SERVICE QUALITY OF PRIVATE HOTELS IN MANDALAY*

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Abstract

This study attempts to identify the service quality of private hotels in Mandalay. Descriptive method and analytical method are used in this study. Two stage sampling method is also employed. As a first stage, 20 percents of private hotels are selected and then, as a second stage, 30 guests who were over 18 years old and stayed at least two night from each sample hotel are selected by using one in three systematic sampling method to get the primary data. Secondary data are obtained from relevant text books, articles, journals, and internet websites. This survey was conducted in October, 2017. SURVOUAL model that includes reliability, empathy, assurance, responsiveness and tangibility dimensions is used to assess the guest perceptions and their expectations of service provided by selected private hotels. The study observed that the average ratings for expectation were higher than the average perception ratings in all five dimensions of service quality except empathy and reliability dimensions. Therefore, guests of the selected private hotels in Mandalay are satisfied in empathy and reliability dimensions. In addition, the findings revealed that tangibility dimension has the largest gap score when compared with the other gap scores. This implied that guests attached high expectations to the tangible elements of the hotels in Mandalay.

Keywords: Service quality, expectation, perception, gap scores, hotels

Introduction

In today's competitive environment, service quality is a growing concern for many service firms to achieve the competitive advantage. Therefore, today service firms are paying more attention than ever to the needs and expectations of the guests by consistently improving the quality of service provided to their guests. The hospitality industry and hotels in particular too have witnessed increasing competition for high service quality and customer satisfaction (Parayani *et al.*, 2010). With this knowledge the hospitality sector must make sure that they are always ahead of the competitors.

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Service quality is defined as the discrepancy between expected service and perceived service (Parasuraman, Zeithaml, and Leonard, 1985). In additions, service quality is identified as an important indicator for customer satisfaction and business performance measurement (Mitchell, 1990). Nowadays, the service sector becomes greater economic importance for every country. In Myanmar, Mandalay was a former capital and is known for its Myanmar architecture and art. The last two kings of Myanmar resided in Mandalay and the city was an important center for religious studies. It is well known for its traditional arts, crafts, Myanmar culture, marble and stone crafts, traditions of dance and music and drama live on. In additions, it is also the commercial center with air, rail, and river linkages to all parts of Myanmar. Therefore, many business men, tourists, and visitors visit Mandalay. Hence, the number of private hotels are increasing day by day and private hotels in Mandalay face with intense competition.

Therefore, to achieve the competitive advantage, guest satisfaction with service quality and meeting guest expectations are the major challenges facing managers in the hotel industry, Mandalay. Service quality is vital for hotel industry to improve guest satisfaction. Naumann (1995) stated that satisfaction of customers is the cheapest mean of promotion. In additions, Berkman and Gilson (1986) concluded that it impacts on the purchase repetition and word of mouth recommendations. Therefore, at present, in hotel industry, service quality and guest satisfaction play exceptional roles to increase revenue and market share.

1.1 Objectives of the Study

The objectives of the study are:

- (1) to analyze the expectations and perceptions of service quality dimensions delivered by hotels in Mandalay from the hotel guest perspective and
- (2) to investigate the guest satisfaction on services of private hotels in Mandalay.

1.2 Methodology and Sources of Data

This study focuses on service quality of private hotels in Mandalay. Descriptive research and analytical method are employed in this study. In this study, two stage random sampling method is used. According to the data from Ministry of Hotel and Tourism (2016), it can be known that there are (78) star rating hotels in Mandalay. Among them, as a first stage, 20 percent of private hotels are selected and then, as a second stage, 30 guests who were over 18 years old and stayed at least two nights from each of sample hotels are selected by using one in three systematic sampling method. Therefore, 480 guests are selected and interviewed by structured questionnaires to get the primary data. Secondary data are obtained from relevant text books, articles, journals, and internet websites. This survey was conducted in October, 2017. A five-point Likert-type scale (1 = disagree" to 5 = "strongly agree") is used to indicate the agreement degree of guests with certain statements. In this study, SERVQUAL model developed by Parasuraman *et al.*, (1988) is employed to measure the service quality.

