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Examining Tourists’ Expectations and Perceptions towards Hospitality Services: A New Route for Sustainability

Dr. Md. Abdul Hai¹, Mohammad Masudur Rahman² & Md. Badsha Alamgir³

Professor, Department of Marketing, Dhaka City College, Cell # 01813505762
²Associate Professor, Department of Marketing, Dhaka City College, Cell # 01712150953
³Assistant Professor, Department of Marketing, Dhaka City College Cell # 01711901708

Abstract: Quality services are crucial for attaining sustainability in tourism and hospitality industry through attracting and retaining tourists worldwide as well as in Bangladesh. Importantly, examining the gaps between tourists’ expectations and perceptions of the quality of services provided by stakeholders of this sector to build, maintain, and develop win-win relationships with target tourist groups is an emerging phenomenon. A few researches have been conducted in the developed nations to evaluate the gaps between tourists’ expectations and perceptions towards service quality in the hospitality industry but little has been known in the developing countries, particularly in Bangladesh. Considering the significant role of service quality, this research aims to examine the gaps between tourists’ expectations and perceptions of services provided by hotels at Cox’s Bazaar using SERVQUAL model, factor analysis, and ANOVA. Using convenient sampling procedure, a sample of 231 tourists available during the research period of January, 2016 was surveyed through a self-administered questionnaire. The major findings of the study show that there are significant gaps between tourists’ expectations and perceptions towards quality of services. Noticeable gaps between tourists’ expectations and perceptions also have been found for all the dimensions of SERVQUAL model as well as newly factored dimensions like reliability-responsiveness-empathy, “reliability”, “assurance” and “tangibles” and suggested to apply this model in different cultural context. Shahin and Dabestani

Key Words: Service quality, Hospitality industry, SERVQUAL model, Service gap, Sustainability

1. Introduction

Hospitality services are important phenomena in tourism industry and the contribution of these services are crucial in attraction and retention of tourists. Tourism & Hospitality is the third largest industry that generated US $7.2 trillion in global GDP with a growth rate 2.8% and created 284 million jobs in 2015 (WTTC, 2016). David Scowsill, President & CEO of WTTC, (2015) said: “At a time of global economic challenges, Travel & Tourism continues to grow faster than the global economy, and is an enduring source of job creation and a driver of growth for every region in the world” (WTTC, 2016). Prime Minister of Bangladesh, Sheikh Hasina has acknowledged the unexplored potential in tourism sector as Bangladesh has much potentials: it enjoys 7.70% growth rate and created 11,38,500 jobs (WTTC, 2016). The direct contribution of Tourism & Hospitality industry to GDP of Bangladesh was 2.4% in 2015, obtaining 165th position out of 184 and is forecasted to rise by 5.6% in 2026 that indicates ample opportunities (WTTC, 2016).

Quality refers to the ability of a product or service to consistently meet or exceed customer expectations (Stevenson, 2002). Service quality is the difference between customers’ perceptions and expectations of service (Parasuraman, Zeithaml & Berry, 1988). Sustainability in tourism and hospitality industry depends on the continuous improvement of service quality by examining services gaps. By using SERVQUAL model Kariru and Allo (2014) found four dimensions of service quality instead of five like, “responsiveness and empathy”, “reliability”, “assurance” and “tangibles” and suggested to apply this model in different cultural context. Shahin and Dabestani
(2010) opined that the gap analysis is critical for the hotel managers as it identifies the service fail points that helps to evaluate and to meet customers’ expectations more consistently. Tabassum, Tasnuva and Kursia, (2012) advised to conduct future research by considering a large sample size in Bangladesh to authenticate the differences between customers’ expectations and perceptions of hospitality services. The gap of tourists’ expectations and perceptions towards hospitality services in different countries and in different cultural context (Kariru and Aloo, 2014) necessitates undertaking present research. Thus the objective of the study is to examine the gaps between tourists’ expectations and perceptions of hospitality services and to justify the applicability of SERVQUAL model using factor analysis along with their policy implications.

2. Rationale of the Study
The study may guide the concerned parties in various ways that are given below:
1. The study may help the concerned policymakers to formulate sustainable policies regarding tourism and hospitality services.
2. It may help the industry stakeholders lessening the risk of doing business by bridging the gap between customers’ expectations and perceptions.
3. It may also help the customers to get improved hotel services.
4. The academics may find the new ways to understand and do future research of the service quality as it enhances the body of knowledge in this arena.

