is a significant difference between expected and perceived levels of assurance, empathy, reliability, responsiveness, tangibility, room and room service and in-house cafe/restaurant dimensions of service quality in the select star hotels in Coimbatore. It reveals that the service performance of the select hotels is not upto the expectations of the customers. Therefore, the select star hotels should take appropriate measures to make certain the customers' satisfaction on their service delivery to fulfill their expected requirements.

KEYWORDS: Service quality, service performance, service quality gap, hotel services, hospitality industry, etc

1. INTRODUCTION

The service sector plays a significant role in most developing and developed countries. The hotel has become one of the most competitive businesses in the world in the last three decades. The

Indian hotel industry has witnessed healthy growth fuelled by robust inflow of foreign tourists as well as increased tourist movement within the country. The sector is expected to grow at an

average annual rate of 7.90 per cent from 2013 to 2023. The overall perspective of the industry is changed due to introduction of new techniques and methods of handling various processes. Awareness among the hoteliers and the guests has fuelled the inventions focused on operations. The increased sagacity of customer satisfaction has led to the use of high standards of service in hotel industry. The new service parameters made the hoteliers implement quality management as an effective aid. The use of new techniques began with the simple motive of sophistication and precise activities in the given field of operation which may result in high standards of service in global economy. There has been strong price competition in the hotel industry in recent years and the behavioural intentions of customers are playing an increasingly important role in determining profits of the hotels. In general, customers are satisfied, if they receive good service quality from hotels and their behavioural intentions are by and large favourable.

SERVICE QUALITY IN HOTEL INDUSTRY

The quality of service in hotel industry is a significant factor of successful business. The existing trend of complete quality management in hotel industry ensures the achievement of competitive advantage and is therefore the subject of contemporary research into service quality in hotel industry. In the highly competitive hotel industry, service becomes one of the most important elements for gaining a sustainable competitive advantage in the marketplace. Though economic slowdown has resulted in low occupancy and average room rates for hotels across certain major countries, Indian hotel sector is still expected to show healthy prospects compared to global hotel growth. The Indian hotel industry is the largest among all the industries, accounting for over 10 per cent of the country's gross domestic product and around 8 per cent of the employment. With the change in the lifestyles of the customers, a significant shift has been observed in the demands and expectations of the customers. Hotels are increasing their investments to improve service quality and the perceived value for guests so as to achieve enhanced customer satisfaction and loyalty, thus resulting in better relationships with each customer. The main responsibility of hoteliers is the delivery of quality service to customers. To be successful in the industry, hoteliers must provide customers with service satisfaction. Delivering service quality to customers is essential for success and survival in today's competitive hotel environment. Superior service quality enlarges customer satisfaction, customer loyalty, customer retention, profitability, and promotes sustainable competitive advantage.

The hotel industry is often perceived as the most global in the service sector. Hotels have witnessed increasing competition for high service quality and customer satisfaction. Hence, the hotels that are able to provide quality services to its ever demanding customers in a warm and efficient manner are those businesses which will be more likely to obtain a long-term competitive advantage over their competitors. Hotels that provide superior service quality are likely to be successful in enhancing guest satisfaction and loyalty. Hotels are trying their best to improve their service quality in order to make customers satisfied with their services. Hotel operators now focus more on the quality standards so as to meet the basic needs and expectations of the customers. Providing more qualified services at hotels refers to the maximizing of value obtained by more benefit in terms of customers. Realizing the increase in competition among hotels, new hotels are focusing on improving service quality to put them in a competitive advantage.

