SERVQUAL: Can It Be Used to Differentiate Guest's Perception of Service Quality of 3 Star from a 4 Star Hotel

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Abstract

A 3-star and 4-star rated hotel, what do they mean? Are there significant perceived differences between the ratings? This research work investigates on what customers think of the quality of service of 3-Star and 4-Star hotel using SERVQUAL measures. In spite of the criticality of service quality, there are still misunderstanding about the perception of quality of service between the hotel and their customer, where research has shown that many service organizations develop their own perception of customer needs. The respondents for this study were the customers of the 3 and 4 stars hotels. Data were collected through a self-administered survey SERVQUAL questionnaire distributed to the respondents based on convenient random sampling method. Data were then analyzed statistically using the linear regression and independent t-Test from the SPSS package to determine how service quality is related to hotel guest's satisfaction, and the differences between 3-Star and 4-Star hotel respectively. Practical business strategy implications of this study are highlighted.

Keywords: SERVQUAL, customer satisfaction, hotel rating, service quality

1. Introduction

Quality is a perceptual, conditional and somewhat subjective attribute of a product or service. Its meaning in business has developed over time. It has been understood differently and interpreted differently by different people. A business will benefit most through focusing on the key processes that provide their customers with products and services. Producers may measure the conformance quality, or degree to which the product or service was made according to the required specification. Customers on the other hand, may focus on the quality specification of a product or service, or compared it with those that are available in the marketplace. In a modern global marketplace, quality is a key competency which companies derive competitive advantage. Achieving quality is fundamental to competition in business in propelling business into new heights. Good quality product or service enables an organization to attract and retain customers (Kim-Soon, 2012). Poor quality leads to dissatisfaction to customers. Whether it is a big organization or a small one, producing products or services, it is quality that matters to the customers. Zeithaml et al. (1996) and Parasuraman et al. (1991) reported that service quality is a key driver that differentiate a performing organization. Alrousan and Abuamoud (2013) reviewed that there is lacking of literature pertaining to service quality in the hotel industry. Although service quality is critical to hotel industry, there is still lacking in focus of commonalities to introduce quality initiatives (Zeithaml et al., 2013) and misunderstanding about the perception of quality of service between the hotel and their customer. Saghier (2013) has also emphasized that it is crucial to regularly monitor service quality of hotel to sustain competiveness. In his work, SERVQUAL tool has been used to diagnose the service quality factors that affect hotel customer satisfaction. Thus, this research work uses SERVQUAL tool to determine whether service quality provided to 3-star and 4-star hotels guest is significantly related to guest's satisfaction, whether the guest of a 3 star hotel and another guest from a 4-star hotel are respectively satisfied with their service quality provided to them at their respective hotel and whether this tool can be used to differentiate service quality factors between the 3-star and the 4-star hotel.

1.1 Research Background on Hotel Services and Rating Systems

The background information about hotel services and rating systems were obtained from the preliminary interview sessions, discussion held with 2 hoteliers and from the secondary information. It gives a broad view and inputs covering service of hotels, the hotel rating systems, and the 3-star and 4-star hotels.

1.2 Full-Service and Limited-Service Hotels

Interviewed and discussed with two hoteliers, they categorized hotels into 3 main categories, the full-service hotels, the select-service hotels and the limited-service hotels. These are differentiated by basics and services differences including cosmetic, budgetary and amenity-related differences. Hotels with limited-service have the lowest operating costs of the 3 categories. They lack the extras; cheaper room rates, and cater budget conscious travelers, while the full-service hotels have luxurious amenities and facilities with high staffing to support the numerous services.

The room of a limited-service hotel is for serving the budget-friendly travelers. It only provides the basics as compared to the full-service hotel rooms. It is common for limited-service hotels to offer items like cable television (TV), internet services and mini fridge in the room, while the full-service hotels may have IP TV with movies, high speed internet with comfortably decorated better equipped amenities. The standard provided for the facilities at limited-service hotels is also different from the full-service hotels. Limited-service hotel lacks in-house drinking and dining facility, dry cleaning, spas, conference and meeting rooms, banquet and valet services.

A limited hotel offers few services as compared to a full-service hotel. Guests are provided a room to stay for the night with few services for the limited-service hotels. In a full-service hotel, its guest generally can expect service consistency with good attentiveness from the service personnel of the hotel services. Normally, the full service hotel provides bed turn-down, newspaper delivery, security guards, wake-up calls, room service, shutter to nearby attractions or airport.