3. Scope of the Study
Cox’s Bazaar beach areas of Bangladesh were chosen for data collection during the month of January 2016 and the study investigates the gaps between tourists’ expectations and perceptions towards hospitality services leading to sustainability.

4. Literature Review
Tourism has been considered as the world’s largest and rapid growing industry of modern business world (Ali & Mohsin, 2008). The total contribution of tourism to GDP in FY-2013 was around US$ 5 billion for Bangladesh, which is barely 10% of the global average of US$ 55 billion (WTTC-2014). Customer satisfaction is a psychological concept that involves the feeling of well-being and pleasure of obtaining a product and/or service which is vital for an organization’s struggle to distinguish itself from its rivals (Ladhari, 2009).

4.1 Customers’ Expectations, Perceptions, and Service Quality
Service quality has been defined as the difference between the customers’ expectations of the service to be received and perception of the service actually received to which customers have become increasingly more sensitive (Parasuraman, Zeithaml & Berry, 1988; Lee & Hing, 1995). There has been evidence that when customers’ perceptions of service quality are positive, the behavioral intentions are favorable which strengthens their relationship with the organization and vice versa (Zeithaml & Bitner, 2003; Kouthouris & Alexandris, 2005). The quality is becoming critical in the service organizations as it is considered as the cornerstone of sustainable competitive advantages (Bebko, 2000; Chowdhury, Iqbal & Miah, 2010). Several researchers have used SERVQUAL model to measure service quality in tourism industry (Augustyn & Ho, 1998; Avci & Nadiri, 2000; Antilgan, Akinci & Aksoy, 2003). In Bangladesh the SERVQUAL model has been used to measure the service gap in different industries such as, private universities (Chowdhury et al, 2010), retail stores (Khan & Jahan, 2011), advertisement agencies (Khan, 2010), SME, retail banking (Siddiqi, 2010), hospitals (Siddiqi & Khandaker, 2007). Service quality gap denotes the gap between customers’ expectations of what the service should provide and the customers’ perception of what the service actually provides (Shahin, 2006).

4.2 Sustainability
Sustainability refers to meeting requirements of present customers without hampering the interests of future generation. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland Commission, 1987). In hospitality industry sustainability is more important as it relates to tourists’ attraction and retention, competitive advantage, efficiency and profitable differentiation of services as they are facing increasing competition for high service quality and customer satisfaction (Parayani, Masoudi & Cudney, 2010). Customer retention is the way of operating to persuade consumers with the goal of developing long-lasting interaction with them on an ongoing basis and it is necessary to create fidelity to guard against opponent assault in these cut-throat markets (Zineldin, 2000; Clarke, 2001; Hoyer & MacInnis, 2001).

4.3 Customer Satisfaction
Customer satisfaction is considered as the state of feelings of the customers regarding the performance of any product or service against the expectations. Satisfaction means a person’s feelings of pleasure or disappointment resulting from the comparison of product’s perceived performance in reference to expectations which measures or evaluates a product or service’s ability to meet a customer’s need or expectations.
(Zeithaml, 2009; Kumbhar, 2010; Kotler & Armstrong, 2010). Satisfaction is a person’s feelings of pleasure or disappointment resulting from comparing a product’s perceived performance or outcome in relation to his or her expectations that eventually increase profitability (Torres & Kline, 2013). Customers will select restaurants that meet their quality and value standard and will ignore others as the tourists support competing restaurants (Stevens, Knutson & Patton, 1995). Customer satisfaction is often used by managers to predict repeating of patronage that leads to brand loyalty and new customers (Yuksel & Yuksel, 2002). Razak, Chong; Lin (2007) also reported that overall satisfaction is the outcome of customer’s evaluation of a set of experiences that are linked with the specific service provider.

Customer satisfaction is one of the important tools to run a business and to retain customers, which has great significance for the firms for future growth. Satisfaction is a key factor determining customer’s desires for future purchase and they do probably share their good experiences with others (Jamal & Naser, 2002; Ndubisi, 2004). It has a positive impact on an organization’s profitability as it encourages repeat purchases, enhances brand loyalty, and ensures positive word-of-mouth. It is argued that customer satisfaction helps to secure future revenues (Fornell, 1992) and reduce the costs of future transaction (Reichheld & Sasser, 1990). Word-of-mouth from satisfied customers lowers the costs of attracting new customers and increases firms’ reputation and the dissatisfied customers are more likely to tell their woes to others leaving negative impact (Anderson, 1994). Hence, organizations must ensure the customer satisfaction regarding their goods/services.

