



## **An empirical study of the relationship between service parameters in hotels and customer satisfaction**

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### **Abstract**

This study attempted to measure the influence of various hotels service quality on customer satisfaction. Accordingly hotel check in process, room service, hotel manager behavior, room amenities and quality of food were chosen as parameters for customer satisfaction. This study was conducted in Dehradun city. The customers were asked to fill in a questionnaire at the time of check out to measure their satisfaction level. The findings will prove to be useful for hoteliers to improve upon the facilities and other aspects for improving satisfaction of customers and image of hotel. The study can also be used to evaluate and rank hotels on these parameters.

**Keywords:** customer satisfaction, hotels, service quality

### **Introduction**

Now days, the buzzword in hotel industry is service. The competition is too much and from multiple dimensions. The customer awareness is an all time high with reviews of hotels available on multiple websites like trivago, trip advisor etc. The customers also have multiple options to book from various websites and apps like makemytrip, cleartrip, airbnb and so on. Many websites are ranking the hotels onto service parameters based on customer ranking. In this scenario, it is important that the management of hotels should be well aware of the service parameters and what contributes to the satisfaction level of customers. To charge a premium in the market which is highly competitive, the hotels need to continuously innovate, deliver and perform on the front of customer service.

### **Literature Review**

(Mohsin & Lockyer, 2010) <sup>[2]</sup> in a survey of luxury hotels in New Delhi tests an integrative model of service quality, customer value, and customer satisfaction. The importance-performance analysis shows that, for responses relating to front office, room service and in-house café-restaurant, the importance score is statistically significant to and higher than the performance rating. Overall, the results indicate significant difference between expectations of the guests and actual experiences, thus highlighting managerial implications.

(Kandampully & Suhartanto, 2000) <sup>[1]</sup> highlights in their study of finding factors for success in hotel industry that image and customer satisfaction are key to improve loyalty. The study provides an actionable process to improve the loyalty of the customers.

(Oh, 1999) <sup>[3]</sup> has studied the luxury segment of the hotel industry and concluded that a holistic approach is necessary to hospitality customers' post purchase decision-making process. In the paper, suggestions have also been made for the marketers.

(Sim, Mak, & Jones, 2006) <sup>[4]</sup> assess the antecedents and consequences of customer satisfaction and retention in the hotel industry by conducting a survey in san Francisco bay area. This study extended that research to look at the antecedent effects of customer satisfaction as well as the effect of added value and gender on customer satisfaction and customer retention, and how they relate to the intent to switch. Customer retention was operationalized in terms of loyalty and intent to switch. Customer satisfaction was operationalized in terms of hotel ambience and hospitality.

### **Objectives of the Study**

The objectives of the study are as follows:

1. To study the relationship between hotels service quality parameters check in process, room service, hotel manager behavior, room amenities and quality of food and satisfaction level of customers.
2. To find out impact of different parameters on overall satisfaction level of customer.

### **Research Methodology**

This study is based on primary research conducted in budget class hotels (rent between Rs. 1000 to Rs. 1500 per night) situated in Dehradun city. Accordingly 5 hotels and a total of 100 customers were chosen for the survey. The survey consist of two parts capturing the variable related to service quality of the hotels and second part capturing the satisfaction level of the customers. The respondents were asked to express their views on five point likert scale.

The respondents at the time of check out were requested to fill in the questionnaire while going out of hotels. The purpose of the study was explained to the respondents that it is for the purpose of research only.

### **Hypotheses**

The following hypotheses were made for the purpose of this

study.

- H1: There is a significant impact of different parameters on the satisfaction level of customers
- H2: The hotel check in service has significant impact on customer satisfaction
- H3: The hotel manager behavior has significant impact on customer satisfaction
- H4: The room service has significant impact on customer satisfaction
- H5: The room amenities have significant impact on customer satisfaction
- H6: The quality of food served has significant impact on customer satisfaction

For the purpose of checking internal reliability of the data, the Cronbach alpha was calculated for the data. The variables of service parameters and satisfaction were taken for calculation of the same.