Literature Review

2.1 Service Quality

Parasuraman *et al.* (1988) have stated that service quality is the ability of the organization to meet or exceed customer expectations. Zeithaml *et al.*, (1990) also defined service quality as the difference between customer expectations of service and perceived service. Perceived service quality results from comparisons by customers of expectations with their perceptions of service delivered by the suppliers.

Yoo & Park (2007) stated that high quality contributes to increased profitability and competitiveness. Moreover, successful service quality enhances business growth and prosperity. Kaynama, S., & Black, C.(2000) mentioned that the competitive pressures faced by many service industries today are compelling them to seek competitive advantage, efficiency and profitable ways to differentiate themselves from others. Parayani *et al.*, (2010) present that the hospitality industry and hotels in particular too have witnessed increasing competition for high service quality and customer satisfaction. With this knowledge the hospitality sector must make sure that they are always ahead of the competitors.

SERVQUAL model is the most popular model to measure the service quality in almost service industries. Parasuraman *et al.*, (1988) developed the

SERVQUAL dimensions to identify and measure the gaps between customers' expectations and perceptions of service quality. This is supported by Cant *et al.*, (2006) who maintain that the SERVQUAL scale was developed to measure the gaps between customers' expectations of service performance and their assessment of actual performance.

Initially, 22 service attributes were identified. Carman (1990) stated that these were categorized into five service quality dimensions that are applicable in most service delivery situations. Lewis and Chambers (2000) listed these dimensions as follows:

Tangibility: Appearance of physical facilities, equipment, personnel and written materials

Reliability: Ability to perform the promised service dependably and accurately

Responsiveness: Willingness to help customers and provide prompt service

Assurance: Employees' knowledge and courtesy and their ability to inspire trust and confidence

Empathy: Caring, individualized attention given to customers

For each item, a "gap score" (G) is then calculated as the difference between the raw "perception-of-performance" score (P) and the raw "expectations score" (E). The "gap score" is calculated as G = P - E. The largest negative gaps, combined with assessment of where expectations are highest, facilitate prioritization of performance.

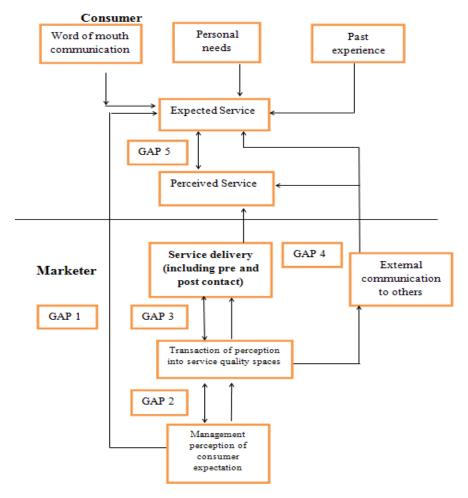


Figure 1.1: Service Quality Gap Model **Source**: Parasuraman *et al.*, (1988)

2.2 Customer Satisfaction

Parasuraman *et al.*, (1985), Lewis and Mitchell, (1990) stated that if expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs. According to Oliver (1980), customer satisfaction definition is based on the expectation disconfirmation point of view. Before purchasing or using the product or service, customers always have their personal expectation about its

performance. After buying or using product or service, if the result is equal or better than expectation, it means the expectation has positive confirmation. In the opposite case, if the result is lower than expectation, customers have negative confirmation. Customers are said to be satisfied only if there are positive confirmations of expectation. However, in any case, the level of customer satisfaction is different between different customers because each of them owns their personal needs, demands as well as experiences.

