

# IMPACT OF SERVICE QUALITY PERFORMANCE ON CUSTOMER SATISFACTION: A CASE STUDY OF VIETNAM'S FIVE STAR HOTEL

Nham Phong Tuan<sup>1</sup> and Nguyen Thi Hai Linh<sup>2</sup>

## Abstract

To exist in highly competitive market, companies need to pay more attention in improving quality of products and services. It is necessary to maintain customers' loyalty for sustainable future development. This research focuses on investigating the impact of service quality performance on customer satisfaction in a sample of Vietnam's five star hotels, with a case study of Hotel X, where service quality is considered as the key to success. This study chose the SERVPERF model as a conceptual framework. Analysis of results shows that components RES-EM, ASSURANCE and RELIABILITY explain customer evaluation of perceived service quality in Hotel X. These components play important roles in service quality measurement and thus it is suggested that five star hotels generally and Hotel X in particular needs to have specific strategies to enhance these components as well as customer satisfaction.

**Keywords:** service quality, SERVPERF model, customer satisfaction, hotel, measurement

## I. INTRODUCTION

Since economic reform in 1986, Vietnam has developed dramatically and has accomplished much in all areas of economy, culture, and education. Vietnam affirms itself over the world and has become an attractive destination with a series of beautiful landscapes, the most scrumptious food and friendly people.

Vietnam joined The World Trade Organization (WTO) in 2007 which brought about a turning-point favorable to all aspects of the Vietnamese economy. After joining WTO, hospitality and tourism sectors in Vietnam face new opportunities to develop. As travel has become faster and the standard of living has increased, the numbers of hotel guests has increased, providing increased revenue stream and con-

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<sup>1</sup>Dr. Nham Phong Tuan holds a Ph.D. in Strategic Management from Hiroshima University, Japan. Currently, he is working as a Lecturer in the Faculty of Business Administration, University of Economics and Business (UEB), Vietnam National University (VNU).

<sup>2</sup>Ms. Nguyen Thi Hai Linh holds a BA in Business Administration from University of Economics and Business, Vietnam National University, Hanoi, Vietnam. Currently she is working as an Asst. Researcher in the Center of Business Administration Study, University of Economics and Business (UEB), Vietnam National University (VNU).

tributing substantially to annual Gross Domestic Product (GDP).

According to World Travel & Tourism Council (WTTC) (2013), the hospitality sector accounts for 3.9% of the Gross Domestic Products (GDP), equivalent to VND 73,800 billion in 2010. Moreover, the hospitality sector creates many new jobs for employees as well, effectively reducing poverty. There are approximately 1.4 million employees who are working directly in the hospitality and tourism sector. On the other hand, Vietnam considers tourism as an important sector to achieve the aims of industrialization and modernization. As a result, the hospitality industry should receive increasing attention and support from academics, practitioners and government agencies in Vietnam. However, the growth of the hospitality industry leads to intensive competition within the industry. Specifically, for hotel business development in Vietnam, from 1960 to 1992, hotel industry had been under development; there was only one French-owned five-star hotel in Hanoi known as Sofitel Metropole Hanoi. From 1992 up to now, there have been a steady increase in the quality and quantities of the hotel industry. Currently, in Hanoi capital, five-star hotels include Sheraton, Daewoo, Hanoi Horizon, Melia, Hilton, Nikko, Intercontinental Hanoi Westlake, Metropole, Sofitel, Crowne Plaza, Grand Plaza and Hanoi De l'opera. These hotels were owned by foreign partners or jointly owned with Vietnamese partners at the beginning of establishment. At present, about one third were gradually transferred to 100% Vietnamese owned hotels from a joint venture in two decades, the others transferred to a joint venture

from the original 100% foreign hotel chains. Generally, it can be said that among those hotels, there are not dominant ones over the others because of the same category, although hotel's brand and history are mentioned sometimes. Mostly they are competing with each other on basic of price and some quality factors. In the near future, it is estimated that competitions in hotel industry are becoming more and more intensive when capital invested in the industry is rising steadily. In order to compete successfully and serve customer much better, quality of service is a vital issue.

The more diversification customer's tastes and preferences become, the higher requirement the hospitality industry needs to meet. Thus, for assessing and improving the quality of service, enhancing customer satisfaction plays an important role to sustainable development of the hospitality industry in the future.

