

## Measuring Customers' Perceived Service Quality in Hotel Industry

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### ABSTRAK

Kajian ini cuba mengkaji kualiti perkhidmatan tertanggung dalam industri hotel. Ia bertujuan menyiasat apakah yang dikatakan kualiti perkhidmatan sebagaimana yang terdapat dalam industri hotel dan mengkaji faktor-faktor yang mempengaruhi tanggapan ini seperti perkhidmatan peribadi inovasi teknologi dan kualiti makanan yang dihidangkan. Kaedah yang digunakan untuk mengumpul sumber kajian didapati dari SERVQUAL, satu kaedah yang popular untuk mengukur kualiti perkhidmatan tertanggung. Kaedah deskriptif dan inferens juga digunakan untuk menguji dan menganalisis hipotesis. Data dianalisis menggunakan pakej SPSS. Dapatan kajian menunjukkan bahawa secara amnya pelanggan tidak berpuas hati dengan kualiti perkhidmatan yang ditawarkan oleh pengurusan hotel. Daripada kajian ini juga didapati bahawa perkhidmatan peribadi, inovasi teknologi dan kualiti makanan yang dihidangkan adalah penting untuk memperbaiki pandangan pelanggan terhadap kualiti perkhidmatan. Oleh yang demikian, pihak hotel seharusnya cuba memenuhi atau mengatasi jangkaan pelanggan untuk memastikan pelanggan berpuas hati. Adalah penting bagi pihak hotel memahami jangkaan untuk menghasilkan perkhidmatan yang baik. Jika kualiti tertanggung yang serupa atau melangkaui perkhidmatan tertanggung, pelanggan menganggap perkhidmatan tersebut berkualiti.

### ABSTRACT

This research attempts to study customer's perceived service quality in the hotel industry. This paper aims to discover what customers think of the quality of service as can be found in the hotel industry by looking into factors influential on this perception such as personal service, technological innovations and quality of food served. The method employed to gather the research resources was adopted from SERVQUAL which is a popular method in measuring perceived service quality. The descriptive and inferential methods were also used in testing and analysing the hypotheses. Data were analysed by using the SPSS package. The research findings indicated that generally, customers were dissatisfied with the service quality provided by the hotel management. From the research, it was also discovered that personal services technology innovation and quality of food served were vital in improving customers' outlook on the service quality. Therefore, the hotelier should try to meet or exceed the customers' expectations, in order to ensure the customers are satisfied. It is very important for the hotelier to take an effort in comprehending and understanding customers' expectations in order to deliver good service, in which if the perceived service equal or exceeded the expected service, they perceived that there is a quality in the service.

## INTRODUCTION

Although services have been increasingly important for the last decades, the interest in service quality is of recent origin. This is because service quality is a matter of knowing your customers, designing services to meet customers' needs, and finally managing the service production and delivery process to customers' satisfaction. Studies have shown that customers are often willing to pay higher prices for what they perceive to be of better quality. The Strategic Planning Institute of Cambridge has found that market share, return on investment, and asset turnover are all highly linked to the perceived quality of the company's goods and services. They found that, the most important single factor affecting a business unit's performance is the quality of its goods and services, relative to those of competitors.

Quality has become the 1990's byword of businesspeople, government officials, and business and economics scholar, consequently, consumers, employees, management, and also boards emphasise on quality. While quality and quality control measures have long existed for tangible goods, few such measures have traditionally existed for services. This occurs because quality is difficult to define, describe, and measure in services. In essence, quality is determined by imprecise individual factors: perceptions, expectations and experiences of customers and the hotelier itself. Robert E. Allen, Chairman of the Board of AT & T said in Fortune magazine in 1988, "Quality does all. It saves all. It sells. It satisfies." While nearly everyone recognises the pervasive impact of quality, at the same time, everyone seems to be having difficulty in grasping its many dimensions.

### *Development of Hotel Industry in Malaysia*

Malaysia's hotel room supply has grown at a rapid rate over the years. Since 1981, 28,432 rooms were available. However, the end of 1998 the number of hotel rooms exceeded the 100,000 mark (107,791). Viewing the trends over the years, the number of hotel rooms in the country took roughly 10 years to double from 28,432 rooms in 1981 to 55,866 rooms in 1992. Due to the rapid rate of growth, it took six years for the number of hotel rooms to double up to approximately 110,000 rooms in 1998. In recent times, during the three year period, beginning from 1991 to the end 1993, prior to Visit Malaysia

Year '94, a total of 15,973 rooms came in stream, giving a total of 61,005 rooms as at end 1993. In 1994, as the country set to reap the success of the Visit Malaysia Year '94 promotional campaign, the industry added 4,902 lettable rooms to welcome her visitors. At the end of 1994, the number of lettable rooms stood at 65,907 rooms or an increase of 43.8% from the previous year.

International events have been a driving force in the growth of rooms, domestic tourism have played an equally important part towards the overall growth. There is an increasing interest in building more, and with the provision of larger budget and mid-priced hotels in the coming years. Domestic tourism fueled by a buoyant economy, and the completion of the North-South Expressway, have to a large extent improved the average hotel occupancy rates by 4.0% to 65.5% in the 1995 period as compared to the previous year. However, due to the economic slow down, the average occupancy rate of hotels in Malaysia decreased by 8.1% from 58.0% in 1997 to 49.9% in 1998. (Annual Tourism Statistical Report 1998).