STATEMENT OF THE PROBLEM

The hotel industry is highly competitive and like any other industry that markets a product in a highly competitive market, competing for the consumer's disposable income. This is particularly significant to the hotel situation in which there is less obvious competition on price, but centers more on issues of facilities, image service and the quality of that provision. In recent years, the hotels in India have encountered hard times due to the increasing customer demands and strong internal industry competition. While the hotels are offering intangible and perishable personal service encounters, managing these services in terms of offering quality experience to their guests, it must be of a paramount concern of any hotels, and the way in which personalized services are provided. Hoteliers do not know what their guests consider as important when evaluating the quality of hotel products and very often do not have unfailing methods for determining the expectations and perception of hotel guests when the service quality is concerned. Many factors of service quality of hotels are not standardized where quality aspects such as helpfulness, friendliness and politeness are likely to be interpreted in a different way depending on each guest and therefore assessed subjectively. These peaks make it more complicated to measure for a consistent service quality.

The Indian hotel industry is required to comply with a number of regulations related to the preparation and sale of food and beverages, and various laws and regulations governing employee relationships. Hotel operators need to obtain multiple licences, permits and authorizations, including local land-use permits, building and zoning permits, environmental, health and safety permits and liquor licences. Market saturation and increasing competition in hotel industry have further increased the significance of service quality especially for hotels. Further, many guests do not complain as they feel that such an action would be a waste of time anyway and they would thus be more wound up at the outcome of the complaint. Sometimes hotel customers complain because they want an apology; sometimes they want another dish, or even a refund. Either way, all hotels need to engage in service recovery if they wish to counter service failure. As hotel environment is becoming more complex, accompanied by increased competition, rapid advanced in technology and supplicated services customers more expectation be it customer, there is an unprecedented rise in hotel business failure today in the service sector. For the hotel sector, success and profitability are dictated by the ability to frequently acquire, retain and service their customers, and ensure that customers remain customers for life. Therefore, hotels have witnessed increasing competition for high service quality and customer satisfaction. Hence, service quality and customer satisfaction are the cornerstone for success in hotel business, and are perceived as key factors in acquiring and sustaining competitive advantage, retaining the existing customers and attracting the new ones, creating long-term profitability as well as improving living standard of employees in hotels. Hence, in this intense competitive market, it is essential for hotels to inquire about good values and tool for improving service quality. At this juncture, the researchers have made an attempt to examine the service quality gap in the select star hotels in Coimbatore.

2. OBJECTIVES OF THE STUDY

The study has the following objectives:

1. To examine the acceptance level of the customers towards perceived service quality in the select star hotels in Coimbatore.
2. To find out the service quality gap in the select star hotels.
3. To offer suitable suggestions to improve the service quality of the select star hotels in Coimbatore based on the findings of the study.

HYPOTHESES

In order to examine the perception of customers towards service quality gap in the select star hotels, the following null hypotheses have been formulated and tested.

H₀₁

There is no significant relationship among the acceptance levels of the customers belonging to different demographic profiles towards perceived service quality in the select star hotels.

H₀₂

There is no significant difference between the expected and perceived levels of service quality in the select star hotels.

SAMPLING DESIGN

This study is confined to the customers of the select star hotels in Coimbatore. As on March 2016, 34 three star hotels, 7 four star hotels, and 3 five star hotels are in operation in Coimbatore. These star hotels are considered the universe of the study. In the present study, the sampling involves two stages. In the first stage, by adopting stratified random sampling, 30 per cent of the hotels are selected from each category i.e. 10 three star hotels, 2 four star hotels and 1 five star hotel. In the second stage, by adopting convenience sampling, 50 customers are selected from each star hotel selected for this study. Therefore, the sample size consists of 650 customers. The sampling details are given in the following table.

SAMPLING DISTRIBUTION

HOTEL	NO. OF HOTELS IN OPERATION	SAMPLES	
		HOTELS	CUSTOMERS
3 star hotels	34	10	500
4 star hotels	07	02	100
5 star hotels	03	01	050
Total	44	13	650

TABLE NO 1

DATA COLLECTION AND ANALYSIS

The present study is empirical in character, based on survey method. As a vital part of the study, the primary data were collected from 650 customers who stayed in the select three, four and five star hotels at least one day. The reception desk employees of the select star hotels were requested to administer the questionnaires to guests during their hotel stay, and to collect them after completion. Taking into consideration the objectives of the study, a questionnaire was prepared after a perusal of available literature. The questionnaire was constructed based on Likert scaling technique. The

secondary data have been collected mainly from journals, magazines, reports, books and unpublished dissertations. In order to study the perception of customers towards service performance

of the star hotels, analysis of variance, student t-test, paired t test, analysis of co-efficient of variation, multiple regression analysis and percentage analysis have been employed.