1.3 Hotel Rating Systems

The hotel operators interviewed explained and agreed among them that in Asia there is no one common standard of rating system. An effective service quality rating should be unbiased and credible to assist traveler's decision-making process. Generally, hotels rating can come from a variety of sources which may include the tourism associations or group, the government, and or the hotel operators. The hotels in Singapore, China, and Malaysia are ranked by "star" system. A 5-star hotel is equivalent to international luxury hotels, while a four-star criterion does not have certain features like the swimming pools. Asian hotels have higher staffing levels as compared to the U.S. or European. In most situations, the price accurately indicates the quality of the hotel.

The MS2446 (2012) Standard on accommodation premise classification criteria and requirements for hotel provided by the Department of Standards Malaysia provides the minimum requirements for star rating of hotel. It uses the criteria Qualitative and Aesthetic Requirement, Common Areas, Bedroom Requirement, Services, Safety Standard and Hygiene, and Staff to rate the hotel in term of 1-star to 5-star. The Department of Standards Malaysia (Standards Malaysia) is the national standards and accreditation body of Malaysia. SIRIM Berhad has been appointed by Standards Malaysia as the agent to develop, distribute and sell the Malaysian Standards. The Malaysian Standard was developed by the Technical Committee on Tourism and Related Services under the authority of the Industry Standards Committee on Tourism, Exhibition and Hospitality Services. However, compliance with a Malaysian Standard does not of itself confer immunity from legal obligations.

1.4 The 3-Star and 4-Star Rated Hotels

What do the 3-star and 4-star hotels mean? What is the difference between the ratings basing on the MS2446 (2012) rating standard? The 3-star hotel is usually bigger in size and has more staff than the 2-star hotel. It also classified as a hotel for the tourist. All bedrooms have bathrooms and superior standard of equipment are used. Hair dryer, direct dial telephone, toiletries are provided in the bathroom. Room service are also provide in some three-star hotel room. The grading put more emphasis on style, comfort, and personalized service. It generally has a dining room and a hospitality location, pool and fitness center, gift shop and luggage assistance. Conference rooms for meetings and extension services for business travelers are usually offered. As for the the 4-star hotel, it is an upper class hotel offering a restaurant inside the hotel. Service features is of luxury class with quality furniture, furnishings and equipment. Every corners of the hotel look luxurious and stylist in design. It features wider space and well designed. There are employees to provide services as bell services, 24 hours room service, laundry and dry cleaning. Have a restaurant that offers delicious food. Parking, conference center with the latest technology are available. Public spaces and rest rooms are designed and built with materials of high quality. Offering stylish furniture, bedding and good quality bath products.

Consumers through the internet networks are also ratings hotels basing on their subjective personal opinions. One interviewee / hotelier remarked that the hotel ratings game can be misleading and at times frustrating because of different of criteria used in the rating and reviewer differs from one another. There are those who used

customer feedback to rate the hotel instead of expert opinion.

Generally, the rating used to differentiate the hotel is as follows:

-   1-star: cheap, room or maid service may not be provided.

-   2-star: budget hotel, slightly more expensive, daily maid service is usually provided.

-   3-star: the price is moderate, categorized as a middle class hotel, room service, daily maid service, Internet is provided, dry-cleaning service may be available.

-   4-star: categorized as first class hotel, classified as slightly expensive for middle-class standards, has all of the services for 1 to 3-star, massages or a health spa maybe available.

-   5-star: the price is high, categorized as luxury hotel, the quality of the guest's stay is enhanced through extras, e.g. accessible to golf course.

2. Literature Review

2.1 Service Quality

Service quality is defined from the customer's perspective. Stauss and Weinlich (1997) categorized method to measure service quality into incident-based or attribute-based incidents of customers experience of service contact situations is the criteria used for incident-based measure, while perceived service quality is the attribute-based measure. Researchers conceptualized it as the result of comparison of customer's expectations about a service and their perceptions on the way the service has been provided (Parasuraman et al., 1985, 1988; Oliver, 1974, 1980; 1993). SERVQUAL scale is an attribute measure developed by Parasuraman, Zeithaml and Berry (1985). It is the most popular model use to measure service quality (Mauri et al., 2013). The model developed in the year 1985 was made up of 10 dimensions to assess the perceived service quality. In the year 1988, it was reduced to five dimensions. The first dimension is on tangible aspects emphasizing on the aspect of physical facilities, equipment and personnel. The second dimension of reliability emphasize on capability of the firm to deliver its promised services in careful manner without error or defect. The third dimension emphasize on responsiveness of the firm ability to react quickly to customers and deliver the service without delay. The fourth dimension is on assurance where the personnel providing the service are competence, polite and able to inspire confidence. Finally, the fifth dimension is on empathy where the service personnel are able to understand and convey the firm specified and personalized experience to its customers. This SERVQUAL scale has since been refined in 1991 and 1994.