### *The Problem*

It is clear that the hotel market is highly competitive, and like any other industry that markets a product in a highly competitive market, competing for the consumer's disposable income, it has to be aware of the quality issues. This is especially important 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. Hotels have therefore, improved their service quality in order to stay competitive.

The management of quality is a key issue in the management of any hotel property. It has been described as one of three key areas underpinning corporate success in the hospitality field. The profitability of the operation is seen as being supported by the quality of hospitality services, management and the market. Hotel companies are increasingly aware of the importance of quality and clearly use it in their advertisement and promotion to customers and in the standards of performance set for their employees. There is still, however, some misunderstanding in perceiving the service quality between the hotel companies and customers, in which research has shown that many service organisations develop their own

perceptions of what customers want, which often differ from what the customers really want.

Since these intangible aspects are not easy to measure, it is difficult to know whether the customer is satisfied. Current marketing techniques provide knowledge about the customer, his needs and expectations, but the professionals, who in this study are the hotel operators, remain relatively helpless in perceiving what it is that the customer wants or does not want and what he is ready to accept. In addition, hotels quite properly proclaimed themselves as leaders in the service industry but has been lacking in training applied to the actual techniques of service itself. They trained in kitchen crafts, computer skills, accounting procedures, sales training, management development - the list is endless - but there is an obvious lack of documentation on the fusing of guest contact skills and service techniques, the social needs of the hotel guest, his sensitivity threshold and the use of body language and speech skills in service interactions. The hotel operator must, therefore, make a start on training programs, which are now usually referred to as front line staff in service and performance improvements.

In conclusion, an analysis pertaining the customer's perception on the hotel service quality and their satisfaction is needed in order to establish strategies and to ascertain steps to be taken in maximising consumer's satisfaction which, hopefully, can form a positive image of the hotel industry in Malaysia.

*Objectives of Study*

The general objectives of this research are to measure the customers' perceptions on the service quality they received from the hotel and to verify their satisfaction with the service rendered. The specific objectives are:

1. To determine aspects of services which are important to customers.
2. To analyse whether customers evaluation of services by comparing service received (perceptions) with service desired (expectations).
3. To fill the gaps in the knowledge of the organisation regarding their own perceptions of what the customer wants and what the customers actually perceived on the service quality they received or expect to receive.

*Review of Past Research*

According to research done by Parasuraman, A., Berry, L.L., and Zeithaml, V.A. (1985,1988), a key to providing superior service is understanding and responding to a customer's expectations. In which, the customers expect service companies to do what they are supposed to do. They expect fundamentals, not fanciness; performance, not empty promises. In short, customers are paying good money, and the company should provide good service in exchange. At the point of service creation and delivery, all the resources and knowledge of the provider of the service must come together in exactly the right way to ensure an excellent service encounter for the customer. It is at this point that the customers compare their expectations with actual service delivery system performance and ultimately arrive at their perceptions of service quality. According to Collier (1987), by managing these moments of truth well, we can actually manage the customer's perception of service quality.

Parasuraman, Zeithaml, and Berry (1990) suggested that customers' service expectations have two levels: desired and adequate. The desired service level is the service the customer hopes to receive. It is a blend of what the customer believes "can be" and "should be". While the adequate service level is that which the customers find acceptable. It is in part based on the customer's assessment of what the service "will be", that is, the customer's "predicted service", both of which can change over time and from one service encounter to the next for the same customer.

From their findings (1991), The Zone of Tolerance is developed; a zone that separates desired service level from the adequate service level, as shown in Fig. 1.

This zone is likely to differ for the outcome dimension of reliability and the process

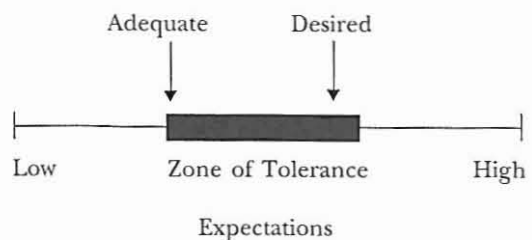


Fig. 1  
Service level expectations

dimensions of tangibles, responsiveness, assurance, and empathy. Hence, Fig. 2 reinforces graphically this research earlier conclusion that the opportunity for firms to exceed customer expectations is greater with the process dimensions than with the outcome dimension.

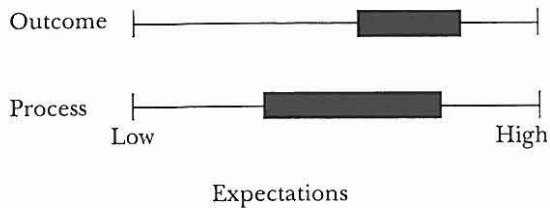


Fig. 2

*Tolerance zones for outcome and process dimensions of service*

The customer's quality perception depends on the degree to which quality expectations are confirmed or disconfirmed by experience. Based on Gronroos's perceived service quality model (1982), the quality of a service, as perceived by the customer, is the result of a comparison between the expectations of the customer and his real-life experiences. If the experiences exceed the expectations, the perceived service quality is positive. If the experiences do not reach the level of expectations, the perceived quality is low (Fig. 3).

