

Determining Service Quality improvement priorities in selected Hotels in Kampala city

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This paper examines service quality levels in selected hotels in Kampala by determining customer perceptions of importance and satisfaction of selected service quality attributes. The service quality performance model developed by Chen, et al., (2007) was used to determine the best strategy for improving service quality and customer satisfaction, together with the performance - evaluation matrix developed by Lambert and Sharma (1990) and the service - quality performance matrix developed by Hung et al., (2003). The findings indicate that out of the 22 service quality items that were under investigation, 13 of them needed to be improved. These were mainly to do with staff skills to handle customers' requirements and the hotel owners' inability to provide flexible services to customers which affected service quality. The findings clearly indicate that hotel owners must recruit skilled personnel in order to improve service quality.

INTRODUCTION

Quality is one of the competitive priorities which enable firms in the hospitality industry to survive. Providing excellent service quality and high customer satisfaction is the most important issue and challenge facing the contemporary service industry (Hung, Huang, and Chen, 2003). Service quality has for long been recognized to play a critical role in a firm's competitive advantage (Fitzsimmons and Fitzsimmons, 1994). Quality is understood to mean conformance to specifications, though more recently it is taken to mean meeting and /or exceeding customers' expectations. Kandampully, Mok and Sparks (2001) suggested that attempt to have effective service quality management is the best way to achieve superior customer satisfaction.

Oakland (2005) and Kandampully, et al., (2001) showed that service quality can only be achieved if organizations empower their employees to underpin service quality dimensions. These dimensions include tangibles (physical facilities, equipment, and appearance of personnel); reliability (ability to perform the promised service dependably and accurately); responsiveness (willingness to help customers and provide prompt service); assurance (knowledge and courtesy of employees and their ability to convey trust and confidence); and empathy (caring, individualized attention provided to customers).

In the hospitality industry, communicating service quality begins with an understanding of the aspects of service quality that are most important to customers. Pariseau and McDaniel (1997) stressed that in order to attract customers, a firm has to serve their needs and retain them. Failure to achieve this may yield customer complaints, lack of repeat purchase and loss of customer loyalty. The ultimate result of this is low competitiveness of the firm, yet today's survival in the market place is guaranteed by a firm's ability to outpace its competition (Hamel and Prahalad, 1994).

Although service quality management has been embraced world over in the hospitality industry, many hotels in Kampala city have not embraced the concept fully. Anecdotal surveys of the hotels within Kampala city and other hotels outside the city revealed that the degree to which management has defined quality, empowered employees to deliver quality is not clear. There are service quality inefficiencies in terms of low grade tangibles such as utensils, beds, room size, etc. These have led to limited customer

assurance, low reliability, responsiveness and empathy which have cost the organizations sums of money as a result of low repeat purchases. For most of the hotels, the processes through which bills are made, food is delivered, and the ways bookings are confirmed are all slow. Yet these facilities endeavor in every possible way to achieve superior customer satisfaction.

In most hotels, the service quality inefficiencies have culminated into less than the desired level of growth over the last five years, that is, only 10% as opposed to 25% of the previous years (source: Hotel Owners Association Annual reports, 2001- 2006). This is because the level of customer satisfaction has been low highlighted by only 60% monthly room occupancy. Management of these hotels do not seem to have a specific way of measuring quality and its general perception of service quality dimensions seems less than standard. Customer complaints are enormous and efforts to rectify them are usually reactive rather than proactive. The net result is that customer satisfaction is low in the hotel.

This paper provides empirical study towards solving the challenge for the hotel management to determine the satisfaction level of their most important service quality dimensions so as to improve on them and ultimately improve on their service quality levels. This we posit that it will enable the hotel owners to retain existing customers and attract new ones at a lower cost.

LITERATURE REVIEW

The concept of service quality in the hospitality environment

Several scholars have viewed services as deeds, performances, activities or processes. As Parasuraman (1986) noted, services are behavioral entities which are intangible, perishable, inseparable, and heterogeneous. These attributes imply that services cannot be accurately measured and maintained by a firm (Harvey, 1998). The key concern arising here is that management has to ensure that the overall quality of service maximizes benefits while minimizing cost. Jiju, Frenie, and Sid (2004) noted that service quality incorporates the concept of meeting and exceeding the expectations of the customer.