2.2 Customer Satisfaction

The feeling of pleasure or disappointment is as a result of comparison of a perceived satisfaction of hotel guest and his expectation from the service provided. Satisfaction is a pleasurable fulfillment response of the service provided and unfulfilled pleasure response result in feeling of dissatisfaction (Buttle, 2006). It is an emotional response to a service encounter and is translated into the degree of satisfaction to this response (Cronin et al., 2000). This has been described specifically in the hotel industry as a cognitive or affective response to the services delivered (Hu et al., 2009).

2.3 Expectation-Confirmation Theory

The embedded theory in the SERVQUAL model is the Expectation-Confirmation Theory (Oliver, 1974, 1980; 1993). In this case, service quality is the perceived different between the customer's quality expectation and the customer's perception of the service. Expectancy theory is a motivational theory that has been proposed by Vroom (1964). It explains how an individual makes decision through behavioral directed process and chooses one behavioral options over another to achieve the desired outcome they valued. In the service sector, the concepts of quality and customer satisfaction can be linked (Zeithaml, Bitner & Gremler, 2012). Expectation-confirmation theory is generally employed in the study of customer satisfaction.

2.4 Quality Service and Customer Satisfaction of Hotel Industry

Quality is one of the important aspects for management to consciously put efforts to intervene and address issues affecting quality on an enduring basis to sustain and prosper the business (Kim-Soon & Jantan, 2010; Narangajavana & Hu, 2008; Chen, 2008). Kim-Soon (2012) reviewed that by focusing on quality, an organization can substantially improve on its performance. The service that is provided in a hotel has direct interaction with its guests. Consistency and repeatability of service quality provided by the hotel determined its service quality levels. It is necessary for hoteliers to understand guest's expectations in order to manage and provide the required level of quality service in their hotel (Shi & Su, 2007).

Empirical research works provide support that service quality and hotel guests' satisfaction are significantly related (Saghier, 2013; Li & Krit, 2012; Jones et al., 2007; Hu et al., 2009). Sustaining the customers' satisfaction level is a continual process requiring regular monitoring of service quality (Kim-Soon, 2012; Saghier, 2013). However, researchers and practitioners still do not possess commonalities to introduce quality initiatives in the hotel industry (Zeithaml et al., 2013). Responsiveness, reliability and empathy of service quality lead to satisfaction while, empathy and assurance do not (Saghier, 2013). On the other hand, Motlagh, et al. (2013) found that the service quality elements–tangible, reliability, responsiveness and perceived value are significantly related to level of guest's satisfaction, while assurance and empathy are not related to satisfaction. Kumar et al., (2011) suggested that tangibles elements including the introduction of Wi-Fi facility, swimming pool, health club and more entertainment facilities etc., besides employing well groom, reliable, well trained employees are able to improve hotel performance. These findings among researchers and the practices of evaluating service quality in the hotel industry are not consistence, suggesting more research works are needed.

3. Research Methodology

The background about hotels was obtained from the preliminary interview sessions, discussion held with 2 hoteliers and from the secondary information. The data on hotel guests' perception of service quality were collected using self-administered questionnaire distributed to the hotel guests through convenient random sampling method at a 3-star and a 4-stars Hotels.

3.1 Research Hypotheses

Service quality is a key driver to competitive advantage and differentiates a performing service organization. Perceived factors of service quality are very important and crucial constructs in service marketing. For the hotel manager, it is an indication of where to bet on its scare resources and marketing efforts. The concept of perceived service quality is based on service features and satisfaction is the result of the expectation dimension. In this case, SERVQUAL is a service measuring tool that is used to diagnose the service quality factors that affect hotel guest's satisfaction. This is derived from the Expectation-Confirmation Theory (Oliver, 1974, 1980, 1993).

