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Impact of Service quality on customer satisfaction: a study of hotel industry of Faisalabad, Pakistan

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Abstract
The main purpose of this paper is to evaluate the hotels' service quality through customer satisfaction. Theory tells us that if the customers are satisfied then the hotels are providing higher service quality. And also check that which dimensions of SERVPREF is need to be focused more in Pakistan. For this purpose SERVPERF tool was adopted and administrative to customers who stayed in the hotels of Faisalabad, Pakistan. The results indicates that in Pakistan among the five dimensions of SERFPERF the dimension tangible and empathy needed to be focused more.

Keyword: Customer satisfaction, service quality SERVPERF, Faisalabad,

1. Introduction;

It is absolutely true that the service quality and the consumers satisfaction are the main burning topics which are addressed by every marketing practices and theories(Spreng and Mackoy,1996).The key of success in today's competitive environment lies in delivering quality services and this will increase the level of satisfaction(Shemwell et at.,1998).so the consumers evaluation for services and its quality are very important for firms those which have an objective to make good marketing strategies(Cronin and Taylor,1992; Jain and Gupta,2004; Ofir and Simonson,2001).The organizations which provide competitive service qualities they also have a lot of satisfied and loyal customers base(Aaker and Jacobson,1994;Gilbert et al.,2004; Gilbbert and Veloutsou,2006).Repurchasing behaviour of customers are the base of satisfaction which can increase a firms revenue and profits. Thus the issue of customer satisfaction and service quality is very important for research, now a day every company tries to improve its service quality for customer retention and satisfaction (Gilbert and Veloutsou, 2006).

There are some studies shows the relation of quality and customers satisfaction about the hospitality provider firms (Brady et al., 2001; Kara et al., 1995; Gilbert et al., 2004; Qin and Prybutok, 2008; Lee and Ulgado, 1997).But most of the studies are limited with focusing

only on customer satisfaction and service quality. In Pakistan's hotel industry there is a lack of such studies which help them to measure service quality and improve their service quality to gain better customer satisfaction. For this purpose following questions are developed to find solutions. (1)Is there any relationship between customer satisfaction with service quality perception? (2) What impact does SERVPERF creates in delivering service quality, this is a tool developed by (Cronin and Taylor, 1992). It is the mostly used and tested Inspection tool to measure service quality (Pawitra and Tan, 2003).

2. Literature review

2.1 Service quality

The definition of service quality is often vary from person to person according to the situation, service quality definition vary only in term of word used but the perceived service delivery meets, excess or fails to satisfied customer expectations(Cronin and Taylor, 1992; Oliver, 1993; Zeithaml, Berry and Parasuraman, 1993).the past studies indicate that service quality is vital indicator for satisfaction(Spreng and Machoy, 1996).pay attention to service quality can help the organization to catch competitive edge (Boshoff and Gray, 2004).generally people consider service quality when price and cost remain same(Turban,2002).the concept of service quality was introduce in 1980s when the firms realised that only quality product maintain competitive edge(Boshoff and Gray 2004).

According to Parasuraman et al.(1985),the service quality is explain as the comparison between service performance and service expectation. They proposed service quality to be a function of perceived process quality, pre-purchase customer expectations and perceived output quality. Base on their statement of 1985, service quality is checked by the differences between customers' perception of the service experience and their expectation of service.

2.2 Measurement of service quality

In recent past 20 years, the scholars founded the service quality has expanded massively. (Cronin and Taylor, 1992) developed 22-item SERVPERF scale for measuring service quality. According to this tool it has five dimensions; these are Tangibility, Reliability, Responsiveness, assurance and Empathy. Later on many empirical works have applied the instrument of SERVPEREF to measure service quality in different kind of businesses (Cronin and Taylor, 1992 ; Bojanic and Rosen, 1994; Fu and Parks, 2001; Furrer et al., 2000; Gounaris, 2005; Heung et al., 2000; Lassar et al.,2000; Lee and Ulgado, 1997).

2.3 The SERVPERF five dimensions

2.3.1 Tangibility

As the name suggested that all the tangible things or physical facilities including personnel, equipment, building and renovation etc.(Olu Ojo,2008).According to Cronin and Taylor (1992),Johns and Howard (1998) and Kara et al.(1995) the tangible service indicator consist of cleanliness of the dining area, employees wear neat and clean dresses they must use disposable gloves and also wear hear nets and the seating and parking facilities are must be up-to-date.

