

SERVICE QUALITY FACTORS AS PREDICTOR OF CUSTOMER SATISFACTION IN SELECTED MEDIUM HOTELS IN OSOGBO METROPOLIS, OSUN STATE, NIGERIA

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Abstract

Customer satisfaction is an important driving force in hotel organization. This is because it can increase sales and help revenue generation in hotel. It can also result into customers' loyalty, repeat patronage, and recommendation of hotel services products to guest and friends. This paper focuses on determining the extent to which service quality factors such as tangibility, reliability, empathy, responsiveness, and assurance impacts on customers satisfaction in selected hotels in Osogbo metropolis, Osun State, Nigeria. The study choose ServQual model as a conceptual framework. One hypothesis was tested. Questionnaires were validated and administered on respondents selected through a systematic sampling technique. Descriptive and inferential statistics of simple regression was used to test the hypothesis formulated for the study. Findings showed the factors jointly contribute to customers satisfaction in medium hotels in the study area. Based on the findings, the study recommended that the medium hotel managers need to develop strategy to promote these factors in their various hotels.

Keywords: Tangibility, Reliability, Assurance, Responsiveness and Empathy

INTRODUCTION

All over the world, hotels are trying their best to improve their performance by providing standardized services, and be responsive to their complaints in order to make customers satisfied. Once customer's requirements are clearly identified and understood, hotel operators are more likely to anticipate and fulfill their customers' needs and wants (Juwaheer and Ross, 2003). The more satisfied the customers are, the more likely they are to return or prolong their hotel stays (Choi and Chu, 2001). At present, hotels customers in Nigeria seems not to have considered high standards and excellent service (Ajayi, 2011). The hotels have less service quality, instead of having increased service. They offer low quality service and have poor customer satisfactions.

Guest satisfaction should be the highest priority for owners and managers who are competing with hundreds of others, and most importantly in medium hotels. (Wipoosattaya, 2001). In the

hotel industry, comparison that customers make between their expectations about a service and the Perception of the way the service has been run is important.. Parasuraman et al (1988) defined service quality as a function of the differences between expectation and performance. In later research, Parasuraman et al. (1988) explained and defined the determinants of service quality in terms of five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. This paper investigated the large extent to which Parasuraman et al. (1988) servqual five-dimensions predict customers' satisfaction and service quality in medium hotels within Osogbo metropolis, Osun state.

BACKGROUND TO THE STUDY

Service quality and customer satisfaction have since ancient times, attracted significant interest of tourism and hospitality business organizations such as hotels, restaurants, casino

parks and recreational centers (Bhuian, 2021). In recent times, customer satisfaction and service quality are the main driving forces behind increased sales and in revenue generation of hotel organizations, and it has also resulted in customer loyalty, repeat patronage, and recommendation of hotel services products to guest and friends (Fidal et al, 2020). Despite that numerous literature have attested to the correlation between service quality and customer satisfaction, few literature is available on establishing the relationship between the servuqual dimension and customers satisfaction and service quality in medium hotels, particularly in Osogbo metropolis. Although, some studies for example, Zamer et al (2015), Farooq and Salam, (2018), Sharma and Srivasta (2018) and Bhuian (2021), merely reported factors that impact or influence customer satisfaction but less attention on five dimensions. Othman et al. (2019) outlined in-depth correlations between courtesy, communication, credibility, competence, and security. These correlations resulted in the creation of broader dimensions called empathy and assurance. Therefore, a more elaborate list of five dimensional aspects, including responsiveness, tangibility, assurance, reliability, and empathy, was developed. According to Khan et al. (2017), these five major dimensions formed the basic principles for determining service quality using a measurement instrument known as the SERVQUAL model.

Elvira & Shpetim (2016) described three dimensions with regards to service quality. First, they described consumer's technical quality which outlines the service or product's technical dimensions. Second, they defined functional quality that outlines how the service is provided. Lastly, according to Elvira & Shpetim (2016), there exists the service provider's image quality, which describes both functional and technical qualities to build a foundation for a perceived service. The authors emphasize that functional quality forms an integral part of a perceived service than technical quality. This factor is because service quality entails enhancing a firm's functional quality by managing

transactional relationships and employee-customer associations. Further, the author notes the importance of developing a favourable image to enhance customer perception regarding the service.

