

FOREIGN GUESTS' LEVEL OF SATISFACTION IN FIVE STAR HOTELS IN SRI LANKA

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Abstract

Hotel industry is really essential to be looked upon as it is like the back bone of the emerging tourism industry in Sri Lanka. Therefore, it is time to pay the attention of policy makers of tourism industry how to improve the service quality of both star and non-star hotels. According to the tourist board, service quality of the five star hotels should be improved. This study facilitates to find out the level of satisfaction of foreign guests who have stayed in five star hotels in Sri Lanka using the world wide used model; SERVQUAL. This model has been used to measure the service quality in numerous industries to find the short term and long term solutions to overcome the burning problems of the industry. The level of satisfaction has been calculated by measuring the gap between the expected and perceived level of foreign guests. The data was collected from 200 foreigners using a self-completion questionnaire. The research found that the highest average gap was related to empathy and the least gap was related to tangibility. It is recommended that staff be trained to understand the guests requirements.

Keywords: Service quality, five star hotels, SERVEQUAL dimensions, tourism, foreigners.

INTRODUCTION

Tourism is one of the important industries to Sri Lanka because of her natural beauty, inspiring culture, and as medium of foreign exchange. Since 1960s, the period Sri Lanka stepped forward to the international market, this industry has been steadily growing with the amount of tourists' arrival to Sri Lanka increased from 18,969 in 1966 to 1,000,000 in 2012 (Sri Lanka Tourist Board 2012).

As stated in World Travel and Tourism Council's report (WTTC) 2013, travel and tourism economy of Sri Lanka was ranked in 76th place and 94th in relative contribution to national economies out of 186 countries.

Like in most of the developing countries in the globe, the contribution of Travel & Tourism to Gross Tourism remains the fastest growing service industry driving more researchers to the operations of the

tourism sector to critically analyze its economic significance and potentiality.

India continues to be the highest generator of Tourists to Sri Lanka. In 2012, tourists arrivals from India was 157,399 and increase of 2.3% compared to 2011. There is a drastic increase in tourist arrivals coming from the Caribbean islands and the change amounted to 64%. Meanwhile, the Hotel Room Capacity at the end of October 2012 stands at 15,510 rooms and out of which 3230 rooms are in five star hotels to date in the country. (www.sltda.lk)

The hotels are classified according to "star" rating, letter grading, from "A" to "F", diamond or simply a "satisfactory" or "unsatisfactory" footnote to accommodation such as hostels and motels.

The service sector today is playing a key role in the world GDP contributing approximately 57.5% of it (CBSL-2012). Approximately 70% of workforce in the world works in the service sector. In order to ensure and maintain the quality expected by today's customer, it should be differentiated two characteristics of quality in general with tourism,

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namely: design quality and the quality of conformity with design (Oakland, - 2007).

The arrivals of international tourist arrivals grew by 3.9% reaching a total 1035 million in 2012 from 996 million in 2011. Tourist arrivals surpassed its target of 950,000 to record 1,005,605 arrivals in 2012, an increase of 17.5 per cent over last year's figure of 855, 975 arrivals. Asia remained as the main source of Tourism to Sri Lanka in the year 2012 accounting 37.8 per cent of the share. Western Europe was the second source of Tourism recording 37.1 per cent of the share. The other significant contributors to the total are Eastern Europe 7.2 per cent, Middle East 5.6 per cent and North America 5.9 per cent each (Tourism Board- Annual Report-2012).

The direct contribution of Travel & Tourism to GDP was LKR 282.9 bn (3.8% of total GDP) in 2012, and was expected to be risen by 7.4% in 2013. It is expected that the contribution to the GDP would rise by 5.4% per year during 2013-2023 and reach to LKR 513.9bn in 2023 (in constant 2012 prices).

In 2012, Travel & Tourism directly generated 276,000 job opportunities (3.4% of total employment). The government expects the tourism industry will provide 313,000 jobs (3.7% of total employment) in 2023. Travel & Tourism investment in 2012 was LKR80.3bn, or 3.2% of total investment. It should rise by 5.5% in 2013, and rise by 5.6% pa over the next ten years to LKR146.0bn in 2023 (2.9% of total) (CBSL- Annual Report-2012).