Thus, the research hypotheses for this research work are as follows:

H1: The perceived service quality provided to hotel guest is significantly related to guest's satisfaction.

H2: The guest of a 3 star hotel and another guest from a 4-star hotel are respectively satisfied with their service quality provided to them at their respective hotel.

H3: There are significant differences of service quality provided by the hotel between the 3-star and the 4-star hotels.

H4: The experience of guest's satisfaction is different between the 3-star and the 4-star hotel.

3.2 Questionnaire Design and Measurement

The questionnaire consisted of three parts. First part is on profile of the respondent, the second part is on perceived service quality using the SERVQUAL questions. This is adapted from that used by Gabbie and O,neill, (1996). The SERVQUAL instrument (Appendix A) measures the performance across these five dimensions, using a five point likert scale measuring perception of service quality practice by the hotel. The third part of the questionnaire is for collecting data on guest satisfaction. In the second part, respondent score on the respective item of their perception of level of agreement of service quality practice by the hotel by circling on the scale of 1 to 5 where 1=Strong Disagree to 5=Strongly Agree; while in the third part, respondent score on their respective customer satisfaction items by circling on the scale of 1 to 5 basing on the rating of their level of satisfaction of their stay hotel where from 1=Very Poor to 5=Excellent.

4. Result and Analysis

Descriptive analysis, reliability analyses, linear regression and independent sample t-test analysis using SPSS statistical package were used to analyze the data.

4.1 Profile of Respondents

Table 1 tabulates the general characteristics of the respondents (hotel guests). There are 57 (41.4%) male respondents and 81 (58.7%) female respondents making it a total number of 138 respondents. A total of 18 (13.0%) of respondents age between 18 and 24 years old, 49(35.5%) age between 25 and 34, 37(26.8%) age between 35 and 44, 28(20.3%) age between 45 and 54 while 6(4.3%) age between 55 and 64 years old. A total of 29(21.0%) of the respondents are Malay, 53(38.4%) are Chinese, 37(26.8%) are Indian and the remaining 33(13.7%) were others. Most of the respondents are married. The distribution on marital status is 36(26.1%) are

single, 86(62.3%) are married and 11(11.6%) are divorcee. About half of the total respondents (70, 50.7%) possess a degree, 50(36.2%) are educated at Secondary and Diploma level, 9(6.5%) are at primary education and the remaining 9(6.5%) have a post-graduate degree. As for income level per month, 19 (13.8%) of the respondents earn less than RM1, 500, 41(29.7%) earn between RM1,600 to RM2,600, 51(37.0%) earn between RM2,600 to RM3,500 per month, 21(15.2%) earn between RM3,600 to RM4,500 and the remaining 5(3.6%) earn a monthly income of more than RM4,600 per month. About half 70(50.7%) of the total respondents stayed at hotels for personal matter/business purpose, while 32(23.2%) stayed for purpose of sport activities and the remaining 36(26.7%) stayed at the hotels for seminar and conference. Only 20(14.5%) of the total respondents have never stay at this hotel, while the remaining 118(80%) have experienced stayed at the same respective hotel before. The number of respondents that stayed for 1 day were 43(31.2%) of the total respondents, 2 days were 49(35.5%), 3 days were 38(27.5%), 4 days were 6(4.3%) and the remaining 2(14.0%) stayed for 5 days and above.

Table 1. General characteristics of the respondents

	Description			Frequency	Percentage (%)
1	Gender	a.	Male	57	41.4
		b.	Female	81	58.7
2	Age	a. 18-24 years		18	13.0
		b. 25-34 years		49	35.5
		c. 35-44 years		37	26.8
		d. 45-54 years		28	20.3
		e. 55-64 years		6	4.3
3	Ethnic	a.	Malay	29	21.0
		b.	Chinese	53	38.4
		c.	Indian	37	26.8
		d.	Others	33	13.7
4	Marital status	a.	Single	36	26.1
		b.	Married	86	62.3
		c.	Divorce	11	11.6
5	Education	a.	Primary	9	6.5
		b.	PMR/SPM/STPM/Diploma	50	36.2
		c.	Graduate	70	50.7
		d.	Post-graduate	9	6.5
6	Monthly income	a.	< RM1,500	19	13.8
		b.	RM1,600 - RM2,500	41	29.7
		c.	RM2,600- RM3,500	51	37.0
		d.	RM3,600- RM4,500	21	15.2
		e.	RM4,600 and above	5	3.6
7	Purpose of using the hotel	a.	Sport activities	32	23.2
		b.	Personal matter/business	70	50.7
		c.	Seminar/ Conference	36	26.7
8	Number of time of experience prior to This	a.	Never	20	14.5
		b.	1	36	26.1
		c.	2	44	31.9
		d.	3	17	12.3
		e.	4	16	11.6
		f.	5 and above	5	3.6