FINDINGS

1. There is no significant relationship among the acceptance levels of the respondents belonging to different genders, age groups, educational status groups, occupations, types of hotels and hotels towards perceived service quality in the select star hotels. On the other hand, a significant relationship is found among the acceptance levels of the respondents belonging to different monthly income groups towards perceived service quality in the select star hotels.
2. Male respondents, respondents in the age group upto 30 years, respondents with postgraduation and above qualifications, professionals, respondents having monthly income upto Rs.50000, customers of 4 star hotels and customers of the Le Méridien have higher acceptance level with the perceived service quality in the select star hotels in Coimbatore.
3. There exists stability in the acceptance level of female respondents, respondents in the age group upto 30 years, the respondents with postgraduation and above qualification, employed customers, respondents having a monthly income of above Rs.100000, customers of 3 star hotels and customers of the Grand Piazza towards perceived service quality in the select star hotels in Coimbatore.
4. There has been low correlation (0.080) between the perceived service quality and the select personal variables in the select star hotels. The R square indicates that 0.60 per cent of variation in the perceived service quality is explained by all personal variables taken together. The F value indicates that the multiple correlation coefficients are not significant. Respondents' gender, age, educational status, monthly income and type of hotel have no significant effect on their acceptance towards perceived service quality in the select star hotels.
5. There is a significant difference between expected and perceived levels of assurance, empathy, reliability, responsiveness, tangibility, room and room service and in-house cafe/restaurant dimensions of service quality in the select star hotels in Coimbatore. It reveals that the service performance of the select hotels is not upto the expectations of the customers.
6. In regards to the various factors that contribute to the assurance dimension of service quality, the best part of the respondents (28.15%) agree with the list, followed by strongly disagree (23.23%) and disagree (19.23%). 18.46% and 10.92% of the respondents strongly agree and neither agree nor disagree respectively on the assurance dimension of service quality.
7. Out of 650 respondents, greater part of the respondents indicate that they agree (27.08%) with the empathy dimension of service quality in the select star hotels, followed closely by strongly disagree (23.69%) and disagree (20.15%). 18.62% and 10.46% of the respondents strongly agree and neither agree nor disagree respectively.
8. The majority of respondents indicate that they agree and strongly disagree (24.31%) with the reliability dimension of service quality in the select star hotels, followed by disagree (19.38%). 18.31% and 13.69% of the respondents strongly agree and neither agree nor disagree respectively.
9. In regards to the responsiveness dimension of service quality in the select star hotels, greater part of the respondents (25.23%) strongly disagree, followed by agree (23.85%) and disagree (19.85%). 19.23% and 11.85% of the respondents strongly agree and neither agree nor disagree in that order.

10. Out of 650 respondents, 24.92% of the respondents reveal that they agree with the tangibility dimension of service quality, followed by strongly disagree (24.15%), and disagree (24%). 18% and 8.92% of the respondents strongly agree and neither agree nor disagree respectively.
11. Out of 650 respondents, 26.46% of the respondents reveal that they agree with the room and room service dimension of service quality, followed by disagree (24.46%), and strongly disagree (23.69%). 15.08% and 10.31% of the respondents strongly agree and neither agree nor disagree in that order.
12. In regards to the in-house cafe/restaurant dimension of service quality, best part of the respondents (25.38%) disagree, followed by agree (23.69%) and strongly disagree (23.08%). 15.54% and 12.31% of the respondents strongly agree and neither agree nor disagree in that order.
13. Respondents ranging from 22.77 per cent to 35.54 per cent have faced problems with the services of the select star hotels: Poor response, absence of update information, absence of customer intimate strategy, poor state of serving skills, and absence of compliant monitoring cell. Inadequate range of services, poor state of reliability, absence of customer contact programmes, incompetent employees and over promising are the problems of the customers ranging from 37.38 per cent to 40.39 per cent pertaining to services of the select star hotels in Coimbatore. Lack of staff involvement, poor understanding the guests, delay in service and delay in check in and check out are also the problems of the customers ranging from 41.23 per cent to 46.46 per cent towards services of the select star hotels.