Hence, it is essential to pay more attention on Therefore, the development the tourism sector as it is much more important of the development of other sectors of the economy of Sri Lanka giving a vital place for empirical researchers on this industry to come up with proper solutions for the burning hidden problems yet to be identified. The hotel industry facilitates other sectors of the economy demanding inputs such as food, labor, material etc. and functions as a bridge of both internal and external business environmental forces.

The aim of this paper is to find out the gap between expected and perceived level of foreign guests using SERVQUAL model to enhance the level of foreign guests' satisfaction and to advise the hoteliers to

make right decisions to increase their guests' level of satisfaction.

Conceptual Framework

The conceptual framework is based on the following variables to find out the level of foreign guests' satisfaction.

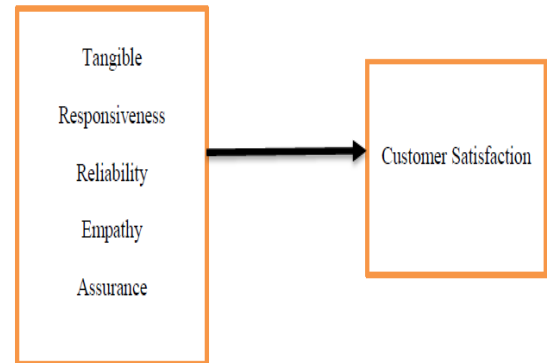


Figure 1: Service quality model

Hypotheses

H1: There is a significant gap between expected and perceived value.

1.1. There is a gap between expected tangibility and perceived tangibility.

1.2. There is a gap between expected responsiveness and perceived responsiveness.

1.3. There is a gap between expected reliability and perceived reliability.

1.4. There is a gap between expected empathy and perceived empathy.

1.5. There is a gap between expected assurance and perceived assurance.

LITERATURE REVIEW

Introduction

This discusses issues on service quality, guests' perception and their expectation taking into consideration relevant concepts in order to enhance the understanding of the topic. The research is mainly

focused on service quality, guests' perception as well as expectation on services offered by five star hotels using the SERVQUAL model. This model measures service quality by evaluating the gap between perception and expected service.

The services offered by five star hotels, which involve mostly food & beverages, entertainment accommodation etc. to customers do have tangibles such as waiters, room boys, guides, receptionists, computers, self-service equipment. The tangible components are considered when assessing service offered by five star hotels in order to better understand service activities. This is because, according to Gummesson, (1994, p.77-96), a service design which details a service, service system and the service delivery process must consider guests, staff, technology, the physical environment, and food & beverages. This means, it is essential to pay the attention on physical aspects of quality to maintain a high competitive service quality level. In a study carried out by Gummesson, (1994, p.77-96), introduced three management paradigms;

1. **Manufacturing paradigm-** About goods with productivity technical standards
2. **Bureaucratic-legal paradigm-** About the public sector with regulations and rituals before end results.
3. **Service paradigm -**About service management especially in the marketing area and emphasizes the importance of customer interaction with service provider in delivering service and creating value.

Parasuraman *et al.* (1985) defined service quality as a gap between customers' expectations and the performance they actually receive whilst Asher (1996) suggest that quality is the degree to which a customer's perceived expectations are met based on a subjective judgement of the service transaction.

Yi (1990) points out that customer satisfaction is an attitude. In the case of five star hotels, there is a relationship between guests and hotels and customer satisfaction will be based on the evaluation of several interactions between both parties recalling the experience gained from other five star hotels. Thus, it is considered that satisfaction as a part of overall

customer attitudes towards the service provider that makes up a number of measures (Levesque et McDougall, 1996, p.14).

Parasuraman *et al.*, (1985) pointed out that high perceived service quality enhances customer satisfaction. The idea, service quality leads to customer satisfaction, is further proved by Saravana & Rao, (2007, p.436) and Lee *et al.*, (2000, p.226) who found out that customer satisfaction is based upon the level of service quality provided by the service provider.

