

Assessment of Service Quality in the Hotel Industry: Case Study in North Showa Zone of Amhara Regional State, Ethiopia

Woldetsadik Kagnebaw, Berhanu Endeshaw*

Department of Management, Debre Berhan University, Debre Berhan, Ethiopia

Email address:

woldkagn@gmail.com (W. K. Abebaw), berhanu.endeshaw@yahoo.com (B. Endeshaw)

*Corresponding author

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Abstract: The objective is to investigate the effects of service quality on customer satisfaction. Convenience sampling method been utilized to collect data from 27 hotels at six towns found in the Administration zone. The results from the different dimensions show that averagely the expectations lies above the perceptions line that indicates there is a gap between expectations and perceptions which resulted with the customers are not fully satisfied on the service quality. There are gaps between expectations and perceptions. The service quality delivered did not fully meet the expectations. The finding shows that the top four major quality dimension gaps are shown on: staff dressed well, employees who understand the need of their customers, feel safe in receiving service, and staff willing to help customers. Priorities and high attention have to be given for dimensions outlined in the findings above.

Keywords: Service Quality, Customer Satisfaction, Expectations, Perceptions, SERVQUAL

1. Introduction

Service quality is becoming a critical determinant of competitiveness as has seen global market more crowded than ever. It is a challenge for companies to attract and retain customers because companies are competing for the same customers [1]. Service quality has got higher attention today that help organizations to differentiate themselves from other rivals. The ultimate goal is to satisfy and attract customers with the service quality it deserves [2].

Organizations which provide superior service quality have experienced higher economic returns [6, 8]. Hotel industry, as one of the service industry, shares realizing the increase in competition among hotels. In this intense competitive market, it is essential for hotels to inquire about values and tools for improving service quality [19]. Any hotel service cannot survive in this competitive environment, until it satisfies its customers with good quality services [19]. According to both marketing theory and practice, Hotel Industry, should improve their performance by satisfying

customers so as to sustain in this intensely competitive business environment [4]. Customer revisit intention and emotions are mediated by customer satisfaction [10]; [4]. Customer satisfaction plays a role of mediator in perceived value of hotel and behavioral intention [23]. Customers demand and expectations continue to change according to market that is why hotel managers must timely know those expectations and improve their service quality accordingly [5]. However there is no any scientific evidence that are able to give measurable outcome so as to strengthen the existing service quality in hotel service in theNorth Showa Administrative zone of Amehara Region. Thus, absence of empirical scientific evidence how to build and make a better understanding of where and why failure occurs and then develop strategies to minimize the occurrence, impact and severity of service failure makes the service delivery debatable [22]. Failing to address those problems may end up with wasting resources on non- value adding uses.

There are many academic studies that address service quality in Hotel industry [3, 8, 4, 11]. However, most of these

studies are limited to foreign countries. The differences in culture among countries have different quality expectations. The higher the difference in culture is, the higher the technical quality will be in performance than that of functional quality, while the lower the difference in culture is, the higher the functional quality will be in performance than that of technical quality [16]. As result, Ethiopian context in general North Showa Zonal Administration in particular have been ignored. Hence, little is understood about the key determinants of service quality and actual contribution of each of these from Hotel service marketing and operation point of view in the towns' of North Showa Administration Zone. As it has also been observed and learned that customers of the hotel users have been complaining about the poor quality of its services. Hence, action not taken to get rid of such could lead to reducing good public image and not flourishing in the industry. This implies that a lot is remained to be known and taken as a gap that needed to be studied and get some solution.

Does the service quality given in the hotel industry satisfy customers in the towns' of North Showa Administrative Zone? The specific questions are: Which service quality dimensions needed to be strengthened and get more emphasis to avoid the bottleneck? Which service quality dimensions customers complaining about and how much? What the organizations can do to improve service quality?

1.1. Objectives of the Study

The general objective of this study is to assess service quality on hotel industries in North Showa Zone of Amhara Regional State.