In detail, conceptually, this confirmation/disconfirmation (gap) concept has an important

impact on people's thinking about quality. It implies that quality is not an objective phenomenon that can be engineered beforehand. But with proper preparation prior to the service encounter, good quality may be achieved. We already know that customers perceive quality in a subjective manner. Depending on the level of expectations, the same level of quality, as measured in some objective sense, will be perceived in a different way. Thus, what perceived as good quality for one person may be less acceptable for another. If expectations are raised too high - owing to an advertising campaign, for example - the quality of a given service may be disappointing, if only because the customers had unrealistic expectations.

As stated by Gronroos (1993), regardless of the content of the interface, what happens in the simultaneous part of the production and consumption processes is always of critical importance to the customer's perception of the service. If the service encounter is perceived negatively, the customer is often less than pleased, although most of the efforts to produce the service are beyond the line of visibility from the customer's point of view and may have been properly taken care of. Hence, how customers perceive the service encounter - or in other words, how customers perceive the quality of the service delivered in the service encounter - has a crucial marketing impact. According to their very nature, services are processes in which the

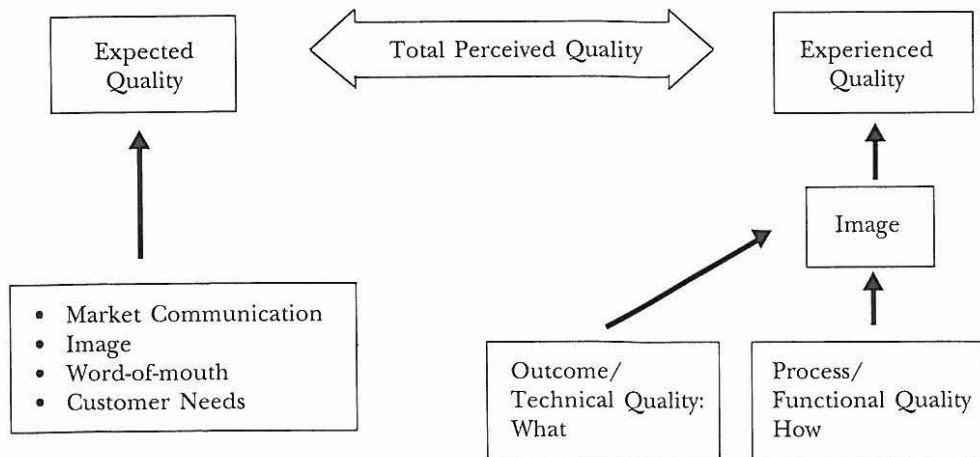


Fig. 3

*The perceived service quality model*

customer in most cases gets involved. If the processes are perceived to function well, this has a positive impact on the perception of the quality of the service, and vice-versa.

Swan and Combs (1976) suggested that the perceived performance of a service can be divided into two sub-processes; namely, *instrumental performance* and *expressive performance*. The instrumental performance of a service is the technical result of a service production process. It is, so to speak, what the customer is left with, when the production process is finished. Whereas, expressive performance is related to "psychological" level of performance, in a service context, it would be related to the customer-service producer interactions, i.e., to the contacts the consumer has with various resources and activities of the service firm during the service production process when the technical outcome, the instrumental performance, is created. As an example, we may think of a hotel customer's contacts with the employees of the hotel, physical and technical resources, such as in-checking desks, the hotel itself, rooms, food available and the customer's contact with other customers. The customer's interactions with such human and non-human resources during their stay will certainly have an effect on his or her evaluations of the service he or she perceives he has received.

There is evidence, however, that customers do not evaluate the quality of their stay in a hotel on the tangible physical aspects of the provision. According to Nightingale (1985), the customers are more likely to consider such factors as the availability of a service; the smoothness or speed of the response to a request; ease of use; comfortable, pleasant and relaxing surroundings and value for money.

Sasser, Olsen, and Wyckoff (1978) had discussed three different dimensions of service performance: level of material, facilities, and personnel. Implied in this trichotomy is the notion that service quality involves more than outcome, in which it also includes the manner in which the service is delivered.

In a broad sense, "personalised service" refers to any behaviours occurring in the interaction intended to contribute to the individualisation of the customer (Suprenant and Solomon 1987). This definition highlights the centrality of the service encounter to the customer's ultimate satisfaction with a particular service. The service encounter is the dyadic interaction between a

customer and a service provider. The nature of this interaction has been recognised to be a critical determinant of satisfaction with the service. Though the service provider or in this case is known as front-liner (i.e., receptionist, housekeeping staff, food and beverage staff) is typically the very last link in the chain of production and is, ironically, often the least-valued member of the service organisation in terms of pay and status, this person is invested with enormous responsibility for conveying the "personality" of the service offering to the customer.

Michael Nightingale (1986) has looked into a few studies on the quality of service in the various organisations in the United Kingdom at the end of 1970's. The study came up with a few different perceptions between the consumer and supplier or service producer, between suppliers and between the departments in the organisations. From this survey, it has help to see the perception of the customers, the management, and the employees on the characteristics of the services that are needed. These perceptions have been put into their respective ranking. In seeing the relative importance of different service transactions in the hotel, it was found out that there are a few aspects whereby the customers and the management's perception in the use of service transaction clashes. Among them are:

1. The Use of Telephone
2. Enjoying their drinks
3. Making reservation
4. Working in their room

The services above are seen as among the important factors to the consumers but to the management, it has no importance. And it was also found out that the management perceptions pertaining the service transaction like breakfast and snacks are not important but to the customer it does.

