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Research Article

Managing Service Quality: Dimensions of service quality: a study in Egypt

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Abstract

Service quality has emerged an important area in the hotel industry for decades. Thus, it is essential that service providers understand customer expectations and perceptions as well as the factors that influence their evaluation and satisfaction with the provided service. Hotel industry is growing with each passing year in Egypt. Realizing the increase in competition among hotels, hotel managers are focusing on improving the elements which contribute to service quality for customers of the hotel industry in Egypt. The quality of service in hotel industry is an important factor of successful business. By providing quality service, organizations can sustain customers' confidence and competitive advantages over their competitors. This study identifies the effects of various elements of hotel industry which affects customer satisfaction. Almost all researchers utilized service quality model and adopted their SERVQUAL instrument, based on the concept that service quality differs from industry to industry. Searches for additional dimensions, identified by customers, which should be included in the service quality construct it also measures the level of importance of each specific dimension for the users of hotel services in Egypt.

Keywords: Customer Satisfaction, Service quality, Hotel Industry

INTRODUCTION

Hotel industry is growing with each passing year in Pakistan. Realizing the increase in competition among hotels, hotel managers are focusing on improving service quality to put them in a competitive advantage (Min and Min, 1996). In general, perceived service quality seems to be positively related to customers' likelihood of remaining a loyal customer and their attitudes toward the service provider (Anton et al., 2007; Bell et al., 2005; Aydin and Ozer, 2005). According to Berry et al (1989), service quality of the hotel industry affects brand image, customer satisfaction and loyalty, and profit as well. One of the main reasons is that today's hotel guests are better traveled than previous generations and have clear notions of good service (Chacko, 1998).

Providing excellent service quality and high customer satisfaction is the most important issue and challenge facing the contemporary service industry (Hung et al., 2003). Kandampully et al., (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).

Literature Review

Service quality is considered the life of hotel (Min and Min, 1996) and core of service management (Chen, 2008) Service quality is related with customer satisfaction (Shi &Su, 2007) and customer satisfaction is associated with customers revisit intention (Han et al., 2009). If an effective image is portrayed to customers, it will create competitive advantage for hotel (Ryu et al., 2008).

Service quality was defined by Zeithaml (1988) as "the judgment of customers about the overall superiority of a product or service." Gronroos (1988) posited that perceived quality is considered good when the experienced quality of customers meets the expected quality from the brand. They defined service quality as "a global judgment or attitude relating to the overall excellence or superiority of the service". Based on this definition, they operationalized the concept by applying Oliver's (1980) disconfirmation model of the gap between expectation and perception of service quality levels. Although SERVQUAL has been applied to a variety of service businesses, a number of dimensions and the nature of the construct were industry specific. Related researches showed that the dimensions were not replicable, and sometimes, the SERVQUAL scale was even uni-dimensional (Babakus and Boller, 1992) or ten-dimensional (Carman, 1990). These factors or dimensions are tangibles (physical facilities, equipment and appearance of personnel), reliability (ability to perform the promised service dependably), responsiveness (willingness to help and provide prompt service), assurance (knowledge and courtesy of employees and their ability to inspire trust and confidence), and empathy (caring, individualized attention the firm provides its customers).

The most famous model of service quality was proposed by Parasuraman et al., (1985, 1988). It had five dimensions and can be explained as:

1st – **Reliability**: "the degree to which a promised service is performed dependably and accurately".

2nd – **Responsiveness**: "the degree to which service providers are willing to help customers and provide prompt service".

3rd – **Assurance**: "the extent to which service providers are knowledgeable, courteous, and able to inspire trust and confidence".

4th – **Empathy**: "the degree to which the customers are offered caring and individualized attention".

5th – **Tangibles**: "the degree to which physical facilities, equipment, and appearance of personnel are adequate.

Mei et al.,(1999) studied service quality in the hotel industry in Australia, using SERVQUAL, and developed the HOLSERV scale. The results showed that "employees", "tangibles", and "reliability" were the three predictive dimensions of service quality, with "employees" as the best predictor. Another study conducted by Saleh and Ryan (1992) reported five dimensions of "conviviality", "tangibles", "reassurance", "avoid sarcasm" and "empathy", with "empathy" being the most important dimension of service quality. Sirra et al., (1999) designed a similar questionnaire of HOTELQUAL to examine customers' perceptions of hotels and delineated three factors of "hotel facilities", "appraisal of the staff", and "functioning and organization of service". Recently, Ekinci et al., (2003) found that tangible and intangible dimensions are the only two distinct dimensions measuring service quality of hotels. Lastly, Akbaba (2006) investigated the service quality expectations of business hotel's customers and identified five service quality dimensions, namely tangibles, adequacy in service quality, understanding and caring, assurance, and convenience.