The specific objectives are:

1. To identify the relative importance of each service dimension in enhancing users satisfaction
2. To clearly identify strengths and weaknesses of each service quality components on hotel service delivery in the study area
3. To suggest ways to improve service quality.

Four distinctive features of services – intangibility, heterogeneity, perishability, and inseparability – have been recognized as significant in developing a construct of service quality. Service quality is “intangible” because services, as performances, are difficult to assess before a sale [17, 12] moreover, as a result of this intangibility, service providers can have difficulty in ascertaining how consumers perceive their services [20]. Services are “heterogeneous” because they can differ from day to day, from place to place, from producer to producer, and from customer to customer [20]; [18]; moreover, the involvement of the customer as co-producer of service delivery means that the service provider has less control over the consistency of the service experience. Services are “perishable” because they cannot be stored and/or sold on another day. Finally, services are “inseparable” because many of them are simultaneously produced and consumed. These four distinctive characteristics mean that service quality is a more elusive and abstract construct than product quality [20].

1.2. Service Quality Concept

Service quality defines by different authors in different ways. For instance, [20] and [9] define service quality as the difference between customers' expectations of provided service performance and their evaluation of actual service.

Over the past two decades, a great deal of research has addressed various aspects of service quality. Service quality is generally recognized as a critical success factor in a firm's endeavors to differentiate itself from its competitors. Research has shown that good service quality leads to the retention of existing customers and the attraction of new ones, reduced costs, an enhanced corporate image, positive word-of-mouth recommendation, and, ultimately, enhanced profitability [24]. Much of this research effort regarding service quality has been devoted to the development of reliable and replicable instruments for measuring the construct. Of these, perhaps the best known and most commonly used measure has been the “SERVQUAL” scale, which was originally developed by [20]. The SERVQUAL scale, which consists of 22 items representing five dimensions, was originally applied in five service settings: retail banking, credit card services, repair and maintenance of electrical appliances, long-distance telephone services, and title brokerage. Subsequently, the scale has been used to measure service quality in a wide variety of service environments.

Even though different scholars criticized SERVQUAL, it remained the best measurement with all pitfalls [13]. The SERVQUAL instrument has also been the predominant method used to measure consumer perceptions of service quality. It has five generic dimensions which are identified as the main components of service quality. These are:

- (1) Tangibles; Physical facilities, equipment and appearance of personnel.
- (2) Reliability; Ability to perform the promised service dependably and accurately.
- (3) Responsiveness; Willingness to help customers and provide prompt service.
- (4) Assurance; Competence, courtesy, credibility, security, knowledge and courtesy of employees and their ability to inspire trust and confidence.
- (5) Empathy; Access, communication, understanding the customer, caring and individualized attention that the firm provides to its customers [25].

2. Method

2.1. Research Design

The research is a quantitative method study which entails the application of quantitative data to the investigation of a research question. The rationale for a quantitatively oriented approach can provide a reasonable structure to guide the overall research that can keep a researcher on task and consistently focused on addressing the research problem [14].

2.2. Population and Sample

The target population of this study is North Showa Administration Zone of Amhara Region in Ethiopia. There are 23 woreda's which are administrating by North Showa

Zonal Administration Among these six woreda towns were selected as a sample using simple random- lottery method. Namely: Debre-Berhan, Mehalmeda, Ankober, Showa Robit, Ataye, and Debresina. More than 85% of selected hotels found in each Woreda's were in such a way that can be accessed to get more hotel users. Questionnaires were distributed to those who are voluntary to provide their views on quality of hotel services. Efforts were done to gather data for about three to four round visit of the selected hotel to get more number of customers. It is likely being representative to take such percentage of hotels for this study. For this research work, data was collected from 6 hotels from DebreBerhan, 6 hotels from Mehalmeda, 2 hotels from Ankober, 6 hotels

from Showa Robit, 2 hotels from Ataye, and 5 hotels from Debresina. The total numbers of hotels used for this study were 27 in Six towns. The questionnaires were circulated among customers and requested them to fill out these survey questionnaires that are designed for research purpose.