Grönroos (1984) felt that service quality could be further divided into technical quality and functional quality, which he viewed as fundamentally different. Technical quality answers what the consumer obtains and functional quality answers how the consumer obtains it. Actually, functional quality can only be recognized subjectively; therefore, obviously functional quality cannot be evaluated objectively like technical quality (Cheng-Nan, Shueh-Chin (2002). In other words, technical quality is the practical result of service and functional quality indicates the process of carrying out the service (Grönroos, 1990). Service quality make-up does not just involve the results but includes the methods and procedures used to convey the service. Many researchers support this notion (Bolton and Drew, 1991; Weng, 1996).

The Link between Service Quality and Customer Satisfaction

Gabbie and O'Neill (1996) observed that in today's hospitality environment, the true measure of company success lies in an organization's ability to satisfy customers continually. Increasingly customers are demanding value for money in terms of both price and the quality of product/service being offered. In order to ensure market success, hospitality organizations of all types are being forced to stand back and take a long, hard look at the way they are currently doing business. As such, failure by management to interpret customer desires accurately can result in loss of business and possible bankruptcy for some.

There has been some confusion regarding the differences between service quality and satisfaction (Storbacka, Strandvik, and Grönroos (1994). Satisfaction would, according to Liljander and Strandvik (1994), refer to an insider perspective, the customer's own experiences of a service where the outcome has been evaluated in terms of what value was received, in other words what the customer had to give to get something. According to Hunt (1977), satisfaction is an evaluation that an 'experience was at least as good as it was perceived to be'. One way to achieve strong relationships and, thus, long relationships is to ensure that customers are satisfied. The proposition is that dissatisfied customers will defect; the

relationship ends. Several researchers have proposed that this is a simplification of the matter (Zeithaml, et al., 1993). Customers seem to have a zone of tolerance, which according to Zeithaml, et al., (1993) can be defined as the difference between an adequate and a desired level of service. According to Kennedy and Thirkell (1988), customers are prepared to absorb some unfavorable evaluations before expressing them in terms of net dissatisfaction.

METHODOLOGY

In light of the fact that hotels serve customers from different origins, the population that was included in the study included customers to the health clubs, carnivals, bars, restaurants, lodging, and parties. The researchers engaged with the management of the hotels to give a hint on the population that forms their clientele. There was need for categorizing customers so that each category gets represented in the study and this reduced bias. The overall population was about 2000 people. This was determined basing on the average number of guests that visited the 30 facilities every day. A sample size of 392 respondents was used. This was determined using Krejcie and Morgan (1970)'s table for determining sample size.

Out of the six customer categories (health clubs, carnivals, bars, restaurants, lodging, and parties), the reception group was not chosen because of the logistical constraints involved in reaching them. The sample of 392 respondents was chosen proportionately from each of the customers. This reduced over/under representation. In order to measure validity of the questionnaire and interview guides, the research team met with the staff of 5 hotels to agree on whether the right questions are addressed. The questionnaire was pre-tested on 30 respondents and Cronbach Alpha test values were found to be above 70% as follows; Tangibles: Importance $\alpha=0.82$; Satisfaction $\alpha=.95$; Reliability: Importance $\alpha=0.75$; Satisfaction $\alpha=.82$; Responsiveness: Importance $\alpha=0.76$; Satisfaction $\alpha=.78$; Assurance: Importance $\alpha=0.76$; Satisfaction $\alpha=.80$; Empathy: Importance $\alpha=0.72$; Satisfaction $\alpha=.90$, which implied that the items were reliable enough for the study.