4.4 Service Quality and Customer Satisfaction

Service quality is defined as “global judgment or attitude relating to the overall excellence or superiority of the service” (Parasuraman et al., 1988). Service quality has become a key marketing tool for achieving competitive differentiation and fostering customer satisfaction and loyalty. Service quality has been acknowledged as a significant contributing aspect to the aptitude of a company to hold on to clients. Service quality can therefore be described as the differentiation between customer expectations of service and perceived service. If expectations are bigger than performance, then perceived quality is less than satisfactory and thus customer dissatisfaction arises (Lewis & Mitchell, 1990). As Lewis and Booms (1983) have termed service quality as an assessment of how well the service level distributed equals customer expectations. Consumer satisfaction has a vital function in organizations, not only because it has direct pressure on the performance of the business but also it is extremely connected with the competitive advantages of the establishment and businesses in the marketplace (Greenland, Coshall, & Combe, 2006). Literature delineates that customer satisfaction is a means to long-lasting business achievement (Zeithaml & Bitner, 1996). To keep and achieve market shares, businesses need to do better than rivals by supplying high value goods or services to guarantee happiness of consumers (Gronroos, 2000; Tsoukatos, 2008), Levesque (1996) explains customer satisfaction as the upcoming purpose of clients towards the service provider, which is somewhat connected to the approach whereas Hansemark and Albinsson (2004) contradicted by defining satisfaction as an overall client approach towards a service provider, or an expressive response to the distinction between what customers expect and what they get, regarding the achievement of some want, aim or need. A small number of scholarly researches, to date, have been carried out to classify quality elements and complete features of services and their associations with customer satisfaction (Zeithaml & Bitner, 2000; Yang & Fang 2004). One of the more generally used tools for measuring customer satisfaction is SERVQUAL extended by Zeithaml & Bitner, (1990). Researchers have concentrated more on the close relationship between service quality and customer satisfaction (Bitner, Booms & Tetreault, 1990; Parasuraman et al., 1988).

4.5 Service Quality Dimensions

Parasuraman, Zeithaml and Berry (1985) found some common characteristics of services that can be summarized into five dimensions as the following:

- **Assurance** includes awareness and politeness of workers and their capabilities to motivate customers.
- **Empathy** is concerned with individualized interest the organization offers to its clients.
- **Reliability** is the aptitude to carry out the promised service without fail and correctly.
- **Responsiveness** is the employees’ readiness to assist clients and give rapid service.
- **Tangibles** refer to the appearance of physical amenities, tools, stuff, and contact supplies.

Woo and Ennew (2005), in the meantime found that in industry services’ markets, the elements were totally different. Consequently, at its best, the five elements should only be judged as a starting point rather than a device that can be instantly applied in the field. Kariru and Aloo (2014) found four dimensions instead of five as prescribed by Parasuraman et al. (1985). Mei, Dean, and White (1999) went on to identify three dimensions of service quality that included employees, tangibles, and reliability.
5. Research Methodology
The study was designed to explore the gaps between the expectations and the perceptions of tourists towards hospitality services in Cox’s Bazar, Bangladesh where immense potentiality for this emerging service sector exists. Both the secondary and primary data were used for the study. Secondary data were collected from different journals, books, newspapers, and websites. The interest of the study was the tourists visiting Cox’s Bazar from different strata of the society and abroad. A total of 231 tourists, both domestic and international, visiting Cox’s Bazaar beach area, Bangladesh during mid January 2016, were surveyed conveniently. A questionnaire containing 21 items under SERVQUAL instrument was administered to the respondents as the instrument is widely used in measuring the quality of service provided in various arenas including hospitality services. In 1988, Parasuraman et al. conducted a quantitative research that revealed an instrument for measuring consumers’ perception of Service Quality, after that it became known as SERVQUAL. This model is one of the instruments used to measure the quality of services to examine the quality perception and satisfaction of the customers.