The authors, as mentioned above (Hapsari et al. (2017), Othman et al. (2019), and Elvira & Shpetim (2016)) developed various ideologies with regards to service quality dimensions. Despite that, this study uses Othman et al.'s (2019) dimensions for service quality, which include empathy, reliability, tangibles, responsiveness, and service assurance. These five dimensions are the most commonly used amongst many scholars, including Minh et al. (2015), Priyo et al. (2019), and Rita et al. (2019). Measuring service quality is a crucial aspect of quality improvement. This factor is because measurements help generate feedback concerning service provision and whether customer needs have been met. Various scholars have developed studies to assess the essential models that can measure service quality within organizations. Elvira & Shpetim (2016) approved the LODGSERV model as the most accurate for evaluating service quality within the lodging industry. This model entails the application of the five SERVQUAL dimensions and comprises twenty-six items. On the other hand, Khan et al. (2017) used the LODGEQUAL model to evaluate the hotel industry's service quality. Here, the three dimensions were applied, including reliability, tangibles, and empathy. In 2018, Lee & Madanoglu used the DINESERV model to assess the quality of services in restaurants. This model consists of twenty-nine items alongside the five SERVQUAL dimensions. Additionally, Rita et al. (2019) utilized the DIVEPERF model to measure customer perception regarding diving services. In addition to the SERVQUAL dimensions, this model also consists of twenty-seven items. All of the models mentioned above entail modifying the SERVQUAL technique and attempting to improve its functionality.

This model was developed with the main objective of establishing shortfalls in service provision. In this technique, customers get to

evaluate and assess the quality of service offered within a certain industry by comparing their service expectations with the actual service. Typically, the SERVQUAL model attempts to measure customer demands and individual perceptions (Danish, 2018). Here Q (quality gap) is derived through the subtraction of E (expectation) from P (the perception value). This factor leads to equation $Q=P-E$. A combination of all Q values helps determine the service rating amongst various customers (Hapsari et al., 2017). This factor serves as an indicator of how the service quality dimensions are influenced by customer perception. The SERVQUAL model is considered standardized because it can be applied within a broad spectrum of industries, including the hotel industry. The SERVQUAL scale comprises two sections; the first section is used to evaluate customer expectations concerning service quality. The second section is used to measure customer perception concerning the industry providing the service (Fida et al., 2020). The SERVQUAL model is made up of twenty-two items, also known as "likert-type." Moreover, it comprises the five dimensional aspects like empathy, tangibles, responsiveness, assurance, and reliability. Ideally, through the five aspects, twenty-two statements are formed. These statements are used to evaluate customer expectations and perceptions about service quality from a given organization (Myo et al., 2019). Here, the ratings of the services rendered were based on a five-point scale. Additionally, a separate scale-rating is also provided to evaluate services based on customer perception (Boadi, n.d). For all of the twenty-two statements, the variations between customer perception and customer expectation are determined. After that, the average score is generated, and this is referred to as the SERVQUAL score.

This measurement model serves to modify the SERVQUAL technique based on conceptualization and evaluation of service quality. SERVPERF is used to elaborate on the aspect that service quality relies on consumer attitude. This model is used to evaluate the quality of service with a closer emphasis on the

performance aspect. Fida et al.(2020) state that performance is the surest way to evaluate customer's perception concerning service quality. This model illustrates that customer expectations are less significant towards measuring service quality provision in an organization. Similar to SERVQUAL, SERVPERF entails the use of the five-dimensional aspect. However, it does not entail the repetition of the twenty-two statements of customer expectations as it is with SRVQUAL. Therefore, this factor makes SERVQUAL the most suitable method to measure service quality on the basis of customer satisfaction. This research therefore used the SERVQUAL model to evaluate customer satisfaction with the hotel industry in Norrköping.

Researchers have innovated various models and mechanisms to define the fundamental interconnection between service quality and customer contentment. Earlier research by Al-Karim & Chowdhury (2014) specified the five attributes for service quality as empathy, tangibles, responsiveness, assurance, and reliability. With the help of the SERVQUAL questionnaire, a couple of studies show that reliability is the most important dimensional aspect. Al-Tit (2015) made critical research on the factors affecting service quality within Brazil's hotel industry. This study established that customers were more concerned with the dimensional aspects of reliability, assurance, and service tangibility. This author also made a significant emphasis on reliability as the most crucial aspect of service quality.

Hapsari et al.'s study in 2017 shows that customer expectations are higher on attributes like service promptness, transaction accuracy, and service security. The authors urge hotel managers to focus more on accuracy and promptness in working on customer complaints. Moreover, the authors noted that there exists a subjective association between customer expectation and perception. This factor varies based on different economic scenarios. Lee & Madanoglu (2018) researched managerial perception about customers' expectations from various hotels in Australia. The results of this

investigation indicated that the critical factors affecting service quality included tangibles, assurance, and empathy. However, this research's limiting factor is that more emphasis was placed on the managerial perception rather than customer perception. Therefore, this study does not give a clear description of customer perception with regards to service quality.