To determine the best strategy for improving service quality and customer satisfaction, the researchers used service quality performance model developed by Chen, et al., (2007). These combined the performance - evaluation matrix developed by Lambert and Sharma (1990) and the service - quality performance matrix developed by Hung et al., (2003). Chen's model was used because it is more accurate and mathematically more sound than the other models. The priority of improvement objectives derived from questionnaire items that did not fall into the Appropriate Performance Zone (APZ) of the performance matrix were determined. The "Bigger the Better Approach" was adopted in recommending which attributes hotels need to improve first. The actual analysis was done using STATA, SPSS and Ms Excel. Where appropriate, especially in measuring area (Ai), Performance Upper Control Limit (PUCL) and Performance Lower Control Limit (PLCL) Microsoft equations were used.

ANALYSIS AND RESULTS

The presentation of the findings is in line with the objectives of the study which were; to determine the level of importance of selected service quality attributes among hotel customers; to determine the level of satisfaction with selected service quality attributes among hotel customers and to recommend the key service quality attributes onto which hotels should focus their improvement efforts.

Demographic Characteristics of the study

The cross tabulations to study the distribution of age by level of education of the respondents revealed that there was no significant association between age of respondents and their level of education $X^2(9) = 16.54$, $p < 0.056$. This means that age had no effect on the level of education of these particular respondents that were involved in this study. The majority of the respondents were in the age bracket of (31-40) accounting for 32.8% of the total respondents and of these the majority was university graduates accounting for 23.3% followed by those with tertiary education accounting for 8%.

Determination of the level of importance of selected service quality attributes among hotel customers and the level of satisfaction with selected service quality attributes among hotel customer.

To achieve the above objectives, a service quality performance model was used as elaborated below.

a) Establishment of service quality performance model

To determine the best strategy for improving service quality and customer satisfaction in the Hotels surveyed by the researchers, Chen, et al., (2007)'s service quality performance model was used. To determine the Performance index (Pi) as well as satisfaction index (Si), the following formulae were used:

$$Pi = \frac{\mu_i - \text{min}}{R} \quad (\text{Index of Importance}) \quad (1)$$

μ_i = Mean of importance

Min (which was 1) represents the minimum value on the Likert Scale which ranged between 1 and 5.

R represents the range on the Likert scale which ranged between 1 and 5.

$$Ps = \frac{\mu_s - \text{min}}{R} \quad (\text{Index of satisfaction}) \quad (2)$$

μ_s = Mean of satisfaction

Min (which was 1) represents the minimum value on the Likert Scale which ranged between 1 and 5. R represents the range on the Likert scale which ranged between 1 and 5.

The area of performance matrix and the concepts of quality- loss function (Taguchi, et al, 2989) were integrated to set up a control boundary model (Chen, et al, 2007). Performance control upper and lower limits (Chen, et al, 2007) were established according to the coordinates and the area enabling objective diagnosis and judgment of required improvements to be performed. The PCL, PLCL and PUCL were established using the following formulae:

$$PUCL = T + \sigma$$

$$PCL = T = 0$$

$$PLCL = T - \sigma$$

T represents the Center line

σ is standard deviation

According to Taguchi et al (1989) in Chen et al (2007), a large area A with abnormal coordinates outside PLCL demonstrates that importance is greater than satisfaction. When a performance index is moved towards the performance control line, resulting in a negative performance value, resources to be invested must increase to improve satisfaction. On the other hand a large area of abnormal coordinates outside PUCL indicates that importance is less satisfaction, implying that resources to be invested here may have to be reduced.

$$\mu = \frac{\sum_{i=1}^n (y_i - x_0)^2}{n} \quad (3)$$

$$\sigma = \sqrt{\frac{\sum_{i=1}^n (y_i - x_0)^4}{n} - \mu^2} \quad (4)$$

From the above,

$$PUCL = T + \sigma = \sqrt{\frac{\sum_{i=1}^n (y_i - x_0)^4}{n} - \mu^2} \quad (5)$$

$$PCL = T = 0$$

$$PLCL = T - \sigma = \sqrt{\frac{\sum_{i=1}^n (y_i - \mu)^2}{n}} - \mu_2$$

(6)

The questions that were used were tabulated and values as indicated by the respondents.

