



# An Evaluation of Service Quality Gap and Customers' Satisfaction of 3 Star Rating Hotels in Surat City: A Study Based on Servqual Gap Model

## KEYWORDS

Service Quality, SERVQUAL Model, Service Quality Gap, Customer Satisfaction

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**ABSTRACT** Now a day, service sector plays a significant role in economy of any country. To improve tourism sector, hotel services are very crucial to attract customers. So, this study focuses on service quality and customers' satisfaction of 3 Star Rating Hotels in Surat city. Total 140 customers have been taken as respondents from seven 3 Star Rating Hotels of Surat city. Data has been collected by applying convenience method by using a structured questionnaire. Questionnaire has been framed on the basis of SERVQUAL model. Data has been analyzed by using gap-score and t-test. From the analysis, it has been concluded that customers are satisfied with the services of 3 Star Rating Hotels. It has been determined that there is a positive gap between customers' perception and customers' expectation.

## 1. Introduction

Hotel or hotel industry is a part of the hospitality industry. It provides food and accommodation. Hotel is often referred as a "Home away from home". A hotel is a building where you pay to have a room to sleep in and where you can eat meals (Cambridge dictionary). Hotel industry is separated into two types; one is considered by functions (Airport Hotel, Commercial Hotel, Conference Centre, Economy Hotel, Suite or All-Suite Hotel, Residential Hotel or Apartment Hotel, Casino Hotel, Resort Hotel) and second is considered by Star Ratings (five star hotels, four star hotels, three star hotels, two star hotels, one star hotel, and no category hotels). Hotel ratings are frequently used to categorize hotels according to their facilities. The primary objective of the hotel rating is to inform travellers about basic facilities that can be expected from the hotel. The objective of hotel rating has expanded into a focus on the hotel experience as a whole (Hensens et al. 2010). Nowadays the terms 'grading', 'rating', and 'classification' are used to usually refer to the same idea that is to classify hotels, mainly using stars as a symbol.

## 2. Literature Review

- ♦ Kumar Babita et al. (2005) have found that there is a significant difference in three categories hotels (High, medium and low) for empathy. They have found that there is a gap between customers' expectation and their perception towards the services. On the whole the industry did not match the expectations of customers.
- ♦ Kuruuzum Ayse et al. (2010) have found that service quality has a strong effect on the behavioural intention of hotel customers (i.e. loyalty, switch, pay more, external response and internal response). In particular, responsiveness, tangible and reliability dimensions were found most effective on behavioural intentions than any other dimensions.
- ♦ Murasiranwa Emmanuel T. (2010) have found that service and quality are sacrificed at the altar of profits as senior managers appear to hope for quality but reward financial performance. The results also identify a significant gap in UK literature and a consequent paucity in knowledge regarding the use of service guarantees as service quality strategy in hotels.
- ♦ Rousan Al et al. (2010) have found that dimensions of service quality such as empathy, reliability, responsiveness and tangibility significantly predict customer loyalty. Their study implies that five star hotels in Jordan should also come forward and try their best to present better tourism service quality to win back their customers' loyalty.
- ♦ Mola Farzaneh et al. (2011) have found the mean differ-

ences between expectation and perception of hotels' guests represent positive and negative numerical scores. They have found that two items reported positive scores, while the remaining items scores negative values which is the result of shortfalls in offering service quality and the guests' perceived value of the services less than their expectations based on measured variables.

## 3. Theory Related SERVQUAL Gap Model and Dimensions

### 3.1 SERVQUAL Gap Model

There are seven major gaps in the service quality concept, which are shown in Figure 1. The model is an extension of Parasuraman et al. (1985).

- Gap 1 It shows the difference between consumer expectations and management perceptions of consumer expectations.
- Gap 2 It shows the difference between management perceptions of consumer expectations and service quality specifications.
- Gap 3 It shows the difference between service quality specifications and the service actually delivered.
- Gap 4 It shows the difference between service delivery and what is communicated about the service to consumers.
- Gap 5 It shows the difference between customer expectations of service quality and customer perceptions of the organization's performance.
- Gap 6 It shows the difference between customer expectations and employees' perceptions.
- Gap 7 It shows the difference between customer expectations and employees' perceptions.