The Use of SERVQUAL Model in Star Hotels

As Parasuraman *et al.*, (1988) pointed out that the model was tested in a company three to four times to check whether there were any variations between perceived and actual services so as to know what reaction is possible. They recommend that the model be used in conjuncture with other models like in a retail business another model could be used to rate the perception of service quality by the employees, and try to find out from these employees what they recommend to improve on the quality of their services. They equally require that in applying the model we should try to measure the relative importance of each dimension. This can be considered as weighted SERVQUAL model (Cronin & Taylor, 1992, p.64). The SERVQUAL model is important in grouping customers of a company into different quality ranks by determining their SERVQUAL score which is of course very important to know how to target the various ranks.

Akan, (1995, p.39-43) used the SERVQUAL model in the four stars hotels and found out that competence and courtesy combined with assurance where most important attributes influencing the perception of quality.

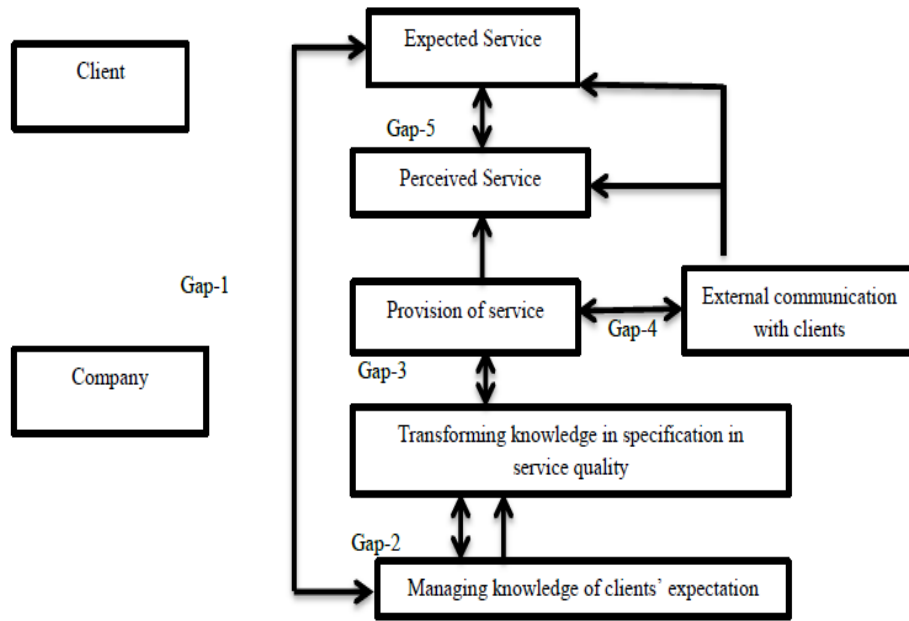


Figure 2: Conceptual model of service quality

Source: Parasuraman, A., Zeithaml, V., Berry, L. L., "A Conceptual Model of Service Quality and Its Implication for Service Quality Research", *Journal of Marketing*, 49, Fall, 1985, p. 44 and Zeithaml, V. A., Berry, L. L., Parasuraman, A., "Communication and Control Processes in the Delivery of Service Quality", *Journal of Marketing*, 52, April, 1998, p. 36., in: *Tourism and hospitality management*, no. 1., Faculty for Tourism and Hospitality Management Opatija.

Since there is a positive relationship between the quality of service and the satisfaction of clients in hotel industry, it is important for the company to spot a gap in the quality of service (Grzanic-2007).

- The knowledge gap, the first possible gap, is the result of the variations in managing knowledge and their real expectations. This gap can lead to other gaps in the process of service quality and is, among other things, caused by:
- Wrong interpretations and demand analysis due to erroneous information in market researches;
- Absence of co-ordination between the company and the consumers make mislead the management;

- Tall organizational structures disturb the flowing of correct information to get a clear picture of the guests.

The second possible gap is that of standard which arises as a result of differences in managing knowledge of the guests' expectations and the process of delivering the service.

This gap could generally be found in organizations due to:

- Poor or insufficient planning procedures;
- Lack of management competencies;
- Unclear goals in the organization; and
- Inadequate service quality planning.