Table 1. below shows the values that were used to determine PUCL and PLCL the summary of the results.

The Hotel's service quality attributes	\bar{M}_1	\bar{M}_S	PI	PS	A (y-x)	Ai (y-x) ²	(y-x) ⁴
1. An excellent hotel should have modern looking equipment, e.g. dining facility, bar facility, crockery, cutlery, etc.	3.42	2.74	0.61	0.44	0.170	0.029	0.001
2. The physical facilities, e.g. buildings, signs, dining room décor, lighting, carpet, etc., at an excellent hotel should be visually appealing	3.38	2.72	0.60	0.43	0.165	0.027	0.001
3. Staff at an excellent hotel should appear neat, e.g. uniform, grooming, etc.	3.23	2.68	0.56	0.42	0.138	0.019	0.000
4. Materials associated with the service, e.g. pamphlets, statements, table wine, serviettes should be visually appealing in an excellent hotel	3.42	2.58	0.61	0.40	0.210	0.044	0.002
5. When an excellent hotel promises to do something by a certain time, they should do so	3.26	2.4	0.57	0.35	0.215	0.046	0.002
6. When customers have a problem, an excellent hotel should show genuine interest in solving it	3.5	2.74	0.63	0.44	0.190	0.036	0.001
7. An excellent hotel should perform service right the first time	3.07	2.37	0.52	0.34	0.175	0.031	0.001
8. An excellent hotel should provide its service at the time it promises to do so	3.22	2.37	0.56	0.34	0.213	0.045	0.002
9. An excellent hotel should insist on error free service	3.25	2.52	0.56	0.38	0.183	0.033	0.001
10. Staff at an excellent hotel should tell customers exactly when services will be performed	3.35	2.37	0.59	0.34	0.245	0.060	0.004
11. Staff at an excellent hotel should give prompt service to customers	3.24	2.54	0.56	0.39	0.175	0.031	0.001
12. Staff at an excellent hotel should always be willing to help customers	3.25	2.52	0.56	0.38	0.183	0.033	0.001
13. Staff at an excellent hotel should never be too busy to respond	3.21	2.48	0.55	0.37	0.183	0.033	0.001
14. The behaviour of staff at an excellent hotel should instill confidence in customers	3.42	2.46	0.61	0.37	0.240	0.058	0.003
15. Customers of an excellent hotel should feel safe in their transactions	3.32	2.29	0.58	0.32	0.258	0.066	0.004
16. Staff at an excellent hotel should be consistently courteous with customers	3.37	2.37	0.59	0.34	0.250	0.063	0.004
17. Staff at an excellent hotel should have the knowledge to answer customers' requests	3.53	2.52	0.63	0.38	0.253	0.064	0.004
18. An excellent hotel should give customers individualized attention	3.35	2.44	0.59	0.36	0.228	0.052	0.003
19. An excellent hotel should have opening hours convenient to all of its customers	3.23	2.22	0.56	0.31	0.253	0.064	0.004
20. An excellent hotel should have staff who give its customers personal attention	3.42	2.31	0.61	0.33	0.278	0.077	0.006
21. An excellent hotel should have the customers' best interests at heart	3.32	2.44	0.58	0.36	0.220	0.048	0.002
22. The staff of an excellent hotel should understand the specific needs of their customers	3.31	2.31	0.58	0.33	0.250	0.063	0.004
						1.021	1.043
						0.0464	
						0.0022	
							0.04526
							0.2128

Using the results from the above table Coordinates were plotted for the upper and lower control boundaries using the linear regression equation as shown in the table 2 below.