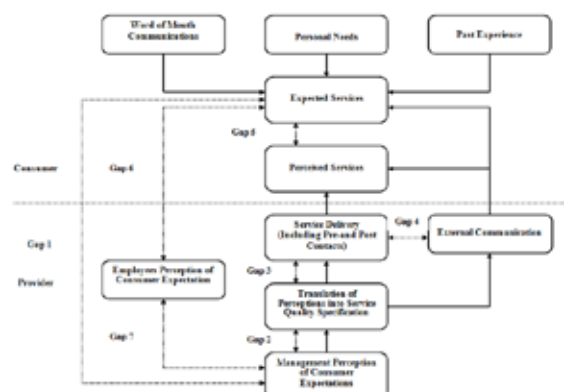


Figure1: Model of service quality gaps (Parasuraman et al., 1985; Curry, 1999; Luk & Layton, 2002)

### 3.2 Service Quality Dimensions

To measure service quality, Parasuraman, et al. (1985) first identified the dimensions of service quality. These were identified through extensive focus groups and refined through statistical analysis of a pilot instrument. The resultant five dimensions namely tangibles, reliability, responsiveness, assurance, empathy.

### 4. Research Problem

In this specific world, among the institution and service provider companies, there exists so much competitiveness at this level. From all these, the most successful institutes or Service provider companies are that who provide the best goods or services to their customer. So, the study focuses on the service quality and customer satisfaction of 3 Star Rating Hotels in Surat city.

### 5. Objectives

1. To find the gap between customers' perceptions and expectations towards hotel services and suggest various measures for minimizing gaps between customers' perceptions and expectations.
2. To assess customers' satisfaction towards the service quality of 3 Star Rating hotels in Surat city.

### 6. Significance of the Study

Hotel or hotel industry is a part of the hospitality industry. Moreover, tourism plays a vital role in service sector. To improve tourism industry, hotel services are very crucial to attract customers. So, this study focuses on service quality and customers' satisfaction. It is a practical guideline for the hotel management, especially the front office department. The outcome of this study develops the service quality of the front office staff in order to meet with the customers' needs and their satisfaction.

### 7. Hypothesis

- H0a: There is no service quality gap between customers' perception and expectation of 3 Star Rating Hotels in Surat city
- H0b: Customers are not satisfied or neutral with the services of 3 Star Rating Hotels in Surat city

### 8. Methodology

This study is exploratory type in nature. Customers of 3 Star Rating Hotels in Surat city are the target population. Total 140 customers have been taken as respondents. 20 customers from each hotel have been considered. The data has

been collected by using a questionnaire. All the questionnaires have been administered personally by applying convenience method. Convenience of the customers was taken into consideration. In all 140 customers who had availed the services of these hotels were asked to fill the questionnaire. The questionnaire has been framed on the bases of the tangibility, reliability, responsiveness, assurance and empathy parameters. These parameters have been derived from the SERVQUAL gap model suggested by Parasuraman, Zeithaml and Berry (1988). They have developed this model on the bases of foreign context but then after it have also been applied in other country. And there, this model has become useful. The statements in the model have been adapted as per the hotel industry. Gap 5 has been taken into consideration to evaluate service quality. The respondents were first asked to give weighted to all the service quality dimensions based on how important each of these factors is to them. The total score of these weights must add up to make a total of 100. Then respondents were asked to mark their expectations and perceptions on a 5 point Likert scale ranging from 1 to 5 (1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree). Service quality gap as well as the weighted SERVQUAL scores for all dimensions for all the hotels has been calculated. Then overall service quality gap and weighted service quality score for all the dimensions in case of all the hotels were drawn followed by the overall SERVQUAL score for 3 Star Rating Hotels in Surat city. One sample t-test has been applied to test customer satisfaction level.

### 9. Limitations

1. It is assumed that the respondents provide the feedback without bias.
2. The time factor has always been a constraint in the completion of the study.
3. The study is limited to Surat City only.

### 10. Result and Discussions

#### 10.1 Service Quality Gap and Weighted Service Quality Gap Score

The difference between perception and expectation shows service quality gap. Positive gap indicates that perception is more than the expectation and the negative gap indicates that perception is less than the expectations.

- H0a: There is no service quality gap between customers' perception and expectation of 3 Star Rating Hotels in Surat city.