**Table 1:** Cronbach’s Alpha Test Results

Cronbach's Alpha	N of Items (variables selected)
.721	22

The Cronbach’s alpha value is high at 0.721, which is more than critical value of 0.60, and so it may be assumed that the collected data is highly reliable.

**Results and Discussion**

Around 165 customers were approached out of which 112 participated in the survey. However, the responses of 12 customers were invalid as they have not filled the complete questionnaire. Out of the total customers 82 percent were male

and only 18 percent female. In case of family also, the male customer filled in the questionnaire. The age profile of the customers were that 32% were between 20 to 30 years of age, 41 percent were between 30 to 40 years of age and 21 percent were 40 to 50 years of age and only 6 percent were older than 50 years.

**Table 2:** Descriptive Analysis: Variable Involved

Service Parameters	Mean	Std. Deviation
Check In Process	4.11	0.06
Hotel Manager Behaviour	4.09	0.02
Room Service	4.05	0.08
Room Amenities	4.20	0.03
Quality of Food	4.25	0.10
Customer Satisfaction	4.31	0.07

**Table 3:** Correlation of Service Parameters

Parameters	Overall Satisfaction (Pearson Correlation)	Significance
Check In Process	0.697	0.005
Hotel Manager Behaviour	0.528	0.003
Room Service	0.687	0.005
Room Amenities	0.758	0.004
Quality of Food	0.712	0.003

The above correlations indicate that the identified satisfaction parameters are positively related with Overall satisfaction of customers at 95% confidence level. Room Amenities and Quality of food has the largest impact with a correlation score of 0.758 and 0.712 respectively followed by Check in process and Room service at 0.697 and 0.687. The Hotel Manager behavior has a comparatively weaker correlation.

**Table 4:** Cross Correlation Analysis with Significance Level

Parameters	Check In Process	Hotel Manager Behaviour	Room Service	Room Amenities	Quality of Food
Check In Process	1	0.521 (0.002)	0.526 (0.003)	0.632 (0.001)	0.589 (0.002)
Hotel Manager Behaviour		1	0.785 (0.002)	0.687 (0.004)	0.754 (0.003)
Room Service			1	0.864 (0.001)	0.787 (0.001)
Room Amenities				1	0.798 (0.004)
Quality of Food					1

The above results show that there exists a correlation between the service parameters and the correlation is positive. Room Amenities have a high correlation with room service i.e. 0.864 and room Amenities also have a high correlation with quality

of food i.e. 0.798. Other parameters are also positively correlated with each other.

H2: The hotel check in service has significant impact on customer satisfaction.

**Table 5:** Check In Service

	R	R Square	Adjusted R Square	Std. Error of the Estimate	
Check In Service	0.697	0.486	0.474	0.382	
Model	Unstandardized Coefficients			t	Sig.
		B	Std. Error		
1	(Constant)	1.886	.160	11.659	0.0001
	Check In Service	0.597	.035	16.274	0.0001

R-Square is around 0.486 which indicates that 48.6% of changes in the customer satisfaction can be predicted by the variable check in service. Also that t-value is high which signifies that the factor contribute in a significant manner in

customer satisfaction. Also the significance level is less than 0.005. Therefore, the H2 hypothesis can be accepted.

H3: The hotel manager behaviour has significant impact on customer satisfaction.

**Table 6: Hotel Manager Behaviour**

	R	R Square	Adjusted R Square	Std. Error of the Estimate
Hotel Manager Behaviour	0.528	0.279	0.272	0.368

	Model	Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	1.637	0.147	12.879	0.0001
	Hotel Manager Behaviour	0.598	0.032	15.238	0.0001

R-Square is around 0.297 which indicates that 29.7% of changes in the customer satisfaction can be predicted by the variable check in service. Also that t-value is high which signifies that the factor contribute in a significant manner in customer satisfaction. Also the significance level is less than 0.005. Therefore, the H3 hypothesis can be accepted.

H4: The room service has significant impact on customer satisfaction.