Gopi & Samat (2020) analyzed how customer satisfaction impacts performance within the hotel industry in Oman. The investigation reported that clients were contented with the standards of food offered, the reception, and the reservation factor. Moreover, customers fairly rated product prices, hotel amenities, and security features. Despite that, clients were unhappy with the personalized services provided by the hotel industry. Gopi & Samat (2020) also noted that customer satisfaction led to positive aspects like improvement in hotel image, market share, and sales.

Most researchers agree that satisfaction is an attitude or evaluation that is formed by the customer comparing their pre-purchase expectations of what they would receive from the product to their subjective perceptions of the performance they actually did receive (Oliver, 1999). As Kotler (2000,) defined that 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 expectation. Additionally, Yu, Alvin Hung -Chih (2001) also stated that customer satisfaction is a collective outcome of perception, evaluation and psychological reactions to the consumption experience with a product/service. In general, customer satisfaction is defined as a result of customer's evaluation to the consumption experience with the services. However, the customers have different levels of satisfaction as they have different attitudes and perceived performance from the product/service.

There exists varying definitions of customer satisfaction from different researchers. Elvira & Shpetim (2016) define consumer satisfaction as the client response to the perceived service based on personal expectations and the service's

actual performance. On the other hand, Khan et al. (2017) define customer contentment as the client's evaluative reaction in relation to a service or product performance based on their anticipations towards the service. Moreover, Farooq & Salam (2018) state that customer satisfaction refers to how a service's perceived performance matches or surpasses customer expectations. Ideally, the inability of service to meet customer expectations leads to dissatisfaction. These definitions by various authors depict satisfaction as a general post service evaluation by a customer.

Elvira & Shpetim (2016) state that customer satisfaction can be impacted by various issues, including service features, consumer emotions, customer perception, workplace colleagues, friends, and family. Hapsari et al. (2017) believe that customer satisfaction is influenced in most instances by the customer service a given organization offers as well as the price it charges for such services. Al-Karim & Chowdhury (2014), Rita et al. (2019), and Fida et al. (2020) outlined a couple of features that influence customer contentment. These include physical facilities, service timelines, the presentation of hotel staff, available types of equipment, communication techniques, response to customer complaints, efficiency, data accuracy, service consistency, problem resolution duration, attention to detail, staff flexibility, positivity towards offering customer support, staff behaviour, customer security, courtesy, staff competence, personalized customer attention, service availability in all durations, and understanding of guest-specific preferences.

Al-Tit (2015) conducted in-depth research regarding customer satisfaction across various four-star hotels in Europe, including countries like Italy, Spain, and England. This study results reveal that most customers were satisfied with the hotel premises' condition, employees' ability to speak different languages, staff friendliness, comfortable rooms, and the ease of accessing information regarding hotel services. Additionally, areas, where customers were discontent include disrespect by staff, lack of multilingual newspapers and magazines,

excessive attention, and inability to access TV programs in one's language of choice. Farooq & Salam (2018) did a customer satisfaction survey across various hotels in Cape Town, South Africa. Based on this survey, the authors identified various aspects that boost customer satisfaction, including guest entertainment, captivating staff, and well-maintained swimming pools. Areas of customer dissatisfaction included late luggage delivery, poor communication services, and inadequate attention to customer-specific requests.

Lee & Madanoglu (2018) studied the impact of customer satisfaction on performance within the hotel industry in Sweden. This analysis established that customers were more satisfied with the hotel reservation service, reception, and food quality. However, areas of dissatisfaction included service prices, provision of customer-specific services, and inadequate hotel facilities. Moreover, this research noted the significance of customer satisfaction towards ensuring improved market share for the hotel. Similarly, Gopi & Samat (2020) evaluated the essential factors for customer satisfaction within Sweden's banking industry. In this analysis, customers were more satisfied with service accuracy and the timely delivery of bank statements. Moreover, customers were satisfied with the friendly staff at the banking facilities. However, the various dissatisfactions included delayed responses to customer queries, lack of customer refreshments, and downtime issues for the bank's network. Based on these empirical studies, it is evident that customer satisfaction positively impacts the business, including boosting sales turnovers, enhancing market dominance, and promoting the hotel's public image.