Although researches on the impact of service quality on customer's satisfaction have been numerous (Chinh, 2008; Aborampah, 2011; Vijay & Selvaraj, 2012), those in Vietnam, especially for hospitality industry like hotel, are still rare. There are even fewer researches that have applied the SERVPERF model to measure service quality in hospitality sector in Vietnam. Traditionally, SERVQUAL model is used to measure service quality. Applying the SERVPERF model is quite new in service quality measurement in Vietnam. The objective of this research is to provide empirical evidence for academics and practitioners by investigating the impact of service quality on customer's satisfaction in a five star hotel. This research analyzes a case study of Hotel X – a five star one, to sug-

gest solutions for itself Hotel X and may prove useful for other five star hotels in Vietnam.

This paper is divided into 7 main parts. Besides this introduction part, Section 2 provides a brief literature review for the study. Research methodology is given in Section 3. Section 4 presents research analysis and discussion. After giving limitations of the study and suggestions for further research in Section 5, the paper provides a conclusion in Section 6.

## **2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

### **2.1 Service quality and Customer satisfaction**

There are numerous definitions of service quality. *Service quality* is a customer's overall impression of the relative inferiority or superiority of the organization and its services (Bitner & Hubbert, 1994). Parasuraman, Zeithaml, & Berry (1985) defined service quality as "the global evaluation or attitude of overall excellence of services". So, service quality is the difference between customers' expectation and services delivered by service firms. Nitecki and Hernon (2000) defined service quality in terms of "meeting or exceeding customer expectations, or as the difference between customer perceptions and expectations of service". In addition, one of important definitions is that the quality of service as perceived by customer is the result of an evaluation process in which they compare their perspective of service outcome against what they expected (Gronroos, 2007).

It is necessary to mention hotel service quality is defined and studied by the level of customer satisfaction when it meets the requirements of the target customer and customers are satisfied with the provision of service when they consume it. Hotels produce and supply goods and services to meet customer requirements in terms of quantity, quality, type, time and location. Besides, technical facilities and the system of construction need to be modern and synchronous in order to ensure convenience and safe environment for all guests. One of the most important things in hotel service quality is that it has to follow the process of serving customer and maintaining organizational culture such as staffs' attitudes, foreign language proficiency and professional in the process of service. Therefore, in this study, the hotel service quality is defined as the overall excellence of hotel services that satisfy customers' expectation. The overall excellence of hotel services includes staffs' attitudes, foreign language proficiency and professional in the process of service, technical facilities and the system of construction, time, location, etc.

*Measuring quality in the service sector* is more difficult than measuring quality of manufactured sector because quality evaluations are not made solely on the outcome of a service; they also involve evaluations of the process of service delivery. One of many service quality research models in the world nowadays is SERVPERF scale proposed by Cronin and Taylor (1992). This scale based on SERVQUAL scale (Parasuraman et al., 1985, 1988) which assess service quality through the gaps between customer "expectations" –

(E) and “perceptions” – (P). However, SERVQUAL has been criticized on its confusion, and SERVPERF was proposed by Cronin and Taylor (1992) in which “expectation” – (E) component of SERVQUAL be discarded and instead “performance” – (P) component alone be used. Cronin and Taylor provided empirical evidence across four industries namely banks, pest control, dry cleaning, and fast food to collaborate the superiority of their “performance – only” instrument (Jain and Gupta, 2004). The scale measure performance of five service quality components termed Tangible, Reliability, Responsiveness, Assurance, and Empathy (Parasuraman et al., 1988).

The definition of *customer satisfaction* has been widely debated as organizations increasingly attempt to measure it. Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is highly personal assessment that is greatly affected by customer expectations (Center for the study of social policy, 2007).

Kotler, Veronica, John, and Gary (2005) defined customer satisfaction is the extent to which a product’s perceived performance matches a buyer’s expectations. If the product performance falls short of expectations, the buyer is dissatisfied. If performance matches or exceeds expectations, the buyer is satisfied or delighted (Kotler *et al.*, 2005). Customer satisfaction is an important theoretical as well as practical issue for the marketers and consumer researchers. Customer satisfaction can be considered as the essence of success in today’s highly competitive world of business (Vanniarajan & Anbazhagan, 2007). In this study, customer satisfaction

is defined as the levels of service quality performances that meet customers’ expectations”.

#### *Relationship between service quality and customer satisfaction*

Parasuraman et al. (1988) stated that there is a distinction between service quality and customer satisfaction: perceived service quality is a global judgment or attitude relating to the superiority of the service, whereas customer satisfaction is related to a specific transaction. However, many researchers (Chinh, 2008; Aborampah, 2011; Vijay & Selvaraj, 2012) have investigated the relationship between service quality and customer satisfaction.