3. Results and Discussions

The SERVQUAL Model consists of two sections i.e. Perception and Expectation. Both sections have five dimensions as Tangibles, Reliability, Responsiveness, Assurance and Empathy. Perceived Service Quality is the difference between Perception and Expectation (P-E). There are also five gaps between each dimensions of service quality i.e. Tangibles Gap= Perceived Tangibles – Expected Tangibles, Reliability Gap = Perceived Reliability- Expected Reliability, Responsiveness Gap= Perceived Responsiveness – Expected Responsiveness,

Assurance= Perceived Assurance – Expected Assurance and Empathy = Perceived Empathy– Expected Empathy.

The SERVQUAL Model measures of service quality in terms of difference between customers' perceptions (P) and expectations (E). The degree of difference between them measures how well the facilities and services provided by the hotels found in the six Woreda towns of North Showa Administration Zone match the customer expectations. The measurement outcomes of one city and five towns are seen in table 1 below. Table 2 is a continuation of figure 1 where all the 22 statements are compared and ranked. Customers' expectations and perceptions are measured on a five point Likert-type scale, where the higher the score, the greater the expectation (perception) of hotels service. The mean scores of customers' expectations ranged from 3.51 to 4.24. The overall mean score for service quality expectation items was 3.89. This score indicates rather high expectations of restaurant customers regarding the service quality. The mean

scores of customers' perceptions ranged from 2.77 to 3.65. The overall mean score for service quality perceptions items was 3.2. According to the results in Table 1, hotels customers' expectations are higher than their perceptions on delivered service. Thus, the service gap is negative for all hotel attributes. The narrowest gaps are for the attributes "Up-to-date equipment" and "Visually appealing materials associated with the service ". These low negative gap scores imply that there is a small difference between perceived and expected service. Thus, these hotel attributes are close to the expected service quality. However, the widest gap is for the item "Staff dressed well ", indicating that customers expected much well dressed than they actually are. The overall Service gap is -0.69. These results imply that restaurant service quality should be improved, because all restaurant attributes were assessed below customers' expectations.

Table 1. Mean Score of Customers Expectation, Perception, and Gap (P-E).

Service Quality Dimensions	N	Perception Mean **"P" = {1/363 $\sum_{i=0}^{363} (P)$ }	Expectation Mean** "E" = {1/363 $\sum_{i=0}^{363} (E)$ }	*** "P-E" = {1/363 $\sum_{i=0}^{363} (P) -$ 1/363 $\sum_{i=0}^{363} (E)$ }	RAN K
TAN Up-to-date equipment	363	3.645	3.945	-0.3	22 th
GIBI Physical facilities	363	3.11	3.848333	-0.73833	7 th
LS Staff dressed well	363	2.765	3.981667	-1.21667	1 st
REL Visually appealing materials associated with the service	363	3.045	3.511667	-0.46667	21 th
IABI Keep to promise	362	3.216667	4.015	-0.79833	6 th
LIT Sympathy to problems	363	3.133333	3.83	-0.69667	8 th
Y Dependability	363	3.188333	3.695	-0.50667	18 th
RES Keep records accurately	363	3.306667	3.838333	-0.53167	16 th
POS Providing service at the promised time	362	3.076667	3.553333	-0.47667	20 th
SIV Tell exactly when services performed	363	3.118333	3.721667	-0.60333	14 th
NES Prompt service to customers	363	3.295	3.816667	-0.52167	17 th
ASS Staff willing to help customers	363	3.058333	3.936667	-0.87833	5 th
UR Staff respond to requests promptly	363	3.323333	3.913333	-0.59	15 th
AN Can trust all staff	363	3.5	3.991667	-0.49167	19 th
CE Feel safe in receiving service	363	3.15	4.096667	-0.94667	3 th
EMP Staff are polite	362	3.258333	3.923333	-0.665	12 th
Give adequate support	363	3.268333	3.941667	-0.67333	11 th
Give individual attentions	363	3.343333	3.958333	-0.615	13 th