Table 1 Service quality gap and weighted service quality Gap score

Service Quality Dimension	Perception (P)	Expectation (E)	Gap Score (P) – (E)	Weight (%)	Weighted Servqual Gap score	Null Hypothesis	Rank
(1)	(2)	(3)	(4) =(3)-(4)	(5)	(6) =(4)×(5)	(7)	(8)
<b>Best Western Hotel Yuvraj (N=20)</b>							
Tangible	3.75	3.36	0.39	23.20	0.090	Rejected	1
Reliability	3.65	3.51	0.14	16.20	0.023	Rejected	5
Responsiveness	3.55	3.39	0.16	22.50	0.036	Rejected	3
Assurance	3.54	3.39	0.15	18.60	0.028	Rejected	4
Empathy	3.81	3.62	0.19	22.80	0.043	Rejected	2
Overall	3.66	3.45			0.044		
<b>Ginger Hotel (N=20)</b>							
Tangible	3.52	3.39	0.13	19.00	0.025	Rejected	3
Reliability	3.63	3.51	0.12	17.50	0.021	Rejected	4
Responsiveness	3.51	3.41	0.10	16.00	0.016	Rejected	5
Assurance	3.72	3.36	0.36	24.20	0.087	Rejected	1
Empathy	3.78	3.62	0.16	22.50	0.036	Rejected	2
Overall	3.63	3.46			0.037		
<b>Hotel Central Excelency (N=20)</b>							
Tangible	3.42	3.32	0.10	16.70	0.017	Rejected	5
Reliability	3.62	3.22	0.40	24.00	0.096	Rejected	1
Responsiveness	3.41	3.29	0.12	19.10	0.023	Rejected	3
Assurance	3.53	3.42	0.11	18.20	0.020	Rejected	4
Empathy	3.70	3.50	0.20	22.00	0.044	Rejected	2

Overall	3.54	3.35			0.040		
Embassy Hotel (N=20)							
Tangible	3.45	3.32	0.13	17.80	0.023	Rejected	3
Reliability	3.46	3.36	0.10	18.30	0.018	Rejected	4
Responsiveness	3.73	3.54	0.19	22.00	0.042	Rejected	2
Assurance	3.58	3.48	0.10	18.00	0.018	Rejected	5
Empathy	3.68	3.26	0.42	23.90	0.100	Rejected	1
Overall	3.58	3.39			0.040		
Hotel Golden Star (N=20)							
Tangible	3.53	3.42	0.11	15.80	0.017	Rejected	5
Reliability	3.52	3.39	0.13	20.00	0.026	Rejected	3
Responsiveness	3.75	3.32	0.43	24.10	0.104	Rejected	1
Assurance	3.80	3.60	0.20	22.40	0.045	Rejected	2
Empathy	3.65	3.53	0.12	17.40	0.021	Rejected	4
Overall	3.65	3.45			0.043		
Budget Inn Bellevue (N=20)							
Tangible	3.80	3.30	0.50	25.00	0.125	Rejected	1
Reliability	3.65	3.52	0.13	15.00	0.020	Rejected	5
Responsiveness	3.55	3.41	0.14	20.20	0.028	Rejected	3
Assurance	3.54	3.41	0.13	16.60	0.021	Rejected	4
Empathy	3.81	3.62	0.19	23.20	0.044	Rejected	2
Overall	3.67	3.45			0.048		
Hotel Lords Plaza (N=20)							
Tangible	3.72	3.29	0.43	24.70	0.106	Rejected	1
Reliability	3.50	3.39	0.11	17.00	0.019	Rejected	5
Responsiveness	3.49	3.36	0.13	16.10	0.021	Rejected	3
Assurance	3.62	3.50	0.12	17.00	0.020	Rejected	4
Empathy	3.77	3.57	0.20	22.30	0.045	Rejected	2
Overall	3.62	3.42			0.042		

From the Table 1, it can be seen that there is a gap between all the five dimensions (Column No 4). Hence, the null hypothesis has been rejected which implies that there is a gap between customers' perceptions and their expectations.

It can be seen that in case of Best Western Hotel Yuvraj, the gap for all the dimensions is positive which shows that perceptions are more than expectations for all the parameters. The gap for tangibles (0.39) is maximum and positive as compared to other dimensions which mean that this hotel is able to satisfy its customers very well in terms of the entertainment and communication services, food, visual appeal of the physical facilities and personnel, room comfort etc. The hotel is performing the second best in case of the empathy (0.19) i.e. the staff is able to satisfy the customers well in terms of the individualized attention and care that they provide to the customers, convenient operating hours and having the customers' personal interest at heart. The hotel is performing the next best in case of responsiveness (0.16) which means that hotel staff is willing to serve the guests and provides prompt service which is closely followed by assurance (0.15). Even though the gap is positive for all the dimensions yet out of all the dimensions it is the least positive for reliability (0.14) that means the hotel is performing better in the other four dimensions as compared to the reliability dimension. The overall weighted service quality gap score for Best Western Hotel Yuvraj is also positive i.e. 0.044.

