



Preferences of Service Quality facets for Customer Satisfaction of 4 Star Indian Hotels

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No hotel whether big or medium or small can be started without a good system of accounting. The success of a hotel depends upon adequate return on its investments. The investors or shareholders can be attracted by a firm only by maximization of their wealth through the application of principles and procedures. The discipline of corporate accounting is important not only to the manager but also to others who deal with a hotel. All the branches of accounting are useful for the hospitality industry. Financial accounting collects and classifies the monetary data. Cost accounting is useful for reports of current and prospective cost. Management accounting gives information for the purpose of control. Tax accounting relates to preparation and filing of tax and auditing involved in receiving and evaluating of taxes.

Right from the very beginning i.e., conceiving an idea to business, it needed promoter to establish the hotel. Hotel acquire fixed assets, make investigations such as market surveys, etc., develop products, keep men and machine at work, encourage management to make progress and create values thus the importance of accounting cannot be over- emphasized so the subject becomes utmost both to the academicians and practicing managers the most crucial decisions of a hotel are related to accounting.

What is expected and what is delivered is not amenable to measurement in the same fashion as in goods therefore it important to understand customer well and retain for future business by maintaining his profile, understand his needs and expectation to make him loyal to organization and generate as well as repeated the business for better profitability. The Lodging services are experimental in nature. Customer satisfying properties are embedded in people or machine or both. Unlike goods where value is contained in a manufactured object, in services the value is created through an interactive process involving customer and the service provider. The outcome of this interactive process often is abstract and personal experience. Customer does not take home anything physical. Experience happens and gets consumed simultaneous without providing scope for quality inspection and check. Subjectively shrouds customer expectation and service delivery. The present study is considered on customer's satisfaction level with statistical ranking through SPSS of 4 star Indian hotels

Objective of the study

To decide statistically the performance rank of service quality dimensions as per customer's satisfaction through factor analysis of 4 star Indian hotels. .

The Questionnaire

The quality of services is measured by 7 dimensions (Tangibles, Reliability, Responsiveness, Assurance, Empathy, Reputation and Security). There are 41 statements, which were directed to measuring service quality in the hotels in our case. The following abbreviations are used to represent the service quality dimensions.

Tangibles	-	TA
Reliability	-	RL
Responsiveness	-	RN
Assurance	-	AS
Empathy	-	EM
Reputation	-	RE
Security	-	SE
Security	-	SE

Administering of questionnaires

The study is using a convenience sampling technique to get the responses fit for the study. 530 questionnaires were circulated among the guest of 4 star hotels out of which 15 respondents did not indicate stay period in the hotels being rejected, 60 respondents did not completely answer the questions which were excluded from sample and considered them invalid, 28 respondents returned the questionnaires with double tick on 5 items which were not part of sample size, and 80 questionnaires had not return till the analysis. This is because some people got the questionnaires and went away with them. Thus, 351 questionnaires were finally included as sample size n = 351 for 4 star hotels.

Measurement

The perceptions of customers (guest) are measured using a 5-point scale to rate their level of agreement or disagreement (1 for strongly disagree and 5 for strongly agree), on which the higher numbers indicate higher level of perceptions which means higher level of satisfaction. The following scales are used in study for service quality provided by three types of hotels in part- 2 of the said questionnaire:

Level of Agreement	Rank
Strongly Disagree	1
Disagree	2
Neutral	3
Agree	4
Strongly Agree	5

Perceptions are based on the actual service they received in hotels. There is direct relationship between satisfaction and service quality provided by hotels. Consumer's satisfaction judgments are the result of consumer's perceptions. The developed questionnaire includes forty one (41) items where four items correspond to the tangibles dimension, five items correspond to the reliability dimension, seven items to the responsiveness, nine items correspond to the assurance dimensions, seven items to empathy, four items to reputation and five items for security.

Statistical Techniques used – Factor Analysis

Factor analysis attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance observed in a much larger number of manifest variables. Factor analysis can also be used to generate hypotheses regarding causal mechanisms or to screen variables for subsequent analysis (for example, to identify collinearity prior to performing a linear regression analysis). Factor analysis attempts to represent a set of observed variables X_1, X_2, \dots, X_n in terms of a number of 'common' factors plus a factor which is unique to each variable.

Table - 1

KMO and Bartlett's Test through SPSS

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.779
Bartlett's Test of Sphericity	Chi-Square	11634.117
	V	820
	Significant	.000

The KMO statistic varies between 0 to 1. A value of 0 shows that the sum of partial correlations is large relative to the sum of correlations, indicating diffusion in the pattern of correlations (factor analysis will not be inappropriate). A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors. Kaiser suggested that KMO value must be greater than 0.5 as acceptable value for factor analysis. The KMO value is 0.779 which is more than 0.50 as the said value is accepted for further factor analysis. If value is below 0.50 then rethink which variables to include. Furthermore, values between 0.5 and 0.7 are mediocre, values between 0.7 to 0.8 are good, values between 0.8 to 0.9 are great and value above 0.9 is superb (Hutcheson and Sofroniou, 1999). For these data the value is 0.779, which falls into the range of 0.7 to 0.8, so researcher should be confident that factor analysis is appropriate for these data.