9	Method of payment	a.	Own payment	62	44.9
		b.	Paid by others	61	44.2
		c.	Free of charge	15	10.9
10	Number of days staying at the hotel in this occasion	a.	1	43	31.2
		b.	2	49	35.5
		c.	3	38	27.5
		d.	4	6	4.3
		e.	5	1	7.0
		f.	6 and above	1	7.0

4.2 Reliability Analyses

The type of reliability analysis used to analyze reliability in this study is the Cronbach alpha coefficient. Cronbach's alpha is designed as a measure of internal consistency, reliability of measure was used to test whether the items within the instrument measure the same thing? The closer the Cronbach's alpha is to 1, the higher the internal consistency reliability. Reliability of at less than 0.6 is generally regarded to be acceptable, and those over 0.8 to be good (Sekaran, 2003). All the variables of this study have value of above 0.6 and this is tabulated in Table 2.

Table 2. Reliability of measure of the variables

No.	Item	Number of questions	Cronbach's Alpha
1	Tangibles	4	.665
2	Reliability	4	.785
3	Responsiveness	4	.778
4	Assurance	4	.735
5	Empathy	4	.780
6	Guest's satisfaction	8	.895

4.3 Descriptive Statistic

Table 3.0 tabulates the descriptive statistic of this study that compares the mean, the items levels and standard deviation of all the variables. The results for mean of value and the levels of perceived service quality and hotel guest satisfaction indicated that the level of service quality for both the 3-star hotel and the 4-star hotel are all good levels.

4.4 Hypotheses Testing

Linear regression was used to test hypothesis H1: The perceived service quality provided to hotel guest is significantly related to guest's satisfaction, and H2: The guest of a 3 star hotel and another guest from a 4-star hotel are respectively satisfied with their perceived service quality provided to them at their respective hotel.

Table 4a and 4b tabulate the results of the regression analyses. The R^2 for Model for 3-star and 4-star are respectively .529 and .397. These imply that the five variables of service quality dimension for the respective models explained a total of 52.9% and 39.7% in giving the guest satisfaction for the 3-star and the 4-star hotel respectively. The F-statistics p<0.001 models are adequate and Durbin Watson values indicated that the models are valid. Thus, hypothesis H1 and H2 are both supported.

Table 3. Description analysis of perceptions of quality of service and hotel guest satisfaction and its mean value and it respective level of the respective measures for 3-star hotel and 4-star hotel

No.	Item	3-star Hotel			4-star Hotel		
		Mean	Standard Deviation	Level agreement of service quality item / satisfaction measure*	Mean	Standard Deviation	Level agreement of service quality item / satisfaction measure*
1	Tangibles	3.15	.45	Good	3.92	.39	Good
2	Reliability	2.90	.39	Good	3.95	.46	Good
3	Responsiveness	2.97	.47	Good	3.87	.43	Good
4	Assurance	3.20	.43	Good	3.93	.47	Good
5	Empathy	3.07	.44	Good	3.96	.49	Good
6	Guest satisfaction	2.92	.41	Good	4.01	.37	Good

***(N= Total number respondents in 3 stars and 4 Stars =138); Range is based on Likert Scale of 1 to 5 where 1.00-2.33 = Low; 2.34 - 3.66 = Good; and 3.67-5.00 =High.

Table 4a. Regression of service quality (SERVQUAL) with hotel guest's satisfaction for 3-star and 4-star models

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistic			Durbin Watson
					R^2 Change	F Change	Sig. F Change	
3-star	.728	.529	.494	.295	.529	15.078	.000	1.534
4-star	.630	.397	.346	.306	.397	7.778	.000	1.947

Dependent variable: hotel guest satisfaction.