Results and Findings

3.1 Demographic Profile of the Hotel Guests

In this study, 58% of the respondents are males and the remaining 42% of the respondents represents females. 9% of the respondents are age under 25 years, 30% of them are the age between 26 and 35 years, 23% of the respondents are at the age between 36 and 45 years, 25% are at the age between 46 and 55 years and the remaining are over 55 years old. The majority of respondents (49%) are business owners and minority (8%) are dependent. It was revealed that 63% of the respondents had travelled to Mandalay on business, 11% of the respondents are visiting Mandalay for family matter and the remaining percent are visiting on vacation. Concerning the frequency of the Stay, the 81% of guests had stayed for once or twice, 14% had stayed for 3 or 4 times and remaining 5% of the guests had stayed for more than 4 times. Demographic profile of the hotel guests are shown in Appendix (A).

3.2 Guest Expectations and Perceptions of Service in Private Hotels

Table (1) presents the guest expectations of services provided by private hotels in Mandalay. In this table, service quality is measured by five dimensions that include tangibility, reliability, responsiveness, assurance and empathy.

Table 1: The Guest Expectations and Perceptions of Services Provided by Private Hotels in Mandalay

David and an	Expectation	Perception	Gap	
Particular	(Mean)	(Mean)	(Mean)	
Tangibility	4.42	4.04	-0.38	
Having modern looking equipment	4.47	4.12	-0.35	
Having physical facilities that are visually				
appealing	4.43	4.01	-0.42	
Having personnel who are neat in				
appearance	4.36	4.02	-0.34	
Having neat appearance materials				
associated with service	4.42	4.01	-0.41 0.01	
Reliability	4.32	4.32 4.33		
Keeping the promises to do something at a				
certain time they do it	4.25	4.26	0.01	
Showing a sincere interest to solve the				
problem of guests	4.28	4.3	0.02	
Providing the right services at the right				
time	4.32	4.33	0.01	
Provides the services at the time it	4.22		0.04	
promises to	4.33	4.34	0.01	
Insisting on error free records	4.43	4.44	0.01	
Responsiveness	4.41	4.08	-0.33	
Telling guests exactly when services will	4.20	4.00	0.0	
be performed by personnel	4.29	4.09	-0.2	
Providing prompt services to guests by	4.54	4.07	0.47	
personnel	4.54	4.07	-0.47	
Having willingness to help guests by	4.53	4.11	-0.42	
personnel Having personnel who are never too busy	4.33	4.11	-0.42	
to respond to guests requests	4.27	4.03	-0.24	
Assurance	4.43	4.2	-0.23	
Having the behavior of personnel who	4.41	4.1	0.21	
instils confidence in guests	4.41	4.1	-0.31	
Providing safe feeling to the guests in their	4.49	4.13	-0.36	
dealings with the hotel Being consistently courteous of personnel	4.49	4.13	-0.30	
with guests	4.44	4.24	-0.2	
having personnel who have knowledge to	4.44	4.24	-0.2	
answer guests questions	4.36	4.31	-0.05	
answer guests questions	4.50	4.51	-0.03	

Particular	Expectation (Mean)	Perception (Mean)	Gap (Mean)	
Empathy	4.24	4.26	0.02	
Giving individual attention to guests by				
hotels	4.29	4.32	0.03	
Having operating hours that are convenient				
to all guests	4.09	4.12	0.03	
Having staff who give guests personal				
attention	4.27	4.28	0.01	
Having guests' interest at heart	4.48	4.51	0.03	
Understanding the specific needs of the				
guests	4.05	4.05	0	

Source: Survey Data (2017)

Concerning the expectation of tangibility dimension, the statement in the five-point likert scale "the hotel will have modern looking equipment" had the highest value with 4.47 mean scores, followed by the statement "the physical facilities at the hotel will be visually appealing" then "materials associated with service in the hotel will be neat in appearance" and lastly "personnel at the hotel will be neat in appearance".

With respect to the expectation of reliability dimension, the statement "the hotel will insist on error free records" had the highest mean score followed by the statement "the hotel will provide its services at the time they promise to", "the hotel provide the right service at the right time, when a client has a problem" and then "the hotel will show a sincere interest to solve it" and lastly "the hotel will keep the promises to do something at a certain time they do it".