Service Quality Dimensions		N	Perception Mean *“P” = $\{1/363 \sum_{i=0}^{363} (P)\}$	Expectation Mean** “E” = $\{1/363 \sum_{i=0}^{363} (E)\}$	*** “P-E” = $\{1/363 \sum_{i=0}^{363} (P) - 1/363 \sum_{i=0}^{363} (E)\}$	RANK
ATH	Having customers best interest at heart	363	3.253333	3.933333	-0.68	10 th
Y	Employees who understand the need of their customers	362	3.343333	4.238333	-0.895	4 th
	Convenient time management	363	3.008333	3.701667	-0.69333	9 th
	Employees understand the needs of their customers	363	3.156667	4.201667	-1.045	2 th

Source: research survey finding (2015)

* Perception, ** Expectation, ***Service Quality Gap

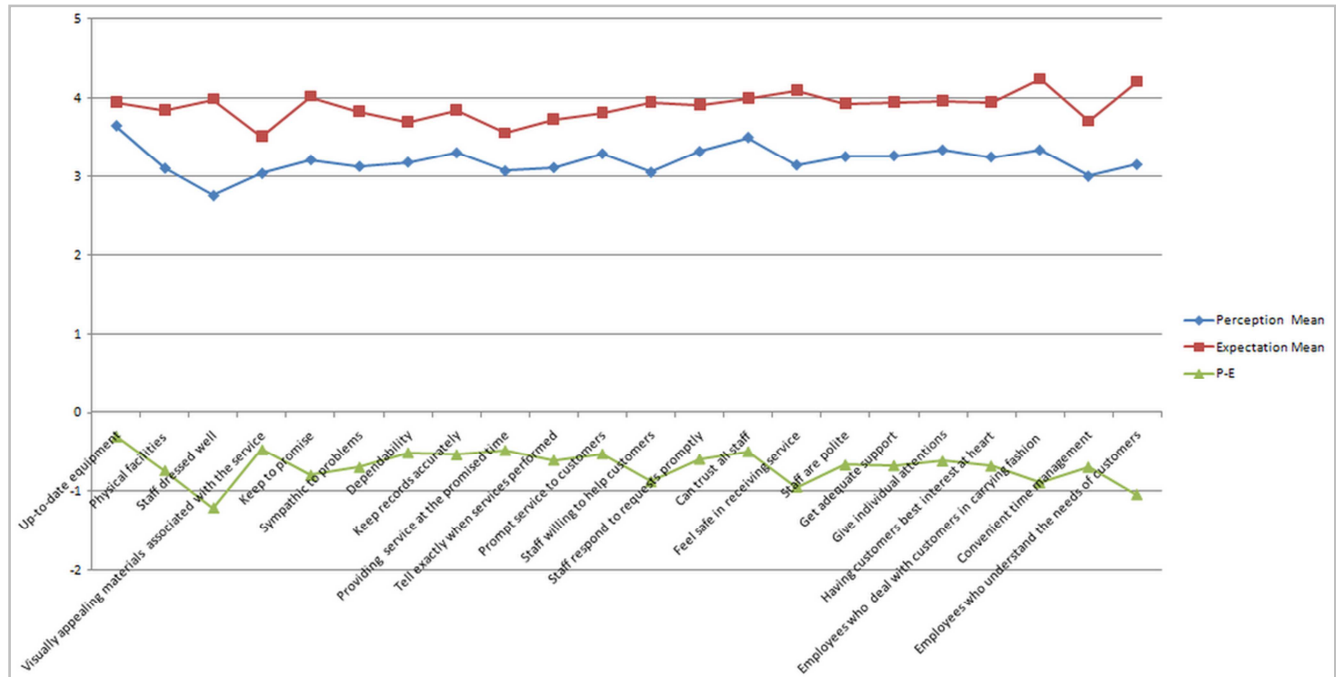


Figure 1. Service gap at each dimension.

Table 2. Mean Score of Expectation and Perception for all Towns and a City of Service Quality Dimensions.