The perception on the service transaction is important because, when the management and customer perceptions are almost the same, the customers are satisfied and this gives the customer a perception that the services of an organisation is excellent. Table 1 shows a ranking on the importance of perception on the service transactions by the management and customers. Apart from that, this survey has found out about

the perception needed pertaining the characteristic of the services by the customer and the management. There are distinctive differences in the customers' and management's perceptions whereby, the customers assessed that the availability, comfort, and efficiency are needed in the hotel services but the management did not acknowledge the customers needs. Moreover the employee perceived that the accreditation and friendliness are not important to the customers. Table 2 shows the differences of perceptions by the customers and the management regarding the service quality.

#### *Theoretical Framework*

The theoretical framework of this study is based on a model developed by Parasuraman A., Zeithaml V.A., Berry L.L. (1990). This model identifies five gaps or points where service production might falter. This study will only concentrate on Gap 5, which is customer's perception of service quality. Since the difference between customers expectation of service and the actual performance by the organisation represent the service quality perceived by the customer, a conceptual model is developed for further explanations. (Fig. 4).

TABLE 1  
The differences of perceptions on the importance of service transactions by the customers and management

Customers	Management
A Night Staying	Bathe
Snack Treats	Swimming
Breakfast	Information Receivable
The Use of the Telephone	Movies
Bathe	A Night Staying
Dinner	Arrival in Hotel
Making Reservation	Dinner
Doing Business Affairs in Their Rooms	Breakfast
	Business Affairs Discussions

Notes: The categories above have been arranged according to their degree of importance.

Source: Nightingale M., *The Practice of Hospitality Management II: Profitability In A Changing Environment*, 1986.

TABLE 2  
The different perceptions pertaining the service quality by the customers, management and employees

Customers	Management	Employees
Availability	Value For Money	Recognition By The Customers
Efficiency	Efficiency	
Comfort	Peaceful and Relaxing	Friendliness
Peaceful and Relaxing	Comfort	Efficiency
Value For Money	Guest Controls	Communications
Adequate Facilities		
Spacious		

Sources: Nightingale M., *The Practice of Hospitality Management II: Profitability In A Changing Environment*, 1986.

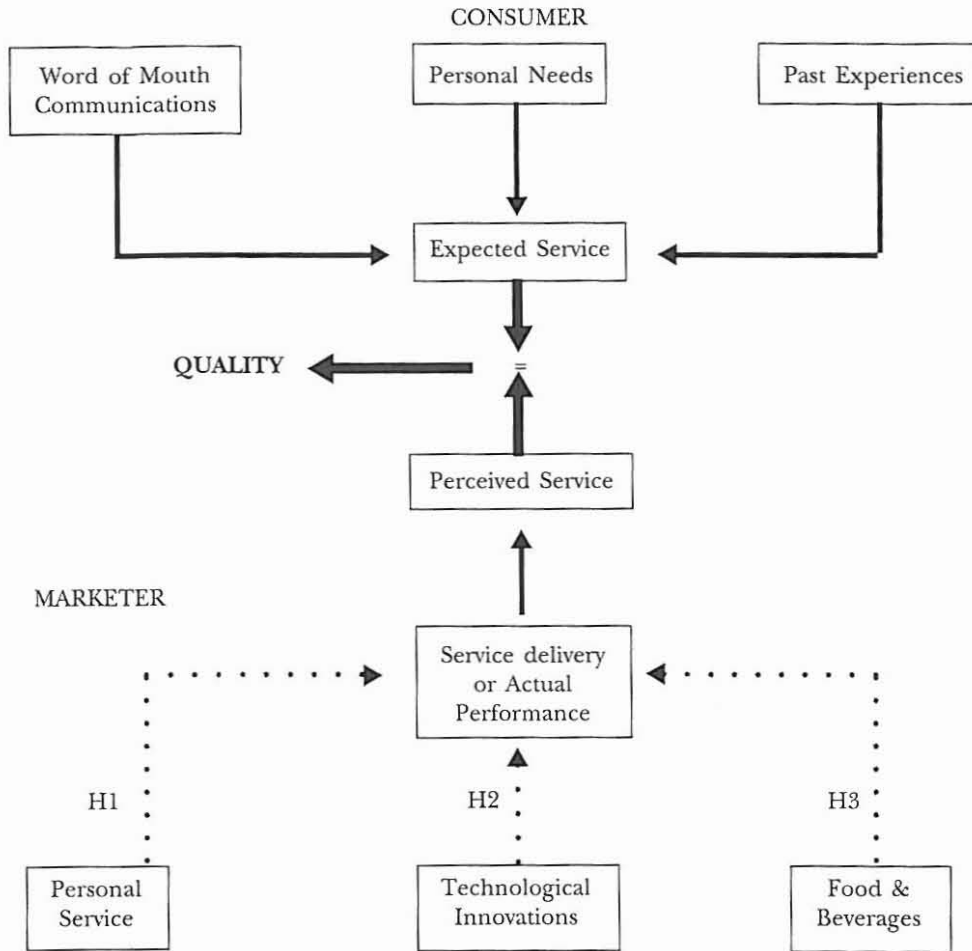


Fig. 4  
Conceptual model of service quality

Three hypotheses are derived to test this model. (Hypothesis 1 (H1)):

- Customers' perception of personal service rendered is affected by SERVQUAL's dimensions – tangible, reliability, responsiveness, assurance, and empathy.
- Hypothesis 2 (H2): The higher the technological innovations provided, the better the customers' evaluation of service quality.
- Hypothesis 3 (H3): The higher the quality of food available, the better the customers' perceptions of service quality.