Factor Extraction for 4 star Indian Hotels

Table - 2

Total Variance Explained

Component (1)	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total (2)	% of Variance (3)	Cumulative % (4)	Total (5)	% of Variance (6)	Cumulative % (7)	Total (8)	% of Variance (9)	Cumulative % (10)
1	7.434	18.133	18.133	7.434	18.133	18.133	7.128	17.386	17.386
2	7.063	17.227	35.360	7.063	17.227	35.360	5.972	14.565	31.952
3	4.362	10.638	45.998	4.362	10.638	45.998	4.937	12.042	43.994
4	2.788	6.800	52.798	2.788	6.800	52.798	2.825	6.891	50.885
5	1.754	4.278	57.075	1.754	4.278	57.075	2.190	5.342	56.228
6	1.594	3.888	60.963	1.594	3.888	60.963	1.698	4.141	60.368
7	1.391	3.393	64.356	1.391	3.393	64.356	1.635	3.988	64.356

The factor 1 explains 18.13% of total variance. It should be clear that the first few factors explain relatively large amounts of variance whereas subsequent factors explain only small amounts of variance. The smallest variance is 5.9% for factor 41 at the end of % of variance in the table. The study found nine (9) factors out of 41 components before extraction where eigenvalue is more than 1. The remaining factors (41-9 = 32) are excluded from under consideration by SPSS due to eigenvalue is less than 1. Column 4th shows the cumulative variance from 1st component to 41st component with a sum of 100. SPSS then extracts all factors with eigenvalue greater than 1, which leaves 7 factors. The eigenvalue associated with these factors are again displayed in the columns labelled Extraction Sums of Squared Loadings. The values in this part of the table are the same as the value before extraction, except that the value for the discarded factors are ignored (hence, the table is blank after the seventh factor. In the final part of table, Rotation Sums of Squared Loadings, the eigenvalue of the factors after rotation are displayed. According to the Kaiser Criterion, Eigenvalue is a good criterion for determining a factor. If Eigenvalue is greater than one, we should consider that a factor and if Eigenvalue is less than one, then we should not consider that a factor. But according to the variance rule, it should be more than 0.7. If variance is less than 0.7, then we should not consider that a factor. As per the table above, SERVQUAL items are divided into 7 main factors after rotation. Before rotation, factor 1 has 18.13% of the total variance whereas 17.38% leave after rotation. Factor 2 has 17.22% before rotation but after rotation, the study found 14.56% of the total variance. Moreover, the variance of factors 3 is 10.63% before rotation and 12.04% is the variance after rotation. Therefore, rotation technique of factor analysis gives weight to each factor in order to find the importance of factors for customer's satisfaction. The variance of 4th, 5th, 6th and 7th factors are increased after rotation in comparison of before rotation.

Rotated Component Matrix

Table - 3
Rotated Component Matrix (a)

Item Code	Component						
	1	2	3	4	5	6	7
RN3	.878						
RN7	.831						
RN5	.815						
RN6	.797						
RN2	.791						
RN4	.637						
RE1		.800					
TA1		.798					
TA2		.797					
AS3			.821				
AS5			.770				
AS4			.761				
AS7			.711				
AS6			.669				
TA3				.920			
RL3				.910			
SE3				.906			
RE3				.900			
RL4					.840		
RL1					.760		
RL2					.740		
SE5						.986	
SE1						.924	
SE2						.910	
EM5							.871
EM1							.798

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a Rotation converged in 7 iterations.

To see at table – 3, the first underlying factor which accounts 18.13% of total variance and component 1, starting with **Responsiveness** 3 with 0.878 and ending with Responsiveness with 0.637. The items on component 2, starting with **Reputation** 1 with 0.800 and ending with loading 0.797 with Tangible 2 and variance for component 2 is 17.22% (table – 5) out of the total variance. Therefore, Reputation and Tangible have got 2nd rank as per customer preference in 4 stars hotels. The items of component 3 are starting with **Assurance** 3 with loading 0.821 whereas ending with loading 0.669 of Assurance 6. The variance of component 3 is 10.63% of the total variance. The variance of factor 4 is 6.80% of the total variance of 41 items under consideration. The items of

component 4 starting with **Tangible** 3 with loading 0.920 and ending with loading 0.916 of Reputation. Here again Reputation became factor 4 as per importance of the customers in 4 star hotels in India. But items of more than one are included at this rank; hence the relevance of 4th factor is irrelevant. The items of component 5 starting with loading 0.84 with **Reliability** 4 and ending with loading 0.73 of Reliability 4. The variance for component 5 is 4.27% of the total variance is explained by underlying factors. The items of component 6 starting with loading 0.986 of **Security** 5 and ending with loading 0.910 of Security 2. The variance of component 6 is 3.88% of the total variance in 41 items of all the dimensions. At the end, the items of component 7 starting with loading 0.871 of **Empathy** 5 and ending with loading 0.798 of Empathy 1. The variance of component 7 is 3.39% of the total variance. All the loading below 0.60 are ignored in order to decide the importance of seven factors in the study. It can be realized that items from different dimensions are regrouped under the same factor.

Conclusion

Responsiveness is the 1st factor for customer preference in 4 star hotels whereas 2nd factors are Tangible and Reputation in 4 star hotels. The 3rd factor which they prefer is Assurance. The performance was not rank for single factor in 4 star hotels and 4th rank is ignored due to more factors. As per customer's response, Reliability got the 5th rank for service quality offered by hotels. The Security and Empathy are 6th and 7th factor respectively as per importance in service quality provided by 4 star hotels in India. Therefore, customers of the 4 star hotels in India expect Responsiveness as the most important factor which can be defined as prompt service to customers, willing to help customers, Speed of the service, Giving information offering for the service etc.



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