In hotel industry, as service has direct interaction with customers, that is why customer satisfaction can be a replication of service quality in hotels (Shi and Su, 2007). Hotel performance is directly allied to service quality improvement. There is a significant relationship exist between improvement in service quality and hotel performance change (Narangajavana and Hu, 2008). Customers revisit intention and emotions are mediated by customer satisfaction (Han et al., 2009). Customer satisfaction plays a role of mediator in perceived value of hotel and behavioral intention (Ryu et al., 2008). Customers revisit intention and emotions are mediated by customer satisfaction (Han, Back and Barrett, 2009). Customer satisfaction plays a role of mediator in perceived value of hotel and behavioral intention (Ryu, Han and Kim, 2008).

In every organization service and quality plays a vital role for every customer (Brombacher, 2000). Customer is the main person who defines the Quality (Berry and Parasuraman; Zeithaml and Adsit; Hater and Vanetti, Veale; 1993). For providing good quality service to customers, it is necessary for hotel managers to understand the expectations of its customers (Shi and Su, 2007; Nilssom and Gustafsson, 2001) and then develop such programs that can address issues of customers (Narangajavana and Hu, 2008) and bring improvement in service quality (Chen, 2008).

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customers have different perception of service quality, so there is a need to cater this problem also (Shi and Su, 2007).

When service quality is improved, then it will lead to customer satisfaction that will result in good business results (Johnson and Gustafsson, 2001). It is necessary to scrutinize the perceptions of hotel managers about hotel ranking and they should correlate it with improving service quality and performance (Narangajavana and Hu, 2008). To bring improvement in service quality, there is a need to emphasis on tangible and intangible assets (Narangajavana and Hu, 2008).

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. There has been some confusion regarding the differences between service quality and satisfaction (Storbacka et al., (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'.

Measurement of service quality

Parasuraman et al., (1988) defined service quality as "a global judgment or attitude relating to the overall excellence or superiority of the service" and they conceptualized a customer's evaluation of overall service quality by applying Oliver's (1980) disconfirmation model, as the gap between expectations and perception of service performance levels. Furthermore, they propose that overall service quality performance could be determined by the measurement scale SERVQUAL that uses five generic dimensions: tangibles (the appearance of physical facilities, equipment, personnel, and communications materials); reliability (the ability to perform the promised service dependably and accurately); responsiveness (the willingness to help customers and provide prompt service); assurance (the competence of the system and its credibility in providing a courteous and secure service); and empathy (the approachability, ease of access and effort taken to understand customers' needs).

RESEARCH AIM

The objective of this study is to measure and evaluate the service quality in Alexandrian hotels it is important for hoteliers and marketers to be able to define the importance of service quality dimensions (tangibility, reliability, responsiveness, assurance, and empathy) and their relative importance to guests' satisfaction. Having knowledge about guests' expectations, will help hotel managers know what to improve upon and whether service quality has been met with service providers or exceeded in their hotels. This would provide the basis expectations and actual performance to assist managers in reducing the gap felt by guests between expectations and the actual service provided. Although it is generally accepted that effective service management has a positive impact on customer satisfaction, the research still aims to gain more insight into these areas.

H1: Hotel customers' perceptions regarding SERVQUAL dimensions (assurance, tangibles, reliability, responsiveness and empathy) will have positive impact on their satisfaction

In this work, our aim is to identify factors of service quality in Egypt that affect customer satisfaction and their behavioral intention which result in competitive advantage for hotel.

Accordingly, the research question that the study seeks to answer is given below:

What are the main internal service quality dimensions that affect customers' satisfaction to share in the Egyptian hotel Industry?

Research Hypotheses

In order to answer the above questions literature has been extensively reviewed to devise the following hypotheses:

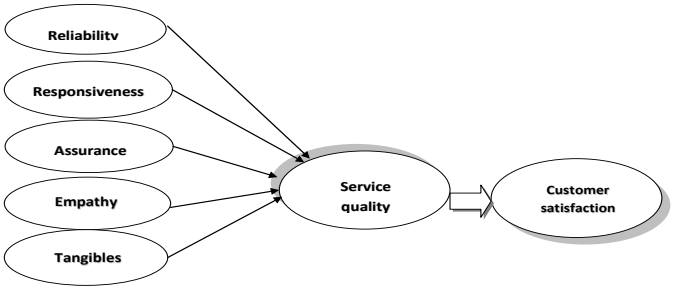
H.1: There is no significant difference between service quality dimensions and customers satisfaction.
H1.1: There is no significant difference between empathy and customers satisfaction.
H1.2: There is no significant difference between reliability and customers' satisfaction.
H1.3: There is no significant difference between Assurance and customers' satisfaction
H1.4: There is no significant difference between responsiveness and customers' satisfaction
H1.5: There is no significant difference between tangibles and customers satisfaction

METHODOLOGY

In this research paper, we examined aspects of service quality that affect customer satisfaction and results in success of hotels. The current research uses a questionnaire as a tool to collect data from the sample group whom are international tourists who were visiting Alexandria and staying at hotels tourists during the time the survey was conducted. The samples for this survey were selected regardless of their nationality, age and gender, and included all types from those wanting luxury to backpackers, etc.