In addition to these hypotheses, a fourth hypothesis was developed to test the different SERVQUAL dimensions.

- Hypothesis 4 (H4): There are differences in SERVQUAL dimensions perceived by the customers in assessing overall service quality

#### METHODOLOGY

This study was carried out through a survey done in several hotels in Kuala Lumpur. The primary data collected consist of the customer's perception of the service quality rendered by the particular hotel that they are staying in. The selected respondents consisted of hotel customers in a few chosen five star hotels in Kuala Lumpur.

In this study, a sample of 150 hotel customers were chosen in order to determine the customers' perceived service quality in hotel industry. The sample framework was inclusive of all the hotel customers in a few selected five star

hotels in Kuala Lumpur, Malaysia. The sampling unit was individual (foreign and local), who was given a set of questionnaires.

SERVQUAL (Parasuraman, Berry and Zeithaml (1988)) measurement was used to measure consumer perceptions of service quality. These measurements were subjected to reliability tests and were found to be highly reliable (Cronbach alpha ranging from .78 to .90)

### DISCUSSION

Table 3 revealed that the majority of the respondents were female (57.1%). About 77 percent of the respondents were Malaysian and only 23% of them were non-Malaysian.

About 34.1 percent of the respondents were Christians, followed by Muslim (28.6%), Buddhist (15.9%), Hindu (14.3%) and other religions (7.1%). In terms of their educational level, about 35.7 percent of the respondents were degree holders, 27.0 percent were diploma holders, 18.3 percent had Masters and 6.3 percent had Ph. D.. Most of the respondents earned about RM16,000 -36,000 per annum. There were 72 respondents who are not married and 54 who were married.

#### *Sources of Information Used in Choice of Hotel*

Table 4 shows that, when asked to rank different sources of information as to their importance in choice of hotel, the majority of the respondents indicated that members of immediate family were the most important sources (mean = 4.103) but friends (72.3%) (mean = 3.984) and business associate (69.9%) (mean = 3.825) were also important to the respondents when selecting a hotel. Table 2 also indicates that travel agency (mean = 3.238) and advertisements in TV, newspaper and magazine (mean = 3.341) were used frequently in collecting various aspects of information on hotel choices.

#### *Hotel Location Preferences*

Table 5 indicated the hotel location preferences among respondents. Most of the respondents preferred down town/central location (69.8%), followed by recreation sites (58.7%), suburban location (49.2%), just out-side town location (46.8%), and rural location (32.6%)

#### *Number of Days and Money Spent*

Table 6 and Table 7 indicated about 76.2 percent of the respondents spent 2 - 5 days at the hotel

TABLE 3  
Demographic characteristics of the respondents

Demographics Variable	Number	Percentage (%)
<b>Gender</b>		
Male	54	42.9
Female	72	57.1
Total	126	100.0
<b>Age</b>		
< 25years	40	31.7
26 - 35	51	40.5
36 - 45	33	26.2
46 - 55	2	1.6
Total	126	100.0
<b>Nationality</b>		
Malaysian	97	77.0
Non Malaysian	9	23.0
Total	126	100.0
<b>Ethnics</b>		
Muslim	36	28.6
Hindu	18	14.3
Buddha	20	15.9
Christians	43	34.1
Others	9	7.1
Total	126	100.0
<b>Education Level</b>		
Diploma		34
27.0		
Degree	45	35.7
Masters	23	18.3
Ph.D	8	6.3
Others	16	12.7
Total	126	100.0
<b>Income</b>		
<RM16,000	5	4.0
RM16,000 - 24,000	33	26.2
RM24,001 - 36,000	32	25.4
RM36,001 - 48,000	20	15.9
RM48,001 - 64,000	20	15.9
>RM64,001	16	12.7
Total	126	100.0
<b>Status</b>		
Single	72	57.1
Married	54	42.9
Total	126	100.0

Source: Survey



TABLE 4  
The importance of sources of information (n=126)

Sources	1	3	5	Mean
Business Associates	11.9%	18.3%	69.9%	3.825
Friends	2.4	25.4	72.3	3.984
Member of Immediate Family	4.8	17.5	77.8	4.103
Travel Agency	20.7	38.1	41.2	3.238
TV, Newspaper, Magazine	15.8	39.7	44.4	3.341

Source: Survey  
1 = Not at all important  
3 = Neutral  
5 = Very Important

TABLE 5  
Hotel location preferences (n=126)

Location	1	3	5	Mean
Downtown/Central	13.5%	16.7%	69.8%	3.905
Just Outside City	15.1	38.1	46.8	3.333
Rural Location	33.3	34.1	32.6	2.881
Recreation Site	14.2	27.0	58.7	3.635
Suburban Location	21.5	29.4	49.2	3.317

Source: Survey  
1 = Least Preferred  
3 = Neutral  
5 = Most Preferred

TABLE 6  
Number of days spent (n=126)

	Frequency	Percentage
2 – 5 days	96	76.2
6 – 10	27	21.4
11 – 15	-	-
16 – 20	2	1.6
> 21	1	0.8

Source: Survey

TABLE 7  
Money spent (n=126)

	Frequency	Percentage
<RM1,000	44	34.9
RM1,001 - 3,000	59	46.8
RM3,001 - 5,000	19	15.1
>RM5,001	4	3.2

Source: Survey

and most of them spent about RM1,001 - 3,000 (46.8%) while staying there.