Statements	Mean Total		P-E	Ranks
	Perception (P)	Expectation (E)		
Tangibles	4.13	5.29	-1.16	1 st
Reliability	3.94	5.1	-1.16	1 st
Responsiveness	3.68	4.34	-0.66	5 th
Assurance	4.07	5.13	-1.06	3 rd
Empathy	3.98	4.77	-0.79	4 th

Source: source-based on primary data (2015)

Results from Table 2 shows that the difference between exception and perception regarding the service quality is negative for all the five dimensions. This implies that the respondents rated these dimensions between ‘strongly disagree’ and ‘strongly agree’ for the service rendered by the hotels. The mean gap score analysis is done which shows that all the dimensions with negative scores. Their representations are described as follows: tangibility gap score is -1.16, reliability is -1.16, responsiveness is -0.66, assurance is -1.06 and empathy is -0.79. All gaps have negative values with highest being tangibles and reliability score equally followed by assurance and then empathy and the lowest is responsiveness. The SERVQUAL Model states that the larger

the gap score is the more is the dissatisfaction [20]. Since the gap score is minimum in responsiveness, it reveals that customers are highly satisfied with willingness to help customers and provide prompt service associated with the service of hotels found in the stated city and towns. Tangibles and reliability have maximum average gap score of -1.16 each which is higher than other three dimensions, implying dissatisfaction of customers. Tangibles mean physical facilities, equipment and appearance of personnel. Reliability means ability to perform the promised service dependably and accurately. Therefore, hotel found in the study area should take adequate measures to pay attention to these negative results. Further the results also shows that the hotels

found in these zone are not exceeding customer expectations in all the five dimensions of SERVQUAL Model.

Table 3. Service Quality Comparisons among woredas.

TOWNS	TANG (P-E)	RELIAB (P-E)	RESPO (P-E)	ASSUR (P-E)	EMPATHY (P-E)	SQ (P-E)
D/BIRHAN	0.110738	0.056568	-0.29608	-0.46229	-0.5129	-1.10396
ANKOBER	1.15	-0.05	-1.5	-1.25	-2	-0.73
ATAYE	0	-0.3	1	0.35	0.1	0.23
D/SINA	-3.1	-1.76	-1.66	-2.58	-3.66	-2.552
MEHALMEDA	-0.64179	0	-0.02985	0.045455	-1.16418	-0.29846
SHEWAROBIT	-2.917725	-2.948	-2.96835	-3.87763	-2.9746	-3.13726

Source: source-based on primary data (2015)

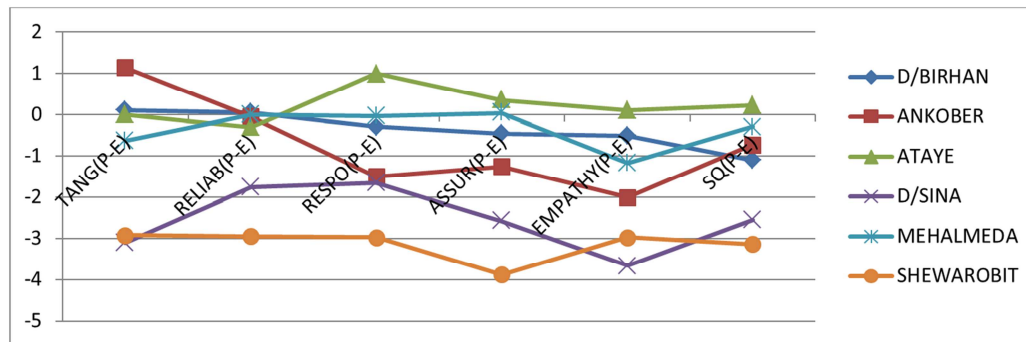


Figure 2. Service gap at each Woreda.