With respect to expectation on responsiveness dimension, "personnel at the hotel will provide prompt services to guests" had the highest mean score, followed by the statement "personnel in the hotel will always be willing to help guests", then "personnel at the hotel will tell guests exactly when services will be performed" and lastly "personnel in the hotel will never be too busy to respond to guests".

Regarding the expectation on assurance dimension, "guests of the hotel will feel safe in their dealings with the hotel" had the highest mean score, followed by the statement "personnel in the hotel will be consistently courteous with guests", "then the behavior of personnel in the hotel will instil

confidence in guests" and lastly "personnel in the hotel will have the knowledge to answer guests".

The statement in the five-point likert scale "the hotel will have guest interests at heart" had the highest mean score under expectation on "empathy" dimension, followed by the statement "the hotel will give guest individual attention", "the hotel will have staff who give guest personal attention", then "the hotel will have operating hours convenient to all guests" and lastly "the hotel will understand the specific needs of their guests".

Items with the highest mean scores focused on "the hotel will have modern looking equipment", "the hotel will insist on error free records", "the personnel will provide prompt services to guests", "guests of the hotel will feel safe in their dealings with the hotel", and "the hotel will have guests' interest at heart", all indicating that guests expected these items more than the other items. However, "the hotel will have personnel who are neat in appearance", "the hotel will keep the promises to do something at a certain time they do it", "the hotel will have personnel who are never too busy to respond to guest requests", "the hotel will have personnel who have knowledge to answer guests' questions" and "the staff will understand the specific needs of the guests" had the lowest mean scores indicating that guests expected these items less than the other items.

Concerning the perception of tangibility dimension, the statement "the hotel has modern looking equipment" had the highest value with 4.12 mean scores, followed by the statement "personnel at this hotel are neat in appearance" and lastly "the hotel has physical facilities that are visually appealing", and "materials associated with service in the hotel are neat".

With respect to the perception of reliability dimension, the statement "the hotel insists on error free records" had the highest mean score followed by the statement "the hotel provides the services at the time it promises to", "when a guest has a problem the hotel showed a sincere interest to solve it" and then "the hotel keeps the promises to do something at a certain time they do it" and lastly "the hotel gets things right the first time".

With respect to perception on responsiveness dimension, "personnel in this hotel are always willing to help guests" had the highest mean score, followed by the statement "personnel in this hotel tell guests exactly when services will be performed", then "personnel at this hotel provide prompt services to guests" "and lastly "personnel in this hotel are never too busy to respond to guests requests".

Regarding the perception on assurance dimension, "personnel in this hotel have the knowledge to answer guests questions" had the highest mean score, followed by the statement "personnel in this hotel are consistently courteous with guests", "then guests in the hotel feel safe in their dealings with the hotel" and lastly "the behaviour of personnel in this hotel instils confidence in guests".

The statement in the five-point likert scale "the hotel has guests' interest at heart" had the highest mean score under perception on empathy dimension, followed by the statement "the hotel will give guest individual attention", and then "the hotel has operating hours that are convenient to all guests", and lastly "the hotel understands the specific needs of their guests".

The items with the highest mean scores focused on "the hotel has modern looking equipment", "the hotel insists on error free records", "personnel in this hotel are always willing to help guests", "personnel in this hotel have the knowledge to answer guests questions", and "the hotel has guests' interest at heart" indicating that guests perceived these items more than the other items. However the statements on "the hotel has physical facilities that are visually appealing", "the hotel has neat appearance materials associated with service", "the hotel keeps the promises to do something at a certain time", "personnel in this hotel are never too busy to respond to guests requests", "the behaviour of personnel in this hotel instills confidence in guests", and "the hotel understands the specific needs of their guests" from respective dimension had the lowest mean scores indicating that guests perceived these items less than the other items.