*Purpose of Staying*

About 65.9% of the respondents stayed for the purpose of pleasure, while 20.6% and 12.7% came for convention and business purpose (Table 8).

*Reasons in Choosing the Particular Hotel Compared to Other Hotels*

Deciding on the reasons in choosing the particular hotel, most of the respondents came because of their past experiences with that hotel (33.3%), 30.2 percent came because the hotel was convenient for them, followed by suggestions

TABLE 8  
Purpose of staying (n=126)

	Frequency	Percentage
Pleasure	83	65.9
Convention	26	20.6
Business	16	12.7
Others	1	0.8

Source: Survey

from friends (22.2%), unintentional (9.5%) and lastly for other reasons (4.8%) such as, it was fixed by their company, and seminar they have attended which required them to stay at that particular hotel (Table 9).

TABLE 9  
Factors in choosing hotel (n=126)

	Frequency	Percentage
Past Experience	42	33.3
Convenience	38	30.2
Suggestions from Friends	28	22.2
Unintentional	12	9.5
Others	6	4.8

Source: Survey

*Rating of Hotel on Overall Basis*

The respondents did not at all rate the hotel as fair or poor. Instead most of the respondents rate the hotel on overall basis as good (71.4%). Table 10 also indicated that 14.3 percent of the respondents rate the hotel they stayed as excellent.

TABLE 10  
Rate on Overall Basis (n=126)

	Frequency	Percentage
Average	18	14.3
Good	90	71.4
Excellent	18	14.3

Source: Survey

*Stay at the Same Hotel in the Future*

Earlier on, it was reported that respondents came to the hotel because of their past experience and it might be because of the good service they received. Table 11 shows that 90.5

TABLE 11  
Come back in the future (n=126)

	Frequency	Percentage
Yes	114	90.5
No.	10	7.9
Undecided	2	1.6

Source: Survey

percent of the respondents will stay at the same hotel in the future if they were to be in that area. Only 7.9 percent will not stay at the same hotel in the future, while 1.6 percent were undecided whether to stay or not in the future.

*Hypotheses 1*

H1: Customers' perception of personal service rendered is affected by SERVQUAL's 5 Dimensions - Assurance, Empathy, Reliability, Responsiveness, and Tangibility.

Y = Personal service rendered (PS)

X1 = Assurance (SQLASS)

X2 = Empathy (SQLEMP)

X3 = Reliability (SQLREL)

X4 = Responsiveness (SQLRESP)

X5 = Tangibility (SQLTGB)

From the regression analysis conducted, the following regression equation is the result of the analysis,

$$Y = 62.153 + 1.027X_3 - 0.024X_5 + 0.269X_4 + 0.478X_2 + 0.134X_1$$

The inclusion of the five independent variables correlates well with personal service rendered by the employee (R = 0.687). The R<sup>2</sup> of 0.472 indicates that about 47 percent of the variation in personal service rendered for this sample of 126 respondents is explained by the above independent variables. The regression equation above indicates that personal service are positively related to X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, and X<sub>4</sub> and negatively related to X<sub>5</sub>. This equation is statistically significant and there does appear to be an association between the dependent variable (personal service) and the independent variable. Thus, H1 was supported. T-value shows that only X<sub>3</sub> (Assurance) is significant with a value of 5.270 at the 0.05 level of statistical significance.

*Hypotheses 2*

H<sub>2</sub> = Technological innovations provided is positively correlated with customers' evaluation of service quality.

From Table 12, the analysis of correlation showed that all the 5 dimensions have a significant correlation towards technological innovations. This indicates that SERVQUAL has a very significant correlation with technological innovations. Thus H<sub>2</sub> was supported.

TABLE 12  
Pearson's correlation coefficients  
between SERVQUAL dimensions and  
technological innovations

Dimensions	Technological Innovations	
		P
Tangible	0.6038	0.000 <sup>a</sup>
Reliability	0.4573	0.000 <sup>a</sup>
Responsiveness	0.2115	0.017 <sup>a</sup>
Assurance	0.4697	0.000 <sup>a</sup>
Empathy	0.5720	0.000 <sup>a</sup>

Source: Survey

<sup>a</sup>Significant at p <0.05

*Hypotheses 3*

H<sub>3</sub> = Quality of food available is positively correlated with customers' perceptions of service quality.

From Table 13, the analysis of correlation showed that all the 5 dimensions have a significant correlation towards the quality of food available at the hotel. This indicates that SRVQL has a very significant correlation with the quality of food available. Thus H<sub>3</sub> was supported.

TABLE 13  
Pearson's correlation coefficients between  
SERVQUAL dimensions and quality  
of food available

Dimensions	Quality of Food Available	
		P
Tangible	0.6257	0.000 <sup>a</sup>
Reliability	0.2851	0.000 <sup>a</sup>
Responsiveness	0.1576	0.078 <sup>a</sup>
Assurance	0.5073	0.000 <sup>a</sup>
Empathy	0.4711	0.000 <sup>a</sup>

Source: Survey

<sup>a</sup> Significant at p <0.05

Table 14 indicates that SRVQL has the correlation coefficient of 0.6245. Thus, it shows that service quality has a strong positive correlation with hotel's technological innovations. The table also indicates that SERVQUAL has the correlation coefficient of 0.578, showing that SERVQUAL has a strong positive correlation with quality of food available at the hotel.