A 5 point Likert scale was used to measure the opinions of the respondents. The interviews were conducted personally and responses were recorded by using photo / video clipping. The statistical tools like ANOVA, exploratory factor analysis, and descriptive statistics were used for analyzing the data with SPSS version 17.0. T-test was applied to confirm the soundness of data.

6. Findings of the Study
The result of reliability test shows strong soundness of data (overall value of Cronbach’s Alpha is 0.84). The details of reliability tests are given below:

Table-1: The result of reliability tests of data

<table>
<thead>
<tr>
<th>For Expectations</th>
<th>Tourists’ Value of Cronbach’s Alpha</th>
<th>For Perceptions</th>
<th>Tourists’ Value of Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Dimension</td>
<td>Reliability-responsiveness empathy</td>
<td>0.825</td>
<td>Reliability-responsiveness empathy</td>
</tr>
<tr>
<td>Tangible-assurance</td>
<td>0.825</td>
<td>Tangible</td>
<td>0.886</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Empathy</td>
<td>0.816</td>
</tr>
</tbody>
</table>

The result of the data analysis in descriptive statistics shows that there is a wide gap (1.03) between tourists’ expectations (4.64) and perceptions (3.61) of hotel services from the viewpoint of mean value on 5 points scale. Statistical analysis also reveals that ‘emphasizing on customer individual interest’ produces the lowest mean value (3.25) and ‘showing sincere interest to solve customer problem’ yields the highest (4.44) on the perception dimension whereas ‘promise to do something at a certain time’ begets the lowest mean of 4.54 and ‘feeling safe in the dealings’ yields the highest mean value of 4.99 on the expectation dimension.

The mean value of overall satisfaction is 3.62 measuring that tourists are poorly satisfied. The descriptive statistics also shows the differences among the five dimensions of hospitality services against perception and expectation shown as below:

Table-2: The means values found in different dimensions under SERVQUAL

<table>
<thead>
<tr>
<th>Service dimensions</th>
<th>Expectations (mean value)</th>
<th>Perceptions (mean value)</th>
<th>Service Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>4.72</td>
<td>3.72</td>
<td>1.00</td>
</tr>
<tr>
<td>Reliability</td>
<td>4.73</td>
<td>3.84</td>
<td>0.89</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>4.78</td>
<td>3.63</td>
<td>1.15</td>
</tr>
<tr>
<td>Assurance</td>
<td>4.88</td>
<td>3.90</td>
<td>0.98</td>
</tr>
<tr>
<td>Empathy</td>
<td>4.78</td>
<td>3.55</td>
<td>1.23</td>
</tr>
</tbody>
</table>

The assurance dimension produces the highest mean value of 3.9 and the empathy dimension yields the lowest mean value 3.55.

ANOVA analysis shows that there are significant differences among the tourists’ expectations from hotel services and their perception in terms of occupation, age, hotel categories, division, and residential status.

Table-3: Result of ANOVA showing significant differences among the tourists

<table>
<thead>
<tr>
<th>Variables</th>
<th>Level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation</td>
<td></td>
</tr>
<tr>
<td>1. Equipments of hotels</td>
<td>.030</td>
</tr>
<tr>
<td>2. Timely service</td>
<td>.022</td>
</tr>
<tr>
<td>3. Prompt service</td>
<td>.015</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>1. Confidence in tourists’ mind</td>
<td>.050</td>
</tr>
<tr>
<td>2. Safe in dealings</td>
<td>.016</td>
</tr>
<tr>
<td>Hotel Categories</td>
<td></td>
</tr>
<tr>
<td>1. Safe in dealings</td>
<td>.009</td>
</tr>
<tr>
<td>2. Courteous behavior of employees</td>
<td>.010</td>
</tr>
<tr>
<td>3. Staff providing personal attention</td>
<td>.015</td>
</tr>
</tbody>
</table>
Based on occupation it is found that the tourists have different perceptions on equipments, timely and prompt services; and depending on age, they do not see all the hotels providing safer dealings, courteous behavior of employees and highlighting interest of the guests. The tourists from different regions are not similarly satisfied with the equipments, physical amenities, neat appearance of materials of hotels, timely services, error free records, employees responding to customers’ queries and convenient working hour.