Al Khattab and Aldehayyat (2011) measured hotels’ service quality performance from the customer perspective. To do so, a performance-only measurement scale (SERVPERF) was administered to customers who stayed in three, four and five star hotels in Aqaba and Petra. The results of the study demonstrate that SERVPERF is a reliable and valid tool to measure service quality in the hotel industry. The instrument consisted of five dimensions, namely “tangibles”, “responsiveness”, “empathy”, “assurance” and “reliability”. Hotel customers are expecting more improved services from the hotels in all service quality dimensions. However, hotel customers have the lowest perception scores on empathy and tangibles.

Yasir, Imran, Muhammad, and Khaliq (2013) evaluated the hotels’ service quality through customer satisfaction. For this purpose, the SERVPERF tool was adopted and administered to customers who stayed in the hotels of Faisalabad, Pakistan. The

results indicate that in Pakistan among the five dimensions of SERFPERF the dimension tangible and empathy require more focus.

Karunaratne and Jayawardena (2010) examined the level of customer satisfaction and major factors contributing to customer satisfaction in a five star hotel in Kandy district, Sri Lanka. Results showed that majority of the customers expressed their satisfaction with the overall service they received from the hotel, especially regarding Tangibility, Responsiveness and Assurance. Findings revealed that the hotel had not fulfilled the customers' satisfaction with regard to Reliability and Empathy. Halil and Kashif (2005) reveal that tangibles and intangibles exert a significant positive effect on customer satisfaction, and European customers visiting North Cyprus hotels are demanding improved service quality. From these researches, it can be concluded that service quality and customer satisfaction have a positive relationship in which service quality is an antecedent as well as an important factor impacting on customer satisfaction.

## **2.2 SERVPERF model**

SERVPERF is a popular model measuring service quality and was used in many researches (Zhou, 2004; Hudson, S., Hudson, P., & Miller, G.A. 2004; Hoa, 2007; Thuy and Phong, 2007). In the SERVPERF model, five dimensions are included:

- Tangible includes physical evidences of the service such as appearance of physical facilities, equipments, personnel, etc.

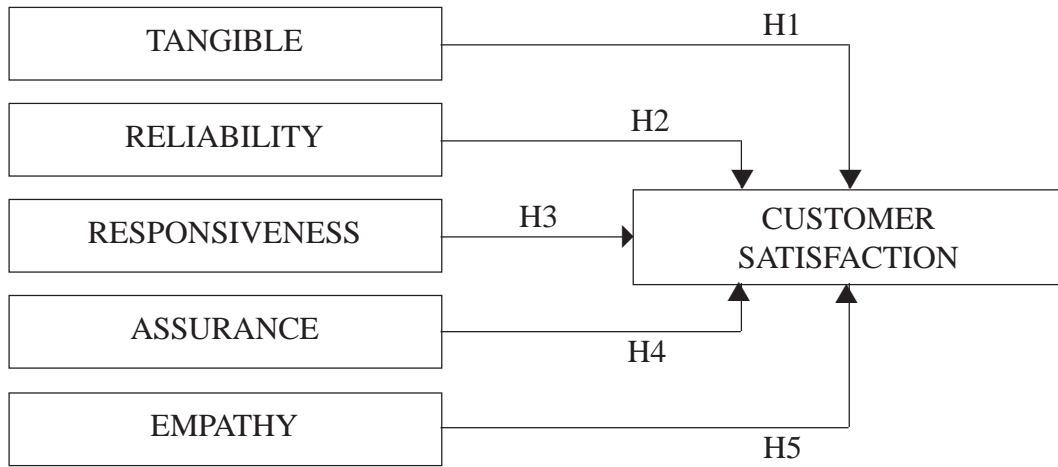
- Reliability involves the ability of the organization to perform the promised service dependably and accurately.
- Responsiveness concerns the willingness or readiness of employees to help customers and provide services.
- Assurance refers to knowledge and courtesy of employees and their ability to convey trust and confidence.
- Empathy is individualized cares and attentions that the firm provides to its customers.

In short, this study applies SERVPERF model to measure service quality as well as customer satisfaction. Moreover, there are few researches that have applied the SERVPERF model to measure service quality in Vietnam. Especially, the numbers of researches in hospitality sector are comparatively few. Traditionally, SERVQUAL model is used to measure service quality; therefore, applying the SERVPERF model is quite new in service quality measurement in Vietnam. This study will contribute to the improvement of service quality measurement and it will become a reference or sample to other researches in the future.