TABLE 14  
Correlation coefficients between technological  
innovations and quality of food available  
with SERVQUAL score

	Technological Innovation	Quality of Food
Service Quality	0.6245 p = 0.000 <sup>a</sup>	0.5781 p = 0.000 <sup>a</sup>

Source: Survey

<sup>a</sup> Significant at p <0.05

*Hypotheses 4*

H4 = There are differences in SERVQUAL dimensions perceived by the customers in assessing overall service quality.

Table 15 indicates the ANOVA in determining the SERVQUAL dimensions perceived by the customers in assessing overall service quality. Significant ANOVA results were investigated further using Duncan's multiple range test to identify significant differences across the Overall Q categories. The results of these analyses are summarised in Table 15 and Table 16.

Table 15 indicates that the analysis of variance in determining the differences of SERVQUAL dimensions perceived to be important by the customers in assessing overall service quality. The F-value for all dimensions (Empathy = 20.456, Assurance = 11.678, Reliability = 8.806, Responsiveness = 12.155 and Tangible = 13.609) indicated significant differences at level p<0.05 for all the dimensions. Thus, hypothesis 4 was supported.

While, the numbers reported in Table 15 are average SERVQUAL scores within each Overall category, measured on a -6 to +6 scale on which the higher (less negative) the category. Most of the combined mean values are negative, implying that customers' perceptions fall short of expectations. score, the higher is the level of perceived service quality. In the sample, the combined SERVQUAL score for those in "excellent" category is significantly higher (less negative) than for those in the "good" category. Furthermore, respondents in the "good" category have a significantly higher combined SERVQUAL score than those in the "average".

TABLE 15  
Differences in SERVQUAL dimensions perceived to be important by the customers  
in assessing overall service quality

Dimensions	Source	D.F.	F Ratio	F Prob
Empathy	Between Groups	2	20.456	0.000 <sup>a</sup>
	Within Groups	123		
	Total	125		
Assurance	Between Groups	2	11.678	0.000 <sup>a</sup>
	Within Groups	123		
	Total	125		
Reliability	Between Groups	2	8.806	0.003 <sup>a</sup>
	Within Groups	123		
	Total	125		
Responsiveness	Between Groups	2	12.155	0.000 <sup>a</sup>
	Within Groups	123		
	Total	125		
Tangibility	Between Groups	2	13.609	0.000 <sup>a</sup>
	Within Groups	123		
	Total	125		

Source: Survey  
a significant at  $p < 0.05$

TABLE 16  
Significant differences in mean scale values for respondents  
- segmented according to the variables overall quality

Individual Scale Dimensions	Excellent	Good	Average
Empathy	-1.444	-1.611	-6.333
Assurance	-2.656	-3.389	-7.944
Reliability	-0.778	-2.611	-4.500
Responsiveness	0.111	-1.689	-3.333
Tangible	-2.444	-3.111	8.667
Combined Scale	-1.442	-2.482	-6.155
Sample Size	18	90	18

<sup>a</sup> Numbers are mean values on a scale ranging from -6 to +6, on which zero implies that consumer perceptions and expectations coincide, negative values imply that perceptions fall short of expectations, and positive values imply that perceptions exceed expectations.

Table 17  
Customers' mean perceptions and expectations on SERVQUAL dimensions (N = 126 )

Dimensions	Perceptions (P)	Expectations (E)	Serqual (P - E)
Tangible	5.31	5.99	-0.68
Reliability	5.20	6.08	-0.88
Responsiveness	5.12	5.96	-0.84
Assurance	5.13	6.01	-0.88
Empathy	5.23	5.97	-0.74
Total	5.20	6.00	-0.80

Source: Survey

### *Customers' Evaluation of SERVQUAL*

The mean of -0.80 for the SERVQUAL measure implies that on average respondents' perceptions felt short of their expectations. It was very clear from Table 17, the perception's mean values (5.20) for every dimension is lower compared to mean values of expectation (6.00).

## CONCLUSIONS

### *Implications*

Perhaps the clearest implications from this study for hotelier are by meeting or exceeding the customers' expectations. Whatever promises made to the customers through promotional campaign must be delivered once the customer walks in the door. Since, hotels engaged in rendering personal services deal directly with individuals every day. Therefore, they have to be highly sensitive to customer's wishes, desires, attitudes and taste. The customer, on the other hand, is sensitive not only to the quality of the service rendered but, even more important, to the employees who are rendering the service (Wright, Handbook of Tourism). First impressions, personal likes and dislikes, the tone of the voice and the expression of co-operation and courtesy are very important.

Contemporary trends indicate that the battle for the hearts and minds of guests in the 1990s will be fought in the service areas of the hotel. The weapons will be the social skills of the employees, creating a memorable experience for the guest, and the performance techniques which infuse the staff with confident knowledge and a happy sense of job satisfaction. Specifically PZB's found out that although reliability is the most important dimensions in meeting customer expectations, the process dimensions (especially assurance, responsiveness, and empathy) are most important in exceeding customer expectations.

These process dimensions clearly involved the interactions between employees and the customer, therefore, the hotel operator must, make a start on training what are now usually referred to as front line staff in service and performance improvements. The target areas and job functions for performance and service training should be front office and uniformed staff, food and beverage service personnel, reservations and financial services staff, housekeeping and valeting functions - indeed all those having direct contact with guests. Every

employee in each contact department should be singled out for service training.