In the case of Ginger Hotel also the gap is positive for all the dimensions i.e. the perceptions of the Customers' is more than what they expected from each dimension. The gap is the most positive in case of assurance (0.36) i.e. the knowledge and competence of the hotel staff is up to the mark and their ability to convey trust and confidence is high. The hotel is also performing well in case of empathy (0.16). Its performance in reliability (0.12) and tangibles (0.13) is also positive and almost the same. The overall weighted service quality gap score for all the dimensions collectively for Ginger Hotel is 0.037.

Hotel Central Excelency is performing well in all its dimensions. It has a positive gap for tangibles (0.10), responsiveness (0.12), assurance (0.11), empathy (0.20) and reliability dimension (0.40). However the overall weighted service quality score for Hotel Central Excelency is positive i.e. 0.040.

Embassy Hotel is performing the best in its empathy parameter (0.42) i.e. its ability to treat the customers with proper care and attention as compared to its other parameters as well as compared to all the other hotels in the high category. All its other parameters also have a positive score with assurance (0.10) and reliability (0.10) having the least positive score which means that even though it is positive but the hotel lags a little behind as compared to its other parameters in these two dimensions. The overall weighted service quality gap score is also the maximum for this hotel in the entire high category and it is 0.040.

In the case of Hotel Golden Star the perception of its customers for its reliability (0.13), responsiveness (0.43) and empathy (0.12) dimensions is positive. The hotel is also performing well on its tangibles (0.11) and assurance (0.20) dimensions but the performance on the assurance parameter is a little below with all the other dimensions. Its overall weighted service quality gap score is 0.043.

Budget Inn Bellevue is performing the best in its tangible parameter (0.50) i.e. its ability to treat the customers with proper care and attention as compared to its other parameters as well as compared to all the other hotels in the high category. All its other parameters also have a positive score with assurance (0.13) and reliability (0.13) having the least positive score which means that even though it is positive but the hotel lags a little behind as compared to its other parameters in these two dimensions. The overall weighted service quality score is also the maximum for this hotel in the entire high category and it is 0.048.

In the case of Hotel Lords Plaza also the gap is positive for all the dimensions i.e. the perceptions of the customer is more than what they expected from each dimension. The gap is the most positive in case of tangible (0.43) i.e. the knowledge and competence of the hotel staff is up to the mark and their ability to convey trust and confidence is high. The hotel is also performing well in case of responsiveness (0.13) and empathy (0.20). Its performance in reliability (0.11) and assurance (0.12) is also positive and almost the same. The overall weighted service quality score for all the dimensions collectively for Hotel Lords Plaza is 0.042.

## 10.2 An Evaluation of Customer Satisfaction

To analyze customer satisfaction level towards the services

provided by 3 Star Rating Hotels, t-test has been applied. t- Test has been run with a cut-off point of three (3). The hypothesis has been constructed as follows.

- H0b: Customers are not satisfied or neutral with the services of 3 Star Rating Hotels in Surat city.

Test Value = 3							
Variable	t	N	df	Sig. (2-tailed)	Mean Difference	Mean	Null Hypothesis
Customer Satisfaction	6.468	140	139	0.000	0.820	3.820	Rejected

From the Table 2, it has been found that p value is less than 0.05. Hence, the null hypothesis is rejected and alternate hypothesis is accepted. Therefore, it can be concluded with 95% confidence that customers are satisfied or at least neutral. The mean score of customers' satisfaction is greater than three which implies that the customers are either satisfied or neutral. Moreover, it is near to 4 (3.82) which imply that customers are really satisfied.

### 11. Suggestions

Since Surat city is a business hub for diamond industry and

clothing industry, it must have good quality hotels. To improve their performance, some hotels need to focus more on tangibles e.g. they must introduce wi-fi facility which is a necessity today, swimming pool, health club, more entertainment facilities etc. Also they must have well trained groomed and reliable staff. This will help the hotels to focus better on the other dimensions. Some suggestions given by the customers of the various hotels which can be helpful in minimizing gap between the perceptions and the expectations of the customers are as follows.

1. More entertainment facilities should be introduced.
2. The hotel staff should be regularly made to realize what the hotels' main aim is. They must be told about the importance a customer holds for their hotel so that the staff is more willing to serve the guests well.
3. The staff should be kept aware about the latest developments in and around the hotel so that they have enough knowledge to be able to answer their guests' queries.

### 12. Conclusion

The study concludes that 3 Star Rating hotels in Surat city are performing as per the customers' expectations on any of the service quality dimensions. It has also been concluded that customers of Surat city are satisfied with the services of all 3 Star Rating Hotels.

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