To find the relationship between customer satisfaction and service quality, it is necessary to hypothesize the relationship among service quality dimensions, perceptions of customer and their satisfaction (Figure 1)

Where:

- H1: Tangible component and customer satisfaction have a positive relationship.



**Figure 1: Hypothesis of research model**

**Source:** authors

- H2: Reliability component and customer satisfaction have a positive relationship.
- H3: Responsiveness component and customer satisfaction have a positive relationship.
- H4: Assurance component and customer satisfaction have a positive relationship.
- H5: Empathy component and customer satisfaction have a positive relationship.

### 3. RESEARCH METHODOLOGY

#### 3.1 Designing questionnaire

The questionnaire survey includes mainly 22 observed items (Appendix) under SERVPERF model, in which 20 items are divided into 5 components of service quality: Tangible, Reliability, Responsiveness, Assurance, and Empathy; the 2 remaining variables are used to measure customer satisfaction. This measurement bases

on a 5-point rating scale which corresponding to 1 = strongly disagree, 2 = somewhat disagree, 3 = neither agree nor disagree, 4 = somewhat agree, 5 = strongly agree.

#### 3.2 Data Sample

Hotel X, which is Vietnamese owned currently, was purposefully selected as the case study for this research. Hotel X, being a five-star hotel with international standards, was the main criterion for selection. Another important dimension which is domestic/local owned versus international chain was not considered in the selection process for two reasons. Firstly, because the researchers believe this dimension is no longer significantly different in Vietnam any more. In 1990s, most five-star hotels in Vietnam were owned by foreign partners or jointly owned with Vietnamese partners at the beginning of establishment. At present, about one third of them were gradually transferred to 100% Vietnamese owned hotels from a joint venture in two decades, the rest were transferred to a joint

venture from the original 100% foreign hotel chains. Hotel X was in a joint venture with a foreign partner before, but in 2012 it became a 100% locally owned hotel. In spite of the international chain-to-domestic transferring, Hotel X has obviously managed to keep its standard of quality as a five-star hotel as before. In other words, five star hotels in Vietnam nowadays enjoy similar features and standards. It is therefore not the purpose of this study to compare between internationally owned and domestic owned hotels.

The data sample was collected from February 17 to May 5, 2013 in Hotel X in Hanoi city by using a questionnaire survey.

Data was collected from hotel guests who come to book rooms or hire meeting rooms for conference. When guests come to hotel check-in, they would receive a questionnaire form. Guests of hotel include both foreign customers who come from different Asian countries including Japan, Korea, China and domestic customers who work in ministries, government and companies in Vietnam.

In addition, guest would have free time to fill in form and to give feedback when they check-out. Typically a guest took 7 to 10 minutes to complete all questions. A total of 230 questionnaires that are equal to an average number of guests per day in the Hotel X were distributed but a total of 169 questionnaires were returned. The others are either lost or contain incomplete answers. As a result, a response rate is 84.5%. With a sample size of 169, the researchers used SPSS 16.0 software to clean and process data.

### **3.3 Analysis methodology**

The data collected will be refined and processed by SPSS 16.0 software. Several following analysis methods are used in this research to find out and test impact of the factors on the quality of service.

#### *Reliability analysis*

This method assists analysts in removing irrelevant variables. It also helps evaluating the reliability of the measurement by Cronbach Alpha coefficient. Variables which have item-total correlation less than 0.3 will be removed. Measurements with Cronbach Alpha being greater than or equal to 0.6 can be deployed (Nunnally, 1978; Peterson, 1994; Slater, 1995). Normally, measurements with Cronbach alpha from 0.7 to 0.8 will be used. Many researchers assume that those which have the reliability from 0.8 to nearly 1.0 are acceptable measurements.

#### *Exploratory Factor Analysis*

After assessing the reliability of measurements by Cronbach Alpha coefficient and removing unreliable variables, exploratory factor analysis will be used to reduce and summarize the data. This method is very useful in determining the variable set necessary for the research as well as in finding the relationship between variables.

In exploratory factor analysis, KMO index (Kaiser - Meyer - Olkin) is deployed to indicate the suitability of factor analysis. If KMO index lies between 0.5 and 1, the analysis is suitable.