Guest perceptions must be regularly monitored through the use of focus groups, personal interviews, guest questionnaires, external qualitative assessments, return visit records and any other means by which the hotel can keep its finger on the pulse of its client market. Each evaluation should be assigned in statistical value to demonstrate improvements. One method that hotel operators can use in monitoring customers perceptions is SERVQUAL (the method used in this present study).

As noted earlier, SERVQUAL is a concise multiple-item scale with good reliability and validity that retailers can use to better understand the service expectations and perceptions of customers and, as a result, improve service. A hotel operator, for example, would learn a great deal about its service quality and what needs to be done to improve it by administering both SERVQUAL and an employee survey, three or four times a year, plus systematically soliciting and analysing customer suggestions and complaints. The employee survey should include questions concerning perceived impedents to better service, e.g., what is the biggest problem you face to deliver high-quality service to the customers?

The previous research done by Parasuraman, Zeithaml and Berry (PZB) has shown that:

1. Customers evaluate service quality by comparing their perceptions of the service with their expectations.
2. The content of customers' expectations is basic, but the structure is complex, characterised by both desired and adequate service levels that seem to change in response to a variety of factors.

While in the present study, we sought to learn more about the nature and sources of customers' expectauons given the crucial role in service quality assessments. Below are a few suggestions for managing customers' expectations and raising their perceptions.

- Be reliable - one way for the firm to keep customers' expectations from rising is to perform the service properly the first time (PZB 1990). It is imperative to be a reliable service provider that can deliver consistently

competitive performance (de Roulet 1992). Hotel may identify fail points in service processes which are most vulnerable to mishap by soliciting inputs from employees, by analysing customer complaints, and by mapping the service process itself – blueprinting. Such points should include not only customer contact points, but also places where one functional unit is dependent upon another functional unit for processing (Riddle 1991).

- Manage Promises - Because hotel operators influence customers' expectation levels by the explicit and implicit service promises they make, a key approach to managing expectations is to manage the promises. That is not to overpromising or underpromising. Overpromising raises customers' expectations beyond the capacity of the firm to meet them; while underpromising potentially reduces the competitive appeal of the offer. Thus, hotel operators have a better chance of meeting customer expectations when their promises reflect the service actually delivered rather than an idealised version of the service (PZB 1991). For example, a brochure photograph of a beautifully appointed hotel room may entice the consumer to make a reservation, but it is the room itself that contributes to the customer's positive or negative assessment of the hotel's service quality.

#### *Future Direction*

While the present study does add to the present perceived service quality literature dealing with the customers' satisfaction, it must be seen as a catalyst for further research as an end in itself. The study must be replicated with a larger sample before the results can be stated definitely. Larger coverage in major cities in Malaysia such as in Penang and Johor Bahru may induce different results.

Preferably, the methodology would be interviewing respondents, so the researcher has controlled over the proportion of respondents. This method can be cost effective as more sets of questionnaires will be filled accordingly. Further, it will reduce biasness in term of literacy.

Furthermore, the study should focus on the expected service - a critical component of perceived service quality - in addition to being influenced by the customers' personal needs,

shaped by word-of-mouth communications, and past experience. Research focusing on the relative impact of these factors on consumers' service expectations, within service categories, will have useful managerial implications.

#### *Limitation of the Study*

Notably, the limitation of the study was lack of control of sample. The researcher had no control on the respondents' background such as age, etc., in order to get a well - proportioned sample. Besides that, customers have different standards depending upon their occupation, standard of living, income, and expectations, and a host of other factors.

The researcher also could not control the quality of the answers as it was highly dependent on the sincerity and willingness of the respondents to answer the given questionnaire. Many of the questionnaires were not answered properly.

#### **CONCLUSION**

We can conclude that customers' perceptions fall short of expectations. This is because hotels in general, however, have been slow to respond to changes in customer expectations in both personal and physical needs. In addition, there has also been a recent growth in 'consumerism' generally which has resulted in customers expecting to receive products and services of a higher minimum acceptable level. People have also travelled more widely than ever before, due to package holidays and cheaper transportation, returning with new ideas and new standards regarding hotel provision. In fact, one factor that may cause expected service level to rise is customer experience. According to research done by PZB (1991), the more experienced customers were more likely to have higher service expectations, and to be "squeaky wheels" when they were not satisfied.

Consumers will make a decision and taking an action based on their perceptions. Therefore it is very important for the organisation or hotel industry to take an effort in comprehending and understanding customer's expectation in order to deliver good services. Good service here infers the customer's perception of a service presented by the employee, in which if the perceived service equal to the expected service, they perceived that there is a quality in the service.

On the whole, the customer always wants more and his perception of quality is different from that which the hotel operator can offer him. Only experience, listening and attention at every instant may let one have a more or less true idea. If courtesy and care is the silent language of service, it is one that is understood across every international boundary. The service challenge of the 1990s will be to capture control of this language so that the hotel operator may speak directly to the guest of their concern for his welfare.

Putting the service back into the service industry will require the same dedication and skill that has been applied to the development of product and functional excellence in the 1980s. It is difficult, if not impossible, to calculate its benefits with any precision, but the value of outstanding, consistent services illuminates the profit and loss account and balance sheet alike. The investment in effort will be handsomely repaid.

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