The management should inculcate in the mind of employees that it is essential to be provided the required service within a minimum time to meet their guests' expectations. For example, even though waiters are supposed to serve the customers in two minutes after placing the order, waiters can ignore that specification and talk between them on the side, the restaurants will never be able to fulfill the expectations of guests.

The communication gap is the fourth gap arising when there is a variation between the delivered service and the service that the company promised to the clients via external communications.

The reasons are:

- Over promising promotional campaign;
- Unsatisfactory level of coordination between marketing and procedures;
- Variations between organizational performance and the policy of communication.

METHODOLOGY

The study is quantitative and data were collected from foreigners using a self-completion questionnaire to fulfill the objective of the research. Gap Analysis to find the gaps between expectations and perceptions of the foreign guests and SERVQUAL model to find those gaps using the five dimensions of this model were used as the techniques of the study.

Data and Sample

Self-completion questionnaire was administered to collect data from 200 foreign guests who stayed only at one of the 14 five star hotels out of 114 star classed hotels in Sri Lanka. According to the statistics of the Board of Tourism, it is expected to promote in other countries in order to bring more foreign exchange from the industry.

Data Analysis

In this quantitative research, reliability analysis was used to find out the expectations and perceptions of foreign guests with regard to the SERVQUAL dimensions; tangibility, reliability, responsiveness, assurance and empathy and, SPSS was used for analyzing the data.

Coding

Tangibles (TA)-TA1 Five star hotels have up-to-date equipment, **TA2** Physical facilities are virtually appealing, **TA3** Employees are well dressed and appear neat, **TA4** Physical environment of the five star hotel is clean.

Reliability (RL)-RL1 When they promise to do something by a certain time, they do it, **RL2** When

guest has a problem, they should show sincere interest in solving the problem, **RL3** Five star hotels perform the service right the first time, **RL4** They provide their services at the time they promise to do so, **RL5** Five star hotels keep their records accurately.

Responsiveness (RN)-RN1 Employees make information easily obtainable by guests, **RN2** Employees give prompt services to guests, **RN3** Employees are always willing to help guests, **RN4** Employees are never too busy to respond to guests' requests, **Assurance (AS)-AS1** The behaviour of employees instills confidence in guests, **AS2** Guests feel safe in their staying in five star hotel, **AS3** Employees are polite to guests, **AS4** Employees of five star hotels have knowledge to answer guests' questions.

Empathy (EM)-EM1 Five star hotels give guests individual attention, **EM2** Locations of five star hotels are convenient to guests, **EM3** Employees of five star hotels give guests personal service, **EM4** Five star hotels have their guests' interest at heart, **EM5** Employees of five star hotels understand the specific needs of their guests.

Product (PR) - PR1 Five star hotels have enough variety of products, **PR2** Five star hotels have good quality products.

RESULTS & DISCUSSIONS

There is a high level of internal consistency for the scale as the reliability coefficients for all dimensions are above 0.70 (George and Mallery, 2003, p.231). The reliability level of Parasuraman *et al.*, (1988): 0.92 was somewhat close to the total reliability scale of the study; 0.953. Hence, it could be stated that reliability value of the study is substantial considering the fact that the highest reliability that can be obtained is 1.0. It is proved that the items of the six dimensions of SERVQUAL model are accepted for analysis.

The reliability coefficients of all six dimensions, except the dimension, Product; expected value and perceived value of all the other dimensions' reliability coefficients are above 0.7 showing a true measure of service quality.

Table 1: Reliability Coefficient

Dimension	Number of Items	Cronbach's alpha for dimension-Expectation	Cronbach's alpha for dimension- Perception
Tangibility	4	.889	.823
Reliability	5	.886	.875
Responsiveness	4	.868	.872
Assurance	4	.882	.823
Empathy	5	.873	.881
Product	2	.686	.748

As the table 2 highlights, all the expected mean scores are more than six and perceived means scores are more than five. Foreign guests highly expected about the cleanliness of the hotel which scores the highest individual mean score of 6.96 (TA4). Foreign guests did not expect about the location of the hotel that much because the item which denotes the location of hotel scored the least mean value with a value of 6.33. Foreign guests highly satisfied with the politeness of the staff with a mean value of 6.38 but they are mostly unsatisfied with understanding the guests' specific needs of guests (EM5) and staff should had their guests' best interest at heart (EM4) with mean values of 4.70 and 4.85 respectively and these two items have gaps between expectations and perceptions with values of -1.71 and -1.85.