In addition, factor analysis depends on Eigenvalue in determining the number of factors. Only factors with Eigenvalue

greater than 1 are kept in the model. Eigenvalue represents the varying element explained by factors.

One significant part of the factor analysis result table is the component matrix or rotated component matrix. This component matrix contains coefficients representing standardized variables by factors (each variable is a polynomial of factors). Factor loading coefficients show the link between variables and factors. Those coefficients reveal how close the relationship between variables and factors is. As the research uses factor extraction – principal component method, factor loading coefficients must have weights greater than 0.5.

#### *Regression analysis*

After extracting factors from exploratory factor analysis EFA, we search the necessary assumption violations in the multiple linear regression model such as testing standardized residual, testing Variance inflation factor VIF. If its assumptions are not violated, the multiple linear regression model will be used. And the adjusted R2 depict how well the model has been built.

## **4. ANALYSIS RESULTS AND DISCUSSION**

### **4.1 Descriptive Statistics**

Figure 2 shows that the most of respondents come from Korea with 28% and it is followed by Japan with 27% of total respondent. The percentage of Vietnamese respondents accounts for 7%. It may be concluded that most of customers in Hotel

X are foreign people who may come from several countries with different needs and wants.

Analysis of the descriptive statistics, by using SPSS software 16.0, the result shows that mean values from this table are quite high. The lowest mean value is 3.75 and the highest value is 4.15. Obviously, Hotel X is five-star hotel and it is reasonable when customer evaluate service quality at moderate and high score. (Table 1)

### **4.2 Reliability Test**

After making reliability test, there is only RESPONSIVENESS 2 which is low due to Corrected Item-Total Correlation of .275 which are smaller than 0.3; and thus there are 21 observed variables to acceptable for the next analysis. It involves 19 independent variables of TANGIBLE, RESPONSIVENESS, RELIABILITY, ASSURANCE, EMPATHY and 2 dependent variables of CUSTOMER SATISFACTION.

### **4.3 Exploratory Factor Analysis (EFA)**

Table 2 of KMO and Bartlett's Test shows, it is adequate for exploring factor analysis because value of sampling adequacy is 0.870 and Sig. is .000. Sampling adequacy is good because its value is greater than 0.8. In additions, components are extracted with greater than 1 Eigen values and cumulative of variance is 56.542% therefore four components explain 56.542% of service quality variance from table of total variance explained.