2.3.2 Reliability

It describes the capabilities to fulfil promised services accurately and dependably (Olu Ojo, 2008).Services delivered as a hotel promised to customer with accurate charges.it is also important to fulfil promises on time and in a systematic way (Cronin and Taylor, 1992)

2.3.3 Responsiveness

It describe the intentions of the firm and its willingness towards customers' help(Olu Ojo,2008).mean that the employees always willing to help the customers and they should have a time to respond to customers request. Tell the employs exact time about service deliveries. Employees are available for prompt services (Cronin and Taylor, 1992)

2.3.4 Assurance

It involves the understandings and courtesy of employees, their capabilities to covey confidence and trust. Assurance consists of courtesy, competence, security and credibility (Olu Ojo, 2008).In Hotel point of view a customer feel safe while consuming services and feel secure at his stay. Employees must have a sufficient skills and knowledge to perform polite and courteous services. According to (Cronin and Taylor, 1992) employees must be trust worthy so that the customer feels safety in his financial transactions.

2.3.4 Empathy

It consists of caring and customized responsiveness to customers. This empathy contains communication, access and understanding the customer (Olu Ojo, 2008).hotel services must have availability of tools or apparatuses etc. The location is easily findable and served food must be packed (Cronin and Taylor, 1992; and Johns and Howard, 1998).

The SERVPERF is widely used in services industry by the academics and practicing managers throughout the world, it needs to be modified based on hotel consumers and their needs. In past literature only (Miyoung and Haemoon, 1998) used this model to measure service quality with customer satisfaction point of view. This study also supports the argument in the literature that performance-only. (SERVPERF) is the superior forecaster of service quality (Cronin and Taylor, 1992; Babakus and Boller, 1992; Boulding et al, 1993). This study also supports the argument in the literature that performance-only (SERVPERF) is the better predictor of service quality (Cronin and Taylor, 1992; Babakus and Boller, 1992; Boulding et al., 1993).

3. Methodology

In this paper the population is consist the customers of Faisalabad who visiting the city's main hotels. The selection of respondents was based on non-probability convenience sampling technique. The questionnaire has two portions, part one consists of the questions regarding the information of the respondents, and the part two was planned to inspect the perception of customers regarding the service quality of the hotels. Data was collected through 100 respondents in December 2012.

The questionnaire adopted from (Parasuraman et al., 1988).it consist of 22 questions across the five dimensions of service quality (tangible, reliability, responsiveness, assurance and empathy).A 5 point Likert scale from "strongly disagree" to "strongly agree "was used in the collection of data. The tools which deployed in this paper were descriptive and frequencies, standard deviation and means were calculated. Coloration analysis was deployed and reliability is tested.

The cronbach alpha of the five dimensions of SERVPREF is greater than 0.70 it shows that there is an internal consistency in the dimensions of SERVPERF. It ranged from 0.70 to 0.91. So the reliability of the study was good.

Table 1

Dimension	No. of items	cronbach Alpha
Tangibles	4	0.840
Reliability	6	0.723
Responsiveness	4	0.783
Assurance	3	0.917
Empathy	5	0.817

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The results in table two shows that almost 72% respondents are male and 28%are females. The percentage of married respondents is 65%. In terms of education level the most of the respondent have bachelor degree (58%). As table showed that the age category of 26-35

represented 27% and age 36-45 represented 43% and the age 46-55 are 22% and the rest of above 60 are 8%.

Table 2

Characteristics	Freq.	%
Age		
26-35	27	27%
36-45	43	43%
46-55	22	22%
56-above	8	8%
Gender		
Male	72	72%
Female	28	28%
Material status		
Married	65	65%
Single	35	35%
Education level		
Ten years education	17	17%
14 years education	58	58%
16 years education and more	25	25%