Table 2: Plotted Coordinates

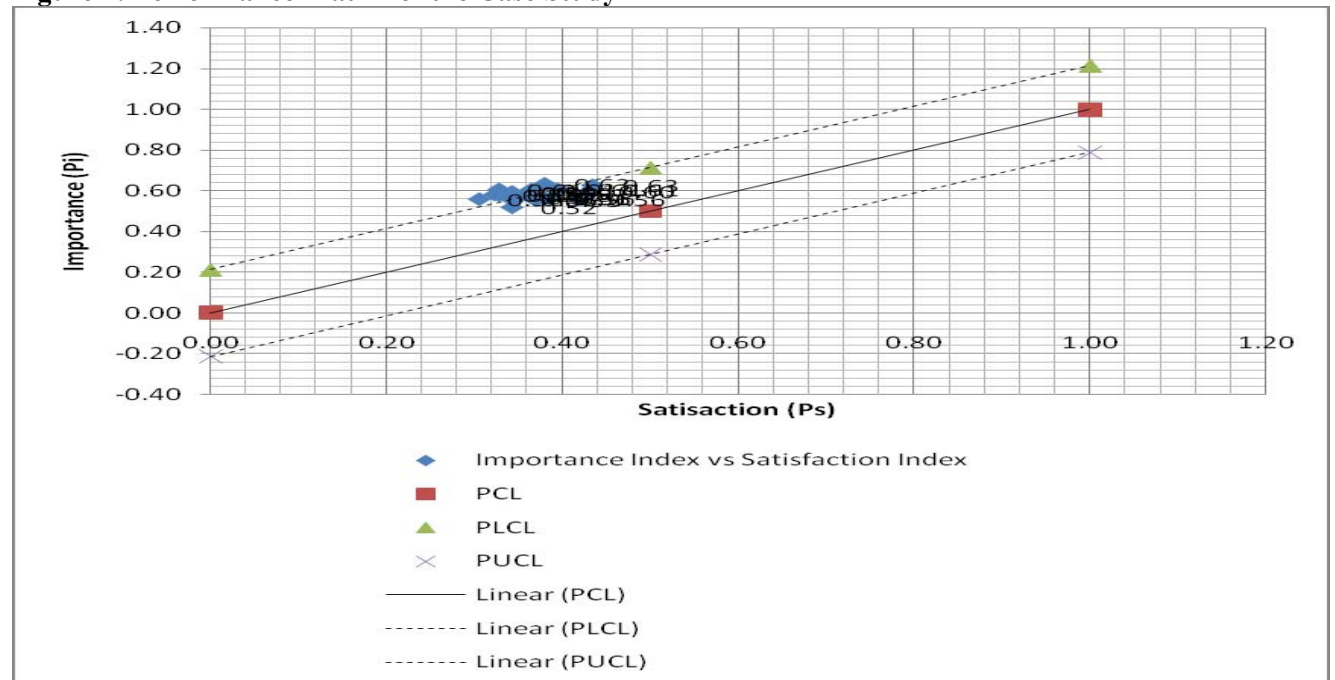
PCL	X	0	0.5	1
	Y	0	0.5	1

PUCL	$y=mx+c$			
	$c=0.213$			
	$m=1$			
	X	0	0.5	1
	Y	0.213	0.713	1.213

PLCL	$y=mx-c$			
	$m=1$			
	$c=0.213$			
	X	0	0.5	1
	Y	-0.213	0.287	0.787

From the calculations the performance matrix is drawn as shown in figure 1 below.

Figure 1: Performance Matrix of the Case Study



b) Location of Abnormal Items

The areas (A_i) of the 22 items in the performance matrix above were calculated and mapped into the performance matrix. The abnormal coordinates outside PUCL and PLCL were located after drawing the control lines. There were no abnormal coordinates found outside the PUCL. However, thirteen coordinates were found outside the PLCL. These are summarized in the table 3 below.