On the other hand, in the table of rotated component matrix, 15 variances are



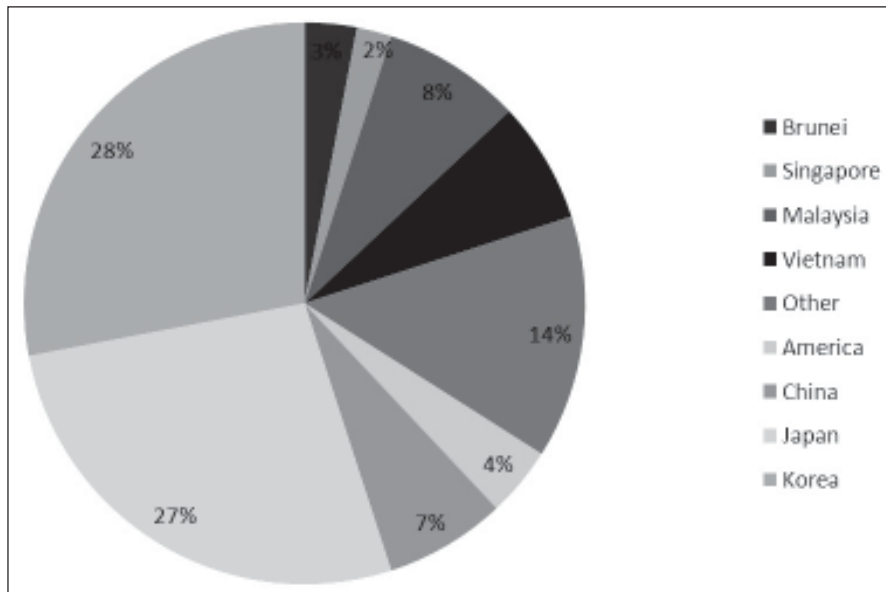


Figure 2: Respondents' Nationality

Table 1: Descriptive statistics

	Mean	Cronbach's Alpha	Corrected item total correlation	Alpha if item deleted
TANGIBLE 1	3.7456	0.7023	0.5011	0.6355
TANGIBLE 2	3.8639		0.5049	0.6276
TANGIBLE 3	4.0178		0.5025	0.6326
TANGIBLE 4	4.1012		0.4548	0.6583
RELIABILITY 1	4.1065	0.6618	0.4268	0.6066
RELIABILITY 2	4.0592		0.4776	0.5701
RELIABILITY 3	4.1131		0.4955	0.5577
RELIABILITY 4	4.0240		0.3728	0.6383
RESPONSIBILITY 1	3.9162	0.6067	0.4281	0.5032
RESPONSIBILITY 2	4.0533		0.2753	0.6094
RESPONSIBILITY 3	4.0298		0.4615	0.4743
RESPONSIBILITY 4	4.0298		0.3867	0.5363
ASSURANCE 1	4.0595	0.6713	0.4664	0.5968
ASSURANCE 2	4.0120		0.4259	0.6251
ASSURANCE 3	4.0179		0.4563	0.6023
ASSURANCE 4	3.9349		0.4659	0.5966
EMPATHY 1	4.0533	0.7616	0.5392	0.7171
EMPATHY 2	3.9273		0.5805	0.6950
EMPATHY 3	4.0182		0.5559	0.7077
EMPATHY 4	3.9701		0.5685	0.7007
SATISFACTION 1	4.1310	0.7416	0.5896	
SATISFACTION 2	4.1548		0.5896	

**Table 2: Exploring factor analysis for service quality scale**

<b>KMO and Bartlett's Test</b>							
Kaiser-Meyer-Olkin Measure of Sampling Adequacy							.870
Bartlett's Test of Sphericity		Approx. Chi-Square		df		859.134	
		Sig.				.000	

<b>Total Variance Explained</b>						
Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.688	37.917	37.917	5.688	37.917	37.917
2	1.267	7.488	45.364	1.267	7.488	45.364
3	1.201	7.009	53.374	1.201	7.009	53.374
4	1.004	5.168	56.542	1.004	5.168	56.542

<b>Rotated Component Matrix</b>				
	Component			
	1	2	3	4
RESPONSIVENESS 4	.788			
EMPATHY 3	.707			
EMPATHY 4	.672			
EMPATHY 1	.600			
RESPONSIVENESS 3	.552			
ASSURANCE 1		.771		
ASSURANCE 3		.690		
ASSURANCE 4		.660		
ASSURANCE 2		.646		
RELIABILITY 1			.587	
RELIABILITY 2			.536	
RELIABILITY 4			.518	
TANGIBLE 3				.835
TANGIBLE 2				.557
TANGIBLE 4				.505

**Table 3: Exploring factor analysis for customer satisfaction scale**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.500
Bartlett's Test of Sphericity		Approx. Chi-Square
		df
		Sig.
		70.682
		1
		.000

<b>Component Matrix</b>	
	Component
	1
CUSTOMER SATISFACTION 1	.892
CUSTOMER SATISFACTION 2	.892
Eigenvalues	1.590
% of Variance	79.478

acceptable and there are four components existing because responsiveness and empathy together define component RES-EM. The other components are ASSURANCE, RELIABILITY and TANGIBLE. In conclusion, after making factor analysis, the service quality includes 15 variances divided into 4 components called RES-EM, ASSURANCE, RELIABILITY and TANGIBLE.

adequacy value equal to 0.5 and Sig. is .000. However, there is a component that has value of initial Eigen values is lower than 1 so there is one component explains for service quality of variance with 79.478%. The customer satisfaction scale with 2 variables extracted to 1 component satisfaction. (Table 3)

To sum up, RES-EM, ASSURANCE, RELIABILITY, TANGIBLE and SATISFACTION variables will be analyzed in the next step.

#### 4.4 Customer Satisfaction Scale Analysis

The customer satisfaction contains two observed variables which have the sampling

**Table 4 Correlations**

		SATIS	TAN	RELI	RESEM	ASS
Pearson Correlation / Sig. (1-tailed)	SATIS	1.000				
	TAN	.449	1.000			
		.000				
	RELI	.635	.502	1.000		
		.000	.000			
	RESEM	.595	.502	.557	1.000	
		.000	.000	.000		
	ASS	.673	.461	.570	.588	1.000
		.000	.000	.000	.000	

**Table 5: Regression analysis summary**

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.755(a)	.571	.560	.43079

#### Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics
	B	Std. Error	Beta		VIF	
Constant	.077	.298	.260	.795		
TAN	.035	.074	.029	.466	.642	1.509
RELI	.318	.073	.298	4.368	.000	1.776
RESEM	.238	.085	.193	2.794	.006	1.823
ASS	.432	.079	.376	5.493	.00	1.794

#### 4.5 Regression Analysis

The main purpose of regression analysis is used to describe the relationship among variables and to predict the value of one variable given the values of the others. It also answers the question of how much in the dependent variable changes with changes in independent variables. To analyze data by using regression model, it is necessary to calculate mean score of both dependent and independent variables. After that, the data will be checked to determine whether it satisfies assumptions for regression analysis to find the relations among variables.