Table 3 Descriptive statistics of five dimensions of SERVPERF

*The mean is calculated from a scale of 1=strongly disagree to 5= strongly agree

Tangible	mean	S.D
The hotel has modern looking equipment	2.23	0.095
The hotel's physical facilities are visually appealing	2..34	1.02
The hotel's employees are neat-appearing	3.12	1.1
Materials associated with the service are visually appealing at the hotel	2.43	1.21
Reliability		
When the hotel promises to do something by a certain time, it does so	3.33	0.96
When you have a problem, the hotel shows a sincere interest in solving it 3.23		1.13
The hotel performs the service right the first time	2.67	1.03
The hotel provides its services at the time it promises to do so	2.54	1.1
Employees of the hotel tell you exactly when services will be performed	3.41	0.095
The hotel insists on error-free records	3.12	1.04
Responsiveness		
Employees of the hotel are never too busy to respond to your requests	3.61	0.93
Employees of the hotel give you the prompt service	3.82	1.05
Employees of the hotel are always willing to help you	3.90	1.03
Assurance		
The behaviour of employees of the hotel installs confidence in customers	4.23	1.04
Employees of the hotel are consistently courteous with you	3.32	0.92
Employees of the hotel have the knowledge to answer your questions	4.99	0.98
The hotel has operating hours convenient to all its customers	3.66	1.32
Empathy		
Employees of the hotel have the knowledge to answer your questions	2.43	0.97
The hotel has employees who gives you the personal attention	2.10	0.99
The hotel has your best interest at heart	2.34	1.42
Employees of the hotel understand your specific needs	2.84	1.04
The hotel has employees who are competent	2.54	1.01

4. Data analysis

The results in table three shows that the perception of customers regarding to tangible dimension range from (mean 2.23 to 3.12); reliability dimension mean ranges from (mean 2.67 to 3.41); in the statement of responsiveness dimension range from (mean 3.61 to 3.90); the fourth dimension assurance mean's range from (mean 3.32 to 4.99); and the fifth dimension of SERVPREF empathy range from (mean 2.10 to 2.84).

The results showed that the customers' perception about the dimension empathy of SERVPERF is founded less positive if it compared with the results of other dimensions.it showed that all the customers are not same so their needs and expectations are also very from other persons. So it is necessary to make segmentations on the basis of different characteristics for example on the basis of similar requirements, income or material status etc. (Zeithaml and Bitner, 2003).

The result showed that there are positive statistical significance among the three dimensions of quality (assurance, reliability and responsiveness) and customer satisfaction. In pearson correlation there is not any relationship founded with empathy and tangible dimensions of

SERVPERF. Most of the time researchers used SERVQUAL original tool (Parasuraman et al. 1988) but this is 44 items scale and not reliable because the Cronin and Taylor (1992) said that it is impossible to measure expectation and perception at the same time so the tool SERVPERF is 22 item scale and it is only measure performance only measurement tool which describe about the customer satisfaction as mentioned above Cronin and Taylor (1992) said that this is a good predictor of service quality and sufficient.

The results also showed that service quality is important factor of service quality and behavioural intentions, But managers also focus on their delight as well as their satisfaction (Vijayadurai, 2008). This study shows that the hotel managers focused on the tangible dimension as well as the assurances because people give importance to tangibility of services. Therefore by applying SERVPERF scale, the most important implication of this study is that managers have to improve their physical facilities, reduce the delayed time and improve their current services. Thus the scale SERVPERF provide a good help in building a stronger competitive edge over competitors because by applying this tool one come to know which dimension of quality is needed to improvement (Cronin and Taylor, 1992; Boulding et al.,1993; Babakus and Boller, 1992).

5. Conclusion

As the findings indicates that there is a need of improvement in the dimension of tangible means that managers must focus on the tangible aspects like equipment and decoration, neatness and cleanliness of employees and material associated with service. According to Nadiri and Hussain (2005) they said that as well as this research indicates that the empathy is also important and managers should organize trainings for employees so that they improve the dimension empathy by improving their communication skills and by improving their friendly style of talking and being a courteous fellow.

As this study conducted in the metropolitan city of Faisalabad, since the performance of the service qualities of the hotels may affect by weather situation. This research was conducted in December 2012 in peak season of the winter and mostly business people stayed in hotels related to textile industry. Thus the hotels of Faisalabad should have the interesting dealings for business peoples and for their meetings.

This research has some limitations also. The sample size was limited to a single city and only focused a single tool which was developed long ago. Future research may be a comparison among the different service measurement tools to check that which one work well in the environment of Pakistan.

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