3.3 Guest Satisfaction on Services

Gap Scores (Mean) between Expectations and Perceptions on SERVQUAL dimensions are presented in Table (2). If the expectation is higher than perception, the guests will be dissatisfied on services delivered by hotels. In contrast, if the perception is higher than expectation, the guests will be satisfied.

Expectation Perception Gap (Mean) **Dimension** (Mean) (Mean) -0.38 **Tangibility** 4.42 4.04 4.33 0.01 Reliability 4.32 4.41 4.08 -0.33 Responsiveness Assurance 4.43 4.20 -0.234.24 4.26 Empathy 0.02

Table 2: Gap Scores (Mean) between Expectation and Perception

Source: Survey Data (2017)

As shown in Table (2), the expectation mean scores ranged from 4.24 to 4.43 and the perception mean scores ranged from 4.04 to 4.33 The highest expectation mean score (4.43) was for assurance dimension while the lowest expectation mean score (4.24) was for empathy dimension. This result indicates that guests have the highest expectations regarding assurance. The mean score (4.33) for reliability dimension for the level of perception of guests was higher than the other perceptions' mean scores. Therefore, the level of perception (reliability) of guests was higher than on other levels of perception of guests (assurance, empathy, responsiveness and tangibility). These findings indicate that the lowest rating for the level of perception was for tangibility. In contrast, the mean score (4.04) for tangibility dimension of the level of the perception of the guests was lower than the other perceptions' mean scores. Therefore, the level of perception (tangibility) of guests was lower than on any other levels of perception of guests such as reliability, empathy, responsiveness, and assurance dimensions.

Table (2) also shows that the average ratings for expectations are higher than the average perception ratings in all dimensions of service quality except reliability and empathy. These results in a negative total SERVQUAL gap. Tangibility dimension has the largest gap (-0.46) compared with the other gap scores. This means that guests attach a high expectation to the tangible elements of the hotel, while the actual perceptions fall far below their expectations.

After using service of hotels in Mandalay, guests have negative confirmation in tangibility, responsiveness, and assurance dimensions because the results are lower than expectations. It can be seen that guests are not satisfied because of negative confirmations of expectation. But reliability and

empathy dimensions have positive confirmations of expectation. Therefore, guests of the selected private hotels in Mandalay are satisfied in reliability and empathy dimensions. However, the level of customer satisfaction is different between different guests because each of them has their personal needs, demands as well as experiences.

3.4 Significant Relationships from Paired t tests

Paired samples t-test was conducted to evaluate the difference between guest expectations and perceptions on all SERVQUAL dimensions. Appendix (B) indicates that p-values are below 0.05 for all dimensions. These values indicate that there are significant differences between perceived and expected values on SERVQUAL dimensions. Statistical result shows that guests' high expectations are not fully met and the fact is an indication of shortcomings in the quality of services provided to guests on tangibility, responsiveness and assurance dimensions and the guest expectation is fully met in empathy and reliability dimensions.

Discussion

The tangibility dimension exhibited the largest average gap when compared to the other four dimensions of the SERVQUAL model. It is also the dimension with the highest number of attributes (questions) which means that it is a very important indicator of service quality. The dimension of tangibility includes a wide variety of items ranging from carpeting, desks, lighting, wall colours, brochures, daily correspondence and the appearance of staff. The high negative gap in the tangibles dimension should be a concern for the hotel management as this is the dimension in which guests attach a high expectation, but their actual perceptions are much lower than their expectations. Hotel managers should be careful of the tangible items of services because guests are always aware of these aspects and make judgments. Hotel staff should inform meaningfully the existence of certain facilities and disposal services to their guests. In additions, hotel managers should be aware of those tangible items that are perceived to be associated with the accommodation. Moreover, hotel managers should provide the priority on the tangible items that have high expectation value such as up-todate equipments and physical facilities.