Pearson Correlation between SATISFACTION and four components in table 4 is a positive value. Which means that there is a positive linear relationship between dependent and independent variables. Especially, four components have values of Pearson Correlation to be greater than 0.3

therefore the correlation among them are quite strong. However, Variance inflation factor (VIF) values of four components are very small (much smaller than 10). Thus there may not be a multi-collinearity situation, and regression model accepts these variables.

As Table 5 of coefficients indicates, the value of adjusted R-square from Model summary is .560 therefore it accounts for 56%. In other words, four components namely RES-EM; TANGIBLE; RELIABILITY and ASSURANCE explains 56% its values in customer satisfaction. Both F value and Sig. value are very small (0.000), but there are only three factors RES-EM; RELIABILITY and ASSURANCE that have a significant relationship with customer satisfaction variable.

The relationship between independent variables and dependent variable are founded as the following tables 6.

**Tables 6: Hypotheses tested results**

Hypothesis	Result
RES - EM component and customer satisfaction have a positive relationship. Thus, the higher/lower value of RES-EM component will lead to higher/lower level in customer satisfaction.	Supported
ASSURANCE component and customer satisfaction have a positive relationship. Therefore, the higher/lower value of ASSURANCE component will lead to higher/lower level in customer satisfaction.	Supported
TANGIBLE component and customer satisfaction have a positive relationship. Therefore, the higher/lower value of TANGIBLE component will lead to higher/lower level in customer satisfaction.	Rejected
RELIABILITY component and customer satisfaction have a positive relationship. Therefore, the higher/lower value of RELIABILITY component will lead to higher/lower level in customer satisfaction.	Supported

## **5. SUGGESTIONS TO IMPROVE SERVICE QUALITY IN HOTEL X AND OTHER FIVE STAR HOTELS**

### **5.1 Improving RELIABILITY and ASSURANCE components**

From research result, RELIABILITY and ASSURANCE are essential components to effect on customer satisfaction. Thus, it is necessary to pay more attention in human resource development.

Firstly, it is necessary to establish a special team to act as a quality management group of the hotel that is responsible for continuous service quality improvement in hotel. This team is responsible for research to understand customers' needs and preferences and give detail strategies to enhance customer satisfaction.

Secondly, the human resource department should care more about reward and compensation policy for staffs. To work in hotel is required special or professional skills therefore it is necessary to maintain staffs' loyalty and make them work with their responsibility and dedication. Besides, fairness and transparency in hotel should be increased and written in hotel' rules. Making information about promotion campaigns is necessary but it is more important to implement its promotion with honesty.

Thirdly, it is important to hire the right person for the right position. Hotel X should set up a talent-attracting policy to hire employees with advanced qualification and using staff intensive training course to improve the staffs' skills, manners and attitude is one of useful solutions for Hotel

X in service quality improvement at this time which customers require employees to have professional skills, especially, foreign customers.

Finally, five star hotels such as Hotel X should improve the serving skills of receptionists which play an important role in customers' positive thinking and satisfaction. If customers come to hotel to check-in and they need to wait a long time for checking-in, it will cause negative impression to customers. Therefore, services in hotels should be performed on time at the first time to create sympathy for new customer as well as maintain customer loyalty.

### **5.2 Improving RESPONSIVENES - EMPATHY component**

First of all, hotel X may present gifts or best wishes for its customer on special occasions such as New Year or birthday. It creates the close relationship between hotel and customer as well as remains customers' positive thinking about service in hotel. In additions, customers' tastes may change overtime and department of reservation in Hotel X should update information frequently to avoid it becoming obsolete. Information about customers should be saved and acted upon as it will make customer think that they are cared for and respected.