It is interesting to note from Table 4b that the standardized beta for the elements tangibles, responsiveness and empathy are respectively .267, .232 and .274 respectively with t-test values significantly related to guest's satisfaction at (p<0.05) for the 3-star Model. However, it is not significant for reliability and assurance elements of service quality. Meanwhile, for 4-star Model, the standardized beta are .316 significant at p<0.05 for and .221 significant at p<.10 and not significant for the other three elements of service quality, that it tangibles, reliability and empathy of the service quality elements.

Independent sample t-Test was used to test hypothesis H3: There are significant differences of perceived service quality provided between the 3-star and the 4-star hotel; and hypothesis H4: The experience of guest satisfaction is different between the 3-star and the 4-star hotel.

Table 4b. The effect of service quality on hotel guest's satisfaction

No.	Independent variables	3-star Model			4-star Model		
		Standardized Coefficients (Beta)	t-Test value	Sig.	Standardized Coefficients (Beta)	t-Test value	Sig.
1	Tangibles	.267	2.549	.013	.188	1.657	.103
2	Reliability	.033	0.314	.754	.028	0.221	.826
3	Responsiveness	.232	2.104	.039	.316	2.212	.031
4	Assurance	.170	1.627	.108	.221	1.818	.074
5	Empathy	.274	2.627	.011	.069	0.576	.567

Dependent variable: hotel guest satisfaction.

The results of this test are shown in Table 5. All five elements of perceived service quality dimension respectively for both the 3-star and the 4-star indicated significant differences at p<0.001 level (2-tailed). The guest's satisfaction between the 3-star and 4-star also indicated significant difference on comparing the satisfaction levels between the 2 categories of hotel. Thus, hypothesis H3 and H4 are both supported.

Table 5. Independent samples t-test of service quality elements and guest's satisfaction between 3 stars and 4 stars hotel

	Variables	Type of hotel	No of respondent	Mean	Std. Deviation	t-Test for Equality of Means	
						t value	Sig. (2-tailed)
1	Tangibles	3-star	73	3.15	.45	-10.617	.000
		4-star	65	3.92	.39		
2	Reliability	3-star	73	2.90	.39	-14.388	.000
		4-star	65	3.95	.46		
3	Responsiveness	3-star	73	2.97	.47	-11.562	.000
		4-star	65	3.87	.43		
4	Assurance	3-star	73	3.20	.43	-9.393	.000
		4-star	65	3.93	.47		
5	Empathy	3-star	73	3.07	.44	-11.045	.000
		4-star	65	3.96	.49		
6	Guest's satisfaction	3-star	73	2.92	.41	-16.039	.000
		4-star	65	4.01	.37		

5. Discussion

Whether it is a 3-star hotel or a 4-star hotel, perceived service quality is significantly related to hotel guest's satisfaction. In a general sense, this research work supports past empirical research works that service quality and hotel guests' satisfaction are significantly related (Saghier, 2013; Li & Krit, 2012; Jones et al., 2007; Hu et al., 2009). Perceived quality is an antecedent of satisfaction (Tsiotsou (2006), Caruana (2002) and Llusar et al., (2001). This implies that perceived service quality has a direct effect on hotel guest's satisfaction. The significant service quality dimension ($p<0.001$) for the respective models explained a total of 52.9% and 39.7% of guest satisfaction for the 3-star and the 4-star hotel respectively are high. It is customers that bring-in the sales revenue and bottom-line to the business. Satisfied customers will keep come back for more and satisfied customer will tell others of the good experience and serve as a referral tool in promoting service provided by the hotel. It thus implies that service quality is a very crucial and potent factor in hotel management in determining hotel's performance.

Business strategy requires that the hotelier focus on improving their competitive position of their service to outwit their rivals within their particular market segment (Wheelen & Huger, 2008). Perceived quality dimension is controllable to a certain extent whilst satisfaction is an emotional response to a delivered service experienced by hotel guest. This is translated into the degree of satisfaction to the response (Cronin et al., 2000). The results of significant in betas between the different elements of the service quality dimension between the two categories of hotel indicated the different in emphasis of these elements and marketing positioning. The standardized beta for the elements tangibles, responsiveness and empathy are significantly related to guest's satisfaction at ($p<0.05$) and it is not significant for reliability and assurance elements for the 3-star. As for the 4-star hotel, reliability and assurance elements of service quality dimension are significantly related to guest's satisfaction while not significant for the tangibles, reliability and empathy of the service quality elements. Kim-Soon (2012) and Saghier (2013) reiterated that the sustaining of customers' satisfaction level is a continual process that requires regular monitoring the controllable elements of service quality. This explained the importance of dynamic maneuvering to sustain market position and competitive in its market segment the hotel of its intended offers and to stay in business. The business strategies are in the play for hotel to build its competitive advantage. The business strategy and fundamentals are different from one hotel to another. In this sense, the findings of this study explained that it not easy to introduce common quality initiatives in the hotel industry.