Having considered in terms of dimensions, tangibility, assurance and reliability were expected mostly by foreign guests with mean values of 6.81, 6.77 and 6.74 respectively. In terms of perception, most of the foreign respondents were satisfied mostly with tangibility, assurance and reliability with mean values of 6.08, 5.86 and 5.68 respectively. Even though the guests perceived what they had mostly expected it doesn't mean that they were fully satisfied

as there are two more dimensions (Responsiveness and Empathy) and additional dimension, "product". The higher gaps of the dimensions; empathy, product and responsiveness with mean values were -1.44,-1.23 and -1.13 respectively.

The results of the chi-square test, which compares the expected and the perceived values of foreign guests stayed in five star hotels- Sri Lanka. In this case all the items were statistically significance.

Table 2 Summery of means of foreign guests' expectations and gap scores

Dimension	Statement	Expected score (E)	Perception Score (P)	Foreign guests' satisfaction Gap (P-E)	Chi-square	Significance
Tangibility	TA1	6.64	5.67	-0.97	711.506	.000
	TA2	6.78	5.84	-0.94	623.614	.000
	TA3	6.85	6.46	-0.39	302.919	.000
	TA4	6.35	6.35	-0.61	1465.364	.000

Reliability	RL1	6.87	5.56	-1.31	2981.574	.000
	RL2	6.77	5.75	-1.02	1542.907	.000
	RL3	6.54	5.41	-1.13	1026.123	.000
	RL4	6.77	5.61	-1.16	2377.788	.000
	RL5	6.75	5.09	-0.66	506.237	.000
Responsiveness	RN1	6.79	5.44	-1.35	2993.150	.000
	RN2	6.69	5.38	-1.31	6247.109	.000
	RN3	6.81	5.86	-0.95	2078.019	.000
	RN4	6.57	5.66	-0.91	768.656	.000
Assurance	AS1	6.71	5.69	-1.02	637.722	.000
	AS2	6.92	6.23	-0.69	1231.051	.000
	AS3	6.90	6.38	-0.52	569.747	.000
	AS4	6.56	5.14	-1.42	3182.768	.000
Empathy	EM1	6.46	5.11	-1.35	2768.937	.000
	EM2	6.52	5.48	-1.04	4664.865	.000
	EM3	6.33	5.07	-1.26	1239.864	.000
	EM4	6.56	4.85	-1.71	5737.334	.000
	EM5	6.55	4.70	-1.85	1544.008	.000
Product	PR1	6.59	5.17	-1.42	4638.025	.000
	PR2	6.76	5.73	-1.03	2229.805	.000

Further Research

This study concerned only on the foreigners who have stayed in five star hotels in Sri Lanka. Thus, it would be appropriate to do a research either on local guests who have stayed at a five star hotels or other classed hotels. Service quality in non-star classed hotels could also be taken into account for further study.

CONCLUSION & RECOMMENDATION

Keeping satisfied of the guests is an essential part of the hotel industry so do other industries. SERVQUAL dimensions could be applied to find the lacking part of the hotel and the top management would be able to take immediate precautionary actions to overcome weak points. The study found out the highest individual gap of -1.85 with understanding the specific needs of the guests, managers should improve their service staffs' understanding ability. The least gap -0.39 of the dimensions were from the TA 3: Employees are well dressed and appear neat. All the dimensions except tangibility have a gap with an average value of more

than -0.9. In terms of dimensions, each dimension has average values like: tangibility -0.72, reliability-1.058, responsiveness-1.13, assurance-0.91, and empathy-1.44 and product-1.22. It is recommended that managers should understand how to interpret information about the guests' expectations, enhancing internal marketing, by doing marketing researches. The managers further can amend the existing planning procedures and committing more time to enhance the staff knowledge providing education and training. It is also advised the managers to train their operation staff to understand the specific wants of guests and serve them correctly at the first time.

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