SUGGESTIONS

1. When customers come to hotel, they need to wait a long-time for checking-in; it will cause negative impression to customers. Therefore, services in the select star hotels ought to be performed on time at the first time to create kindness for new customers as well as sustain customer loyalty. Besides, the select star hotels should improve the serving skills of receptionists which play an important role in customers' positive thinking and satisfaction.
2. The select star hotels should set up a separate 'Customer Compliant Monitoring Cell'. The task of the cell must be to receive, register and classify customers' complaints and forward them to the respective sections to initiate action, and follow up until the complaint is attended to the satisfaction of the customers concerned.
3. The select star hotels ought to provide training to the employees on issues like responsiveness, confidence and communication skills. As to build strong assurance, the human resource department ought to train employees which can make them knowledgeable and better skilled which help them to take decisions. The select star hotels must give out adequate facilities for training employees. These will result in increased customer satisfaction and stronger brand image.
4. The select star hotels should often assess and reassess how customers perceive hotel services so as to make out whether the hotels meet or exceed or are below the expectations of their customers. Regular customer surveys, therefore, throw light on ratification and refinement, which will go a long way to improve the service performance. Some customer surveys shall be initiated through external agencies so that the public reposes confidence on the results of the surveys. Opinion polls should be carried out periodically to be aware of the perceptions of customers about the services of the select star hotels.
5. The select star hotels ought to realize that guests expect employees to react instantly to their demands and solve their problems speedily. The hotel managers should be aware that guests assume they will have a respectful treatment by polite employees, that the hotel will maintain a safe surrounding, and that it has a suitable location. Therefore, the select star

hotels should assure that guests get unique care, which staff members are in charge of reservations, recognize their guests' individual demands, and the expenses should be clearly illustrated.

6. The select star hotels should pay due attention to customers' complaints, customers' expectations and individual attention so as to better understand their needs and satisfy them. The select star hotels can set up a special team to act as a quality management group that is responsible for continuous service quality enhancement. This team is responsible for the conduct of research to identify with customers' needs and preferences and give detailed strategies to enhance customer satisfaction. Besides, they should undertake regular survey to keep a regular track of customer satisfaction level and find out customer expectations on various service aspects. Qualitative data collection, going beyond basic comment cards, can provide valuable understanding of the experiences of guests.

3. CONCLUSION

Indian hotel industry has witnessed spectacular boom in recent years. It has emerged as one of the key drivers of growth among the services sector in India. The ever changing perception of customers necessitates the hotels to match the perception of customers by delivering quality services. The research explored the perception of the customers towards service performance of the select star hotels in Coimbatore. For this purpose, 650 customers were selected from 13 star hotels. The key finding of the present study is that the service performance of the select star hotels is moderate and is not up to the expectations of the customers. Poor response, absence of update information, absence of customer intimate strategy, poor state of serving skills, absence of compliant monitoring cell, inadequate range of services, poor state of reliability, absence of customer contact programmes, incompetent employees, over promising, lack of staff involvement, poor understanding the guests, delay in service and delay in check in and check out are the problems of the customers pertaining to the services of the select star hotels. Therefore, the select star hotels should take appropriate measures to make certain the customers' satisfaction on their service delivery to fulfill their expected requirements.

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