**Table 7: Room Service**

	R	R Square	Adjusted R Square	Std. Error of the Estimate
Room Service	0.687	0.472	0.465	0.383

	Model	Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	1.787	.149	12.548	0.0001
	Room Service	0.635	.039	13.274	0.0001

R-Square is around 0.472 which indicates that 47.2% of changes in the customer satisfaction can be predicted by the variable check in service. Also that t-value is high which signifies that the factor contribute in a significant manner in customer satisfaction. Also the significance level is less than 0.005. Therefore, the H4 hypothesis can be accepted.

H5: The room amenities has significant impact on customer satisfaction

**Table 8: Room Amenities**

	R	R Square	Adjusted R Square	Std. Error of the Estimate
Room Amenities	0.758	0.575	0.568	0.421

	Model	Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	1.607	0.192	9.235	0.0001
	Room Amenities	0.521	0.032	11.258	0.0001

R-Square is around 0.575 which indicates that 57.5% of changes in the customer satisfaction can be predicted by the variable check in service. Also that t-value is high which signifies that the factor contribute in a significant manner in customer satisfaction. Also the significance level is less than 0.005. Therefore, the H5 hypothesis can be accepted.

H6: The quality of food served has significant impact on customer satisfaction.

**Table 9: Quality of Food**

	R	R Square	Adjusted R Square	Std. Error of the Estimate
Quality of Food	0.712	0.507	0.503	0.412

	Model	Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	1.652	.126	12.352	0.0001
	Quality of Food	0.522	.039	11.247	0.0001

R-Square is around 0.507 which indicates that 50.7% of changes in the customer satisfaction can be predicted by the variable check in service. Also that t-value is high which signifies that the factor contribute in a significant manner in customer satisfaction. Also the significance level is less than 0.005. Therefore, the H6 hypothesis can be accepted.

H 1: There is a significant impact of different parameters on the satisfaction level of customers

**Table 10: Multiple Regression Analysis for all parameters**

Service Parameters	R	R Square	Adjusted R Square	Std. Error of the Estimate
Check in Service, Hotel Manager Behaviour, Room Service, Room Amenities, Quality of Food	0.821	0.674	0.660	0.312

	Model	Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	1.254	.158	7.290	0.000
	Check In Process	.210	.050	5.214	0.000
	Hotel Manager Behaviour	.336	.086	4.332	0.058
	Room Service	-.154	.082	-2.887	0.061
	Room Amenities	.411	.106	4.827	0.000
	Quality of Food	0.335	.066	6.247	0.001

As can be seen from the above, the five service parameters of overall satisfaction of customer have R- Square value of 0.674 which means that 67.4% of changes in satisfaction level can be predicted by the all variables combined. Further, other than Hotel Manager behavior and Room Service, all other parameters are found significant i.e. less than 0.005. Therefore, it can be said that check in process, room amenities and quality of food contribute to the satisfaction level in a significant way. Further, the high beta coefficients value of check in process, room amenities and quality of food indicate that these affect customer overall satisfaction in a major way. Therefore, the H1 hypothesis is also accepted.

**Discussion**

From the above results, it has come out that parameters of check in process, room amenities and quality of food are very important for the purpose of satisfaction of customers. The managers of hotels need to constantly benchmark themselves on these parameters with best standards to ensure high level of

satisfaction to their customers. A satisfied customer go a long way in ensuring that the business of hotels will achieve new heights and in an era of online feedback which is available for all like Google review, it becomes all the more important that managers of hotels should work thoroughly on key service parameters to differentiate themselves from competitors.

### **Limitations of the study**

As the study was conducted in Dehradun city and for budget class hotels only, so the same may not be applicable for other categories of hotels and in smaller and metropolitan cities as Dehradun is a average size city. Futher, the customers in Dehradun hotels are more of travelling tourists so the result may differ for other class of tourist in other cities. Further, only five parameters were taken for the purpose of overall satisfaction of customers but there may be other factors which may contribute to satisfaction level which are not captured in this study.

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