6. Conclusion

This study has successfully used SERVQUAL tool to determine the level of service quality provided in 3-star and 4-star hotel. Irrespective whether it is a 3-star hotel or a 4-star hotel, the perceived service quality provided to hotel guest is significantly related to guest's satisfaction. The guest of a 3 star hotel and another guest from a 4-star hotel are respectively satisfied with their service quality provided to them at their respective hotel. There are significant differences of service quality provided by the hotel between the 3-star and the 4-star hotel. The

experience of guest's satisfaction is significantly different between the 3-star and the 4-star hotel.

7. Implications

Satisfied hotel guests will keep come back for more and satisfied customer will tell others of their good experience. They also serve as a referral to potential customer by promoting the service provided by the hotel. Service quality is the antecedent of guest's satisfaction. Service quality is a key driver that differentiates a performing organization. The high contribution of service quality to guest's satisfaction makes service quality an essential and potent factor of hotel management. SERVQUAL can be used to differentiate guest's perception of service quality of 3-star from a 4 star Hotel. This makes SERVQUAL which is able to measure the factors of service quality dimension a useful marketing tool for making market positioning decision objectively. As perceived quality dimension is controllable to a certain extent, the tool can be used to assist hotelier to bet on where to put in their marketing effort to target the right customers and optimize the available resources. The appropriate factors of the service quality dimension can be improved or reduced to the appropriate level to optimize performance and to improve their competitive position within their particular market segment. SERVQUAL is recommended for use to regularly monitors service quality, assist management in managing new challenges and sustain competiveness.

Acknowledgement

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Appendix A

I. Customer Perception of Service Quality Practice

Please score on the respective item of your perception of service quality practice by this hotel by circling on a scale of 1 to 5 basing on the rating as follows.

1: Strongly Disagree, 2: Disagree, 3: Neutral, 4: Agree, 5: Strongly Agree

Tangibles

1. The hotel has up-to-date equipment and instrument facilities.

2. The hotel physical features are visually appealing.

3. The hotel reception desk employees are neat in appearance.

4. Materials associated with the service (pamphlets or statements) visually appealing in hotel.

Reliability

5. When the hotels promise to do something by a certain time, they do.

6. When you have a problem, the hotel staff shows a sincere interest in solving it.

7. The hotel performs the service right the first time.

8. The staff offer you some help (for example, once you arrive at the front desk of hotel, the receptionists ask you if she/he can help you.)

Responsiveness

9. The staff tells you exactly when services will be provided (for example, the receptionist informs you about breakfast time during your check in).

10. The staffs are willing to help you e.g. guiding you a hotel direction.

11. Employees in the hotel tell you exactly when the services will be performed.

12. Hotel gives special care to special customers.

Assurance

13. The staffs have product knowledge of hotel information e.g. describing all room types and the restaurants.

14. The staff possesses the required skill to perform service.

15. The staff makes you feel safe when staying at the hotel (for example, the doorman observes the persons who come in the hotel).

16. The staffs speaks with you by using an appropriately address forms (for example, hello, may I help you, Sir/Madam?)

Empathy

17. The staff shows personal attention to you.

18. The staff knows your specific needs.

19. The hotel gives individual attention to the customers.

20. The staff able to communicate effectively with you.

II. Hotel Guest Satisfaction

Please score on the respective guest satisfaction items by circling on the scale of 1 to 5 basing on the rating as follows of your satisfaction with your stay at this hotel. Where 5=Excellent; 4 = Good; 3 = Fair; 2 = Poor; 1 = Very Poor

1. How was your reservation handle?

2. Providing good welcome and check- in handling service?

3. The staff in the hotel are friendly.

4. What is your overall satisfaction with your visit to this hotel?

5. Providing room that is clean and comfortable.

6. Providing enough room facilities.

7. Providing quality food and beverage.

8. Compare to other hotel in the area that I have stayed, overall this hotel is able to satisfy my needs and wants.