Secondly, five star hotels in Hanoi might consider adopting enhancing their Responsiveness abilities into their own operation and service delivery package. It is necessary to invest in human resource and create a good system of working condition. For example, if employees have

positive attitudes about organization, they will dedicate for Hotel X based on both their enthusiasm and responsibilities. In other words, employees have positive thinking about their organization; they might inspire to customers with their thinking by serving, attitude, and communication with customer and so on.

In short, five star hotels in Hanoi should enhance the quality of human resource and focus on customer service in order to satisfy customers' needs by best way and Hotel X is no exception.

### **5.3 Suggestions for Future Study**

Vietnamese cultures influence strongly on employees' attitudes, styles of working and daily habits. Thus, service quality measurement and impact of service quality on customer satisfaction should be considered within the cultural environment and organizational culture in order to find out the most effective and suitable solutions for companies. After that, companies could make policies or campaign to increase its service quality.

### **5.4 Limitations of the study**

This study uses SERVPERF model to research and analysis therefore it cannot measure customer expectation about service quality. Moreover, the study focuses on one case of Hotel X. In the future, the authors would like to research more cases so that there will be an overview about service quality measurement in hospitality sector by applying SERVPERF model.

## **6. CONCLUSION**

Service quality plays a significant role in maintaining and developing sustainable competitive advantage of a company or firm because service quality influence on customer satisfaction directly. Moreover, SERVPERF model is as a useful instrument to measure service quality. Thus, the researchers focused on measuring service quality by using SERVPERF model and conducted a survey in Hotel X – one of five-star hotels in Hanoi.

The research was conducted during 3 months to investigate the relationship between service quality and customer satisfaction. By using quantitative method, the research used 22 observed items divided into 5 components of service quality and one component of customer satisfaction based on SERVPERF model. The number of feedback form is 169 and this statistics were tested by using SPSS software 16.0 through descriptive analysis, factor analysis and regression analysis. Four components have positive relationship with customer satisfaction and they explain 56% satisfaction variable while remaining components explain 44%.

For further research, the authors suggest that other researchers could conduct interviews to find out more details about perceived service quality from customer and it to better allocate resources to provide better service quality to customer. Besides, the study of service quality is both important and challenging. Future efforts should continue to advance the understanding of the concept and the models to measure and improve service quality.

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**APPENDIX**  
**SURVEY OF SERVICE QUALITY IN X HOTEL**

	<b>Tangible dimension</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Moderate</b>	<b>Agree</b>	<b>Strongly agree</b>
1	Looking equipment in X Hotel is modern	1	2	3	4	5
2	Employees at X Hotel are neat in their appearance	1	2	3	4	5
3	Materials associated with the service are visually appealing	1	2	3	4	5
4	The physical facilities at X Hotel are visually appealing	1	2	3	4	5
	<b>Reliability dimension</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Moderate</b>	<b>Agree</b>	<b>Strongly</b>
1	X Hotel provides services at the promised time	1	2	3	4	5
2	You are always reach X Hotel any time you want to	1	2	3	4	5
3	X Hotel performs service right at the first time	1	2	3	4	5
4	When you have a problem with any services, X Hotel interest solving	1	2	3	4	5
	<b>Responsiveness dimension</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Moderate</b>	<b>Agree</b>	<b>Strongly</b>
1	Employees of hotel tell you exactly when service will be performed	1	2	3	4	5
2	Employees of hotel give your prompt service	1	2	3	4	5
3	Employees of hotel are always always willing to help you if you have problem with services	1	2	3	4	5
4	Employees of respond to you requirements as soon as possible	1	2	3	4	5

	<b>Assurance dimension</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Moderate</b>	<b>Agree</b>	<b>Strongly</b>
1	Employees of hotel are knowledgeable about their services and products	1	2	3	4	5
2	Employees of hotel are able to solve your problem with satisfaction	1	2	3	4	5
3	The behavior of employees instills confidence in you	1	2	3	4	5
4	Employees of hotel are consistently courteous to me	1	2	3	4	5
	<b>Empathy dimension</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Moderate</b>	<b>Agree</b>	<b>Strongly</b>
1	Employees of hotel listen carefully to your needs	1	2	3	4	5
2	Hotel has operating hours convenient to all its customers	1	2	3	4	5
3	X Hotel provides good quality service to its customer	1	2	3	4	5
4	Employees of hotel understand your specific needs	1	2	3	4	5
	<b>Service quality</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Moderate</b>	<b>Agree</b>	<b>Strongly</b>
1	You are satisfied with X hotel's services	1	2	3	4	5
2	You will continue using the provided services	1	2	3	4	5