Table3: Prioritization of the hotel service quality attributes

No	The Hotel's service quality attributes	Ai	Priority
20	An excellent hotel should have staff who give its customers personal attention	0.077	1
15	Customers of an excellent hotel should feel safe in their transactions	0.066	2
17	Staff at an excellent hotel should have the knowledge to answer customers' requests	0.064	3
19	An excellent hotel should have opening hours convenient to all of its customers	0.064	3
22	The staff of an excellent hotel should understand the specific needs of their customers	0.063	4
16	Staff at an excellent hotel should be consistently courteous with customers	0.063	5
10	Staff at an excellent hotel should tell customers exactly when services will be performed	0.060	6
14	The behaviour of staff at an excellent hotel should instill confidence in customers	0.058	7
18	An excellent hotel should give customers individualized attention	0.052	8
21	An excellent hotel should have the customers' best interests at heart	0.048	9
5	When an excellent hotel promises to do something by a certain time, they should do so	0.046	10
8	An excellent hotel should provide its service at the time it promises to do so	0.045	11
4	Materials associated with the service, e.g. pamphlets, statements, table wine, serviettes should be visually appealing in an excellent hotel	0.044	12

CONCLUSIONS AND IMPLICATIONS

Location of abnormal items and prioritization

The study revealed that out of the 22 items considered in this study, 13 items fell below the performance lower control limit (PLCL). As table 3 indicates, the 13 items must be improved by the hotel owners in order to improve their service quality. The order of priority as indicated should be followed given the limited resources that do not allow simultaneous improvement on all the thirteen items. Resources should be increased in these items with high ranking in the order suggested by the results like recruiting trained staff who have the ability to give each hotel customers personal attention, creating conditions that make customers feel safe while carrying out their transactions in any the hotels in order to increase customer satisfaction. This agrees with the finding of Chen, et al., (2007), who noted that low satisfaction attributes are those that require improvement but selecting low satisfaction attributes is not the best improvement approach. Rather, there is need to improve those quality attributes that customers regard as important and have low satisfaction. This explains why there is low customer satisfaction in most hotels in Uganda because hotel owners have continued to disregard the importance of hiring trained manpower and instead concentrate on improving the facilities without a corresponding effort of improving on the quality of staff they employ.

Apart from staffing requirements on which this study largely revealed, the ability of hotel owners to have opening hours convenient to all of its customers was ranked number 3 and it shows how customers value this item. In most Uganda hotels, service is limited to certain hours of the day and there is a lot of limitation in the services offered. This limits customer choice in terms of price and availability of service at certain hours. This greatly affects the quality of service since this phenomena affects the possibility of standardized services and highly causes customer dissatisfaction. This agrees with what Gabbie and O'Neill (1996) observed that in today's hospitality environment, the true measure of company success lies in an organization's ability to satisfy customers continually. Increasingly customers are demanding value for money in terms of both price and the quality of product/service being offered. In order to ensure market success, hospitality organizations of all types are being forced to stand back and take a long, hard look at the way they are currently doing business. As such, failure by management to interpret customer desires accurately can result in loss of business and possible bankruptcy for some.

Improvement Priorities

Taguchi et al (1989) proposed the evaluation of the quality of products using the loss function approach according to three methods, the nominal-the best (TNB), the smaller-the-better (TSB), and the larger-the-better (LTB). Like Chen et al (2007), we adopted the larger-the-better approach, in which a large loss function area indicates improvement priority.

The above highlight the most important service quality attributes which customers in selected hotels that were under this study are not satisfied with. Therefore, improvement is needed in the 13 items as indicated in the order of their priority.

CONCLUSIONS

This study used a performance matrix approach to determine which items contributed highly to the level of customer satisfaction and there by help to determine service quality levels and therefore help in improving service quality in selected hotels in Kampala.

The ranking got using the performance matrix largely showed that all service quality defects are related to staff abilities to give hotel customers personal attention, having the knowledge to answer customers' requests, having an understanding of the specific needs of their customers, and being consistently courteous with customers and the hotel owners to ensure that customers feel safe in their transactions and having opening hours convenient to all customers.

RECOMMENDATIONS

In order to improve customer satisfaction, it is noted that hotel owners should strive to consider the following items which deserves priority and in the process improve service quality:

- i. Ugandan hotels should have staff who give customers personal attention
- ii. Hotels should ensure that customers feel safe in their transactions
- iii. Staff should have the knowledge to answer customers' requests
- iv. Hotels should have opening hours convenient to all customers
- v. Hotel staff should understand the specific needs of their customers
- vi. Hotel staff should be consistently courteous with customers

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