Factor Analysis was conducted to find out whether the traditional service factors are responsible for determining the satisfaction levels of the tourists or not. The test found new dimensions of services. For expectation, the newly found Factor One (reliability-responsiveness-empathy) includes four items from reliability, three from responsiveness and four from empathy dimension; and the Factor Two (tangible-assurance) includes three items from tangible and two from assurance dimension. For perception, the newly found Factor One (Reliability-responsiveness) includes four items from reliability dimension and four from responsiveness dimension; Factor Two (tangible) includes all the items in it; and Factor Three (empathy) includes four items in it. The results of newly found factors are confirmed by the results of the existing dimensions of SEVQUAL model.

The new dimensions of services explain 56.40% variance for expectation and 61.93% variance for perception. The details calculations of the eigenvalues presenting the variance are shown in the table below:

Table-6: Total variance explained by the newly found two factors for expectation

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigen values</th>
<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of Variance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>8.4</td>
<td>49.78</td>
</tr>
<tr>
<td>2</td>
<td>1.1</td>
<td>6.615</td>
</tr>
</tbody>
</table>

Table-7: Total variance explained by the newly found three factors for perception

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigen values</th>
<th>Extraction Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of Variance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>8.0</td>
<td>47.51</td>
</tr>
<tr>
<td>2</td>
<td>1.3</td>
<td>5.685</td>
</tr>
<tr>
<td>3</td>
<td>1.0</td>
<td>6.927</td>
</tr>
</tbody>
</table>

T-test shows that the perception varies between male and female tourists based on neat in appearance personnel, neatness of materials of hotels, promise of service, getting things first time, timely services, responding to customers’ queries, courteous behavior of employees and knowledge of employees to answer customers’ questions, staff
providing personal attention, convenient working hour, and customers’ interest in employees’ heart.

7. Analysis of Findings, Conclusion and Policy Recommendations

From the findings of the study it is apparent that there are wide gaps in hotel services in Bangladesh and for the first time such type of research has been conducted to examine the gaps between tourists’ expectations and perceptions of service quality using SERVQUAL Model. From the findings it is noticed that the tourists’ expectation itself is low (4.64 out of 5.00) and the hoteliers can meet their expectation even at a moderate level (3.61 out of 5.00).

In Kenya, Kariru and Aloo (2014) found four dimensions instead of five dimensions of SERVQUAL Model developed by Parasuraman, Zeithaml and Berry (1985) while the present study found three new dimensions for tourists’ perceptions such as reliability-responsiveness, tangible and empathy. It implies that the tourists’ emphasizes can be explained by these three dimensions only.

The findings of the study guide the hospitality services providers to concentrate on improving qualities of the hotel services. They should focus on the i) assurance (mean value, 3.90) ii) the empathy (mean value (3.55) iii) the tangibles (3.72), iv) the reliability (3.84) and v) responsiveness (3.63) dimensions of service quality which are related to awareness and politeness of workers and their capabilities to motivate customers; individual interests of the tourists; appearance of physical amenities, tools, staff, and contact supplies; the aptitude to carry out the promised service without fail; and the employees’ readiness to assist clients and give rapid service. The results of newly found factors are confirmed by the results of the existing dimensions of SERVQUAL model and the service gaps are almost equal for both the cases. The new factors also calls for the hoteliers to emphasize on timeliness, promptness, personal care, modern facilities and speed services to ensure and improve tourist satisfaction. ANOVA analysis shows that there are significant differences among the tourists’ expectations from hotel services and their perception in terms of occupation, age, hotel categories, division, and residential status. Hence, the hotel service providers require to improve their performance in some areas like physical amenities, timely and prompt services, employees responding to customers’ queries, congenial working hour and so on.

The hoteliers also require to focus on increase of awareness and politeness of workers; caring for individualized interest of the clients; improvement of physical amenities of the hotel; ensuring promised service without fail; and providing rapid service to improve the overall service quality. The tour operators should maintain liaison with the hotels that offer and maintain quality services. Government policymakers may formulate and monitor minimum requirements for hotel services for sustainable development of tourism and hospitality industry. The hotel owners, tour operators, and different government organs especially the tourism board (BTB) should take all out actions to enhance the services as the tourists desire in order to be competitive and sustainable.

Future research may be conducted containing a larger sample including other tourist hotels in Bangladesh. The study can also be done early in the winter (November-December) following qualitative method and particularly in-depth interview may be applied.

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