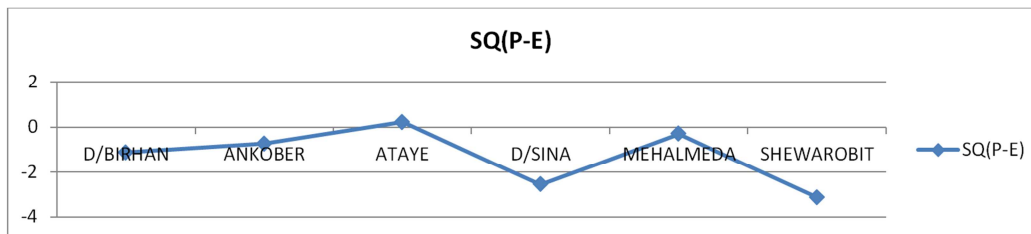


Figure 3. Service quality level at each Woreda.

As indicated on table 3 the highest expectation was seen at empathy followed by assurance where as the lowest expectation observed at tangibles and reliability respectively dimensions of the hotel services in Debirebirhan. This indicates customers' expectation is high on Empathy which includes lacks in the provision of caring and individualized attention to customers like access, communication and understanding the customers.

Access involves approach, ability and ease of contact. Communication means keeping customers informed in language they can understand. It means listening to customers, adjusting its language for different consumers and speaking simply and plainly with a novice. It also involves explaining the service itself, explaining how much the service will cost, and assuring the customer that a problem will be handled. Understanding the customers indicates making the effort to understand the customer's need. It includes learning the customer's specific requirements, providing individualized attention, recognizing the regular custom. like: The staff acknowledges the presence of customers at the reception and with a verbal greeting. The staffs are keeping eye contact, using customers, names and asking customers to return their key upon departure.

Under customers' perception the highest level of

perception was observed at tangibles and reliability respectively dimensions of the hotel services; whereas the lowest at empathy followed by assurance.

So that the result service quality is positive and highest at tangibles and reliability; and negative and lowest at empathy and assurance.

This indicates:

Hotels at the town of North Showa zone Debirebirhan town:

Service quality at Tangibility (0.110738) the physical evidence of front office staff is including a personality and appearance of personnel, tools, and equipment used to provide the service was compatible with the expectations of customers so that the result becomes positive and highest. Eva, Hiwot, Semayawi are hotels in standardized building which made customers to be satisfied on this dimension. Consciously ensure that their properties, building, staff dressed well, appearance of personnel are harmonized to customer standards and levels of expectation

Reliability (0.056568) the ability involves to perform the promised service dependably and accurately. It includes. Doing it right the first time which is one of the most important service components for customers. Reliability also extends to provide services when. The staffs perform tasks

that have been promised to guests and resolve problems encountered by guests. On this dimension customers become satisfied.

5. Conclusions and Recommendations

5.1. Conclusion

Most of hotel customers are males. Dressed well, Employees understand the needs of their customers, Feel safe in receiving service are averagely the three most dimensions at which the service quality gap is wider respectively. Averagely among the dimensions of service quality is orderly given attention as: Tangibles, Reliability, Assurance, Empathy and Responsiveness respectively.

5.2. Recommendations

It is better the hotel owners and workers to have clear awareness and understanding of:

1. What mean by quality service, how can be improved?

2. What are the quality dimensions applicable for hotel industry which can be improved by continuous training?

Priorities and high attention have to be given for some dimensions service quality gap is higher on. These are Dressed well, Employees understand the needs of their customers, Feel safe in receiving service. Give internal customers/employees motivation to satisfy external customers. Create competitive environment in the industry to upgrade the quality level through time continuously. Promote the Zonal tourist attraction sites, heritages and create the opportunity to serve large number of customers so we can increase the gross profit of hotels. Share experience from well known hotels in the country. Short training the employees about food preparation by collaboration with TVET College's respective department. Set out quality standards and hotels move towards those standards. Should have the interest of their customers at heart. Managing time in queuing/order. Recognizing – Understand what customers really want through ongoing learning about the expectations and perceptions of customers and no customers by conducting customer survey. Concerning to basic service – the hotels must deliver the basics and do what they are supposed to do – do things first time, keep promises, use common sense, keep customers informed, listen to customers, and be determined to deliver value to customers. Increase communications amongst staff members this enables hotels to deliver service with care and attentiveness by improving employee motivation and capabilities.

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