In the questionnaire the questions were adopted from previous research. It measures service quality by implementing the five dimensions of the "SERVQUAL" instrument: each dimensions followed by four questions. The 5-point Likert - scale is used for all responses with (1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree).

RESEARCH FRAMEWORK



In the questionnaire, the questions are divided into two sections (Dependent variable and the Independent variable).
This research targeted 150 respondents. However, only 130 questionnaires were returned. Since the respondents did not properly complete the, questionnaires. Those questions were adopted from previous research. It measures service quality by implementing the five dimensions of the "SERVQUAL" the each dimensions followed by four questions 5-point Likert-scale is used for all responses with labels (1 = strongly disagree, 2 = disagree, 3 =neither agree nor disagree, 4 = agree, 5 = strongly agree).

Group 1: The items for measuring Empathy are questions(1-4)
Group 2: The items for measuring reliability are questions (5-8)
Group 3: Items for measuring assurance are Questions (9-12)
Group 4: Items for measuring responsiveness are Questions (13-16)
Group5: Items for measuring tangibles are Questions (17-20)
Group 6: Items for measuring customer satisfaction is question 21.

STATISTICAL ANALYSIS

In order to analyze the questionnaire data, statistical analysis was done using the Statistical Package for Social Science (SPSS) software.
Statistical Inferences used are as follows:

- Reliability Analysis, used to measure reliability using Cronbach alpha.
- Chi-Square Testing, used to test if there is a difference between two variables.
- Regression analysis, used to assess how much do each independent affect Customer Satisfaction (dependent variable). It also gives an indication of the relative contribution of each independent variable.

TABLE 1. QUESTIONNAIRE SUMMARY

Questionnaire Items
Empathy
Friendliness and courtesy of staffs
Providing a menu for diet
Understands specific needs of guests
Special attention given by staff to know each guest
Reliability
Well-trained and knowledgeable staff
Handled complaints and problems graciously
Provides services as promised
Performs services right at the first time
Assurance
Instilling confidence in guests
Convenience of service availability
Occupational knowledge of employees
Provides a safe and secure place for guests
Responsiveness
Gives individual attention to guests
Provides prompt services
Willingness of staffs to help guests
Availability of employees when needed
Tangibles
Attractiveness of the hotel decorate and design
Attractiveness of the hotel decorate and design
Neat and professional appearance of staffs
Modern-looking and well-maintain hotel equipments
Quietness of the hotel environment for purpose of stay
Customer Satisfaction
Overall, I am satisfied with the hotel services

- Stepwise Regression analysis, used to assess the most effective independent variables which affect Customer Satisfaction (dependent variable).

A. Reliability Analysis

Reliability test is an assessment of the degree of consistency between multiple measurements of a variable. Cronbach's alpha is the most widely used measurement tool with a generally agreed lower limit of 0.6.
The following Table provides an overview of the reliability scores. As can be seen from this table, all the alpha coefficients were above the required level of 0.6.

TABLE 2. Reliability

Variable	Number of items	Cronbach's Alpha
Empathy	3	0.634
Reliability	4	0.743
Assurance	4	0.607
Responsiveness	4	0.647
Tangibles	3	0.804

B. Testing Hypotheses using Chi-Squared Test

In order to understand and determine the main factors that affect the Customer Satisfaction towards banking services, a number of hypotheses were devised and tested as shown below:
$H_0$1: There is no significant difference between Empathy and Customer Satisfaction
Testing this using the relevant questions, Chi-square = 37.586 (DF=8, sig. =0.000).
This shows a significant relation between Empathy and Customer Satisfaction. This would enable the authors to reject the null hypothesis.
$H_0$2: There is no significant difference between Reliability and Customer Satisfaction

Testing this using the relevant questions, Chi-square = 68.773 (DF=12, sig. =0.000).
This shows a significant relation between Reliability and Customer Satisfaction. This would enable the authors to reject the null hypothesis.

$H_0$3: There is no significant difference between Assurance and Customer Satisfaction
Testing this using the relevant questions, Chi-square = 48.262 (DF=12, sig. =0.000).
This shows a significant relation between Assurance and Customer Satisfaction. This would enable the authors to reject the null hypothesis.