Responsiveness is also another important aspect that hotel managers should pay attention because it revealed the second largest gap. This indicates

that hotels in Mandalay are still found wanting when it comes to responding to customer requests. This dimension is mainly represented by three attributes which focus on the promptness of service delivered, how ready hotel staff are to respond to customer requests and their willingness to help guests. Therefore, hotel managers should conduct regular employee-workload inspections to ensure that employees are not tired and under stress, and that they have sufficient time to interact with guests. Moreover, hotel managers need to develop service standards which address issues such as waiting time before receiving service, problem-solving procedures and mechanisms to deal with queries promptly and efficiently.

Assurance has the third largest gap. To achieve the guest satisfaction concerning the assurance dimension, hotels should develop and maintain open and effective communication with guests on their accounts and any other aspects which constitute transparency. Management should ensure that employees who deal with guests are trained to treat guests with respect and are able to make guests feel that they can trust the hotel management. Moreover, training should be provided to ensure that employees are in possession of correct and relevant information to answer guest queries and to be confident to interact with guests.

Although empathy is revealed the positive gap hotel management should emphasize more on the efficient service recovery plan that includes promptness, facilitation, explanation, attentiveness, effort, satisfaction and loyalty and apology to their guests.

Concerning the smallest gap, reliability dimension, there is a significant difference between expectation and perception of hotel guests. Although guests are satisfied in this dimension, the hotel managers should pay more attention to this aspect because satisfaction of guests guarantees repeat business and positive word-of-mouth feedback on the hotel. Therefore, hotel managers should more upgrade their services to meet the guest expectations.

Conclusions

The study provides information on the expectations and perceptions of service quality delivered by private hotels in Mandalay from the hotel guest perspective and the guest satisfaction on services of hotels in Mandalay. The empirical findings of this study reveal that guest perceptions are lower than their expectations in 12 of the 22 statements. This means that hotel guests

have higher service expectation in these 12 statements. Regarding the SERVQUAL dimensions, there are significantly different between expectation and perception in all five dimensions. Therefore, the majority of the guests from private hotels in Mandalay have negative confirmation that can be addressed. The negative guest satisfaction in tangibility, responsiveness, and assurance dimensions and positive confirmation that can be addressed for satisfaction in reliability and empathy dimensions.

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Appendix (A)

Demographic Profile of Hotel Guests

Gender	Frequency	Percentage
Male	278	58
Female	202	42
Total	480	100
Occupation		_
Company Staff	139	29
Government Staff	67	14
Business Owner	235	49
Dependent	39	8
Total	480	100
Income Level (Kyats)		
below 300,000	49	11
300,001-500,000	106	24
500,001-700,000	132	30
700,001 and above	154	35
Total	441	100
Hotel Guests by Age (Years)		
Under 25 years	43	9
26-35 years	144	30
36-45 years	110	23
46-55 years	120	25
over 55 years	63	13
Total	480	100
Hotel Staying Purpose		
Business Trip	302	63
Vacation	126	26
Family matter	52	11
Total	480	100
Frequency of the Stay		
Once/Twice	389	81
Three/Four	67	14
More than Four	24	5
Total	480	100
D. (2017)		

Source: Survey Data (2017)

Appendix (B)

Paired Samples Test

		Paired Differences							
					95% Confidence Interval				
			Std.	Std. Error	of the Difference				Sig. (2-
		Mean	Deviation	Mean	Lower	Upper	t	df	tailed)
Pair 1	TanP-TanE	38001	.54045	.04568	39031	00969	-2.189	479	.030
Pair 2	ReIP - ReIE	.01014	.98331	.08311	.00569	.06431	2.403	479	.017
Pair3	ResP - ResE	33102	.81755	.09445	41325	23675	-6.353	479	.000
Pair 4	EmpP-EmpE	23183	.40394	.03414	32536	21036	-2.241	479	.000
Pair 5	AssP - AssE	.02128	.54679	.08002	.01176	.12582	5.647	479	.000

Source: Survey Data (2017)