$H_0$4: There is no significant difference between Responsiveness and Customer Satisfaction
Testing this using the relevant questions, Chi-square = 56.978 (DF=8, sig. =0.000).
This shows a significant relation between Responsiveness and Customer Satisfaction. This would enable the authors to reject the null hypothesis.

$H_0$5: There is no significant difference between Tangibles and Customer Satisfaction
Testing this using the relevant questions, Chi-square = 39.375 (DF=12, sig. =0.000).

This shows a significant relation between Tangibles and Customer Satisfaction. This would enable the authors to reject the null hypothesis.

Regression Analysis

Regression analysis shows how much assessment do each independent variable affect Customer Satisfaction (dependent variable). By using this regression analysis, one may assess the direct relationship between variables as well as show the causal relationship and the nature of relationship between variables (Aiken et al., 1991; Foster et al., 2004).

The stepwise regression model is defined as the step-by-step iterative construction of a regression model that involves automatic selection of independent variables. Stepwise regression can be achieved either by trying out one independent variable at a time and including it in the regression model if it is statistically significant, or by including all potential independent variables in the model and eliminating those that are not statistically significant, or by a combination of both methods. Stepwise regression analysis was recommended by several scholars, such as Aiken et al., 1991; Berenson and Levine, 1992).

The SPSS stepwise regression procedure was employed in the table below to ascertain the proposed relationships between the independent variables and the dependent variable.

TABLE 3. REGRESSION ANALYSIS

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
(Constant)	.169	.556		.304	.762
Reliability	.344	.106	.254	3.235	.002
Responsiveness	.397	.119	.254	3.329	.001
Tangibles	.204	.088	.181	2.330	.021

Regression Analysis is shown in equation:
Estimated $Y = a + b_1 x + b_2 x + \ldots$,
where Y is the dependent variable, a is the Y intercept, that is the value of Y when x = 0, b1, b2, …. is the regression coefficients which indicate the amount of change in Y given a unit change in x1, x2, ….., and x1, x2, ….. are the values for the independent variables.
Based on the stepwise regression shown in the above table, the results are as follows:

Estimated Y = 0.169 + 0.344*Reliability + 0.397*Responsiveness + 0.204*Tangibles

Where:
Constant a=0.169

Reliability Coefficient = 0.344
Responsiveness Coefficient = 0.397
Tangibles Coefficient = 0.204

This means that in the presence of all variables together, only Reliability, Responsiveness and Tangibles variables show a significant impact on Customer Satisfaction in hotels, while both Empathy and Assurance variables impact become insignificant.
The highest impact is shown to be for Responsiveness (Coefficient = 0.397), then comes Reliability variable (Coefficient = 0.344), while the least variable in its impact was Tangibles (Coefficient = 0.204)

The above results illustrate the impact of the responsiveness on the Customer satisfaction, where an increase in responsiveness by 0.397 will cause an increase in the customer satisfaction in hotel. Similarly, the reliability in hotel in Egypt is directly affected by the customer satisfaction where an increase in reliability 0.344 will cause a direct increase in the customer satisfaction in hotels. Also, the customer satisfaction in hotel in Egypt will be affected by Tangibles where an increase in Tangibles 0.204 will cause a direct increase in the customer satisfaction within hotels.

CONCLUSION

This study examined the aspects of service quality in hotels that influence the satisfaction of customers.
The findings of this study suggested that impact of service quality affects the customer satisfaction that results in success of hotel and it is an irrefutable fact. Furthermore, sustaining the customer satisfaction level is an ongoing process that requires continuous improvement in service quality at hotels.
Based on study findings, it can be concluded that customers' perceptions regarding hotel brand quality dimensions such as "responsiveness", "reliability" and "empathy" contributed to build their satisfaction rather than "empathy" and "assurance". Interestingly, favorable perceptions on hotel responsiveness predicted relatively stronger satisfaction than did reliability and empathy perceptions.
It is therefore essential for managers in hotel industry to apply the SERVQUAL model for the measurement of service quality, in order to satisfy the guest's expectations.

Limitations and avenues for future research

This research has certain limitations, and interpretation of its findings therefore needs to be undertaken with caution.
First, the sample in this study is small and is limited to a relatively specific group of tourists – citizens who stayed in certain hotels in Alexandria.

Implications

This study was aimed to diagnose the perceived service quality of Egyptian customers to determine the customer satisfaction level in Alexandrian hotels. The findings of this study reveal that the SERVPERF scale successfully maintains its reliability. Hence, customers' evaluation of perceived service quality in consists of two dimensions: tangibles and intangibles. This study supports previous empirical studies in the hospitality and tourism literature (Karatep and Avci, 2002; Ekinci et al., 2003). Therefore, the findings of this study are important for practitioners in Egypt.

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