There exists varying opinions from researchers regarding which factor precedes the other of the two concepts. Some analysts are of the opinion that service quality precedes customer satisfaction, whereas others argue the contrary opinion. However, opinions by Othman et al. (2019) and Fida et al. (2020) emphasize the fact that "service quality" is a precursor to "customer satisfaction." Ideally, this factor implies that an

organization should improve its services before yearning for customer satisfaction and positive feedback. Based on these arguments, it is stipulated that there exists a direct correlation between service quality and client satisfaction (Al-Tit, 2015). Despite that, Danish (2018) argues that service quality impacts customer satisfaction but is not directly related to it. On the other hand, Zameer et al. (2015) propose that a maximum perception of standard of service results in a direct maximization of customer satisfaction. In their 2020 study, Fida et al. defined a significant connection between service quality and customer contentment.

Furthermore, the authors outline that the five service quality dimensions (responsiveness, tangibility, assurance, reliability, and empathy) are fundamental towards achieving customer satisfaction. Based on this study, it was concluded that customer satisfaction can only be realized with constant improvement of the service quality dimensions. Lee & Madanoglu (2018) analyzed service quality dimensions alongside customer satisfaction within India's telecommunication industry and established a positive relationship between customer contentment and the service standard dimensions.

Moreover, this study outlined the higher impacts of the reliability dimension with regards to service quality. On the other hand, the tangibility dimension seemed to be less effective. Furthermore, Lee & Madanoglu outline that all of the dimensional aspects should be modified and improved upon since they all positively impact customer satisfaction. In 2020, Gopi & Samat researched how service quality impacts satisfaction among library users in various universities within Sweden. Based on this analysis, it was established that service quality has over 71% impact on library user satisfaction. Additionally, Gopi & Samat (2020) noted that service reliability results in more user satisfaction, whereas the empathy dimension has minimal impact.

This review outlines that service quality to a large extent relies on the industry setting and the service quality type under evaluation. Moreover,

this literature review emphasizes the importance of evaluating the proportion to which a given organization's service meets customer demands. Within the hotel industry, it is evident that customer satisfaction heavily relies on the stipulated institution's quality of services. Additionally, the five-dimensional aspects of the standard of service (responsiveness, tangibility, assurance, reliability, and empathy) directly correlate with consumer satisfaction. However, amongst the five-dimensional aspects, the reliability dimension is the most significant towards determining customer satisfaction.

STATEMENT OF THE PROBLEM

First, there exists conflicting research regarding the direct interconnection between service quality and customer satisfaction. Researchers have not made a unanimous stand regarding this issue. As a result, more research needs to be done to determine the clear and actual connection between the standard of service and customer satisfaction. Second, the factors affecting customer satisfaction have not been clearly illustrated in the literature. More research is needed concerning the relation between five dimensions and customers satisfaction. Based on this, the study investigated the extent to which service quality factors such as tangibility, reliability, empathy, responsiveness, and assurance predict customer satisfaction in selected medium hotels in Osogbo metropolis, Nigeria, including identifying the demographic characteristics of the customers in the medium hotels in osogbo metropolis Osun state Nigeria.

HYPOTHESIS

There is no significant relationship between service quality factors and customer satisfaction

RESEARCH METHODOLOGY

Descriptive research method was used for this study. This research design is specifically valuable when a researcher seeks to learn more about a given event and has minimal control or manipulation of any variables. The researcher only carries out observations and measurement

of such variables. Furthermore, a descriptive research technique was used to establish the correlation between the quality service factors and customers satisfaction in various studies in recent time by various researchers. Hapsari et al. (2017), Othman et al. (2019), and Fida et al. (2020), utilized the descriptive approach. The population of the study consists of fifty-two (52) female and forty-eight (48) customers of the selected hotels in the study area. A questionnaire by markovic&Locaric (2014) was adapted. The data collection method was systematic.

Before processing the data collected for analysis, all the questionnaires administered during research undergone editing to enhance data completeness and accuracy. The questionnaire survey includes mainly 22 observed items under ServQual model. A Likert-type scale of numbers from one to five was used. This measurement basics on a 5-point scale which corresponding to 1= strongly disagree, 2=somewhat disagree, 3=neither agree nor disagree, 4= somewhat agree, 5=strongly agree. The process of questionnaire administering entails a 'drop and pick later' mechanism. This technique was applied to each member of the study population. Data sample was selected as case for this study. Hotels being medium with at least 10 workers and above was the main criterium for selection. Analysis and interpretation of the quantitative data collected was then carried out based on the study objectives. This was achieved through the statistical package for social sciences, (SPSS) software vs2.70.

RESULTS

RQ1: What are the demographic characteristics of the participants in the study area?

Table One: Demographic characteristics of the Participants

Gender	Frequency	%
Male	48	48,0
Female	52	52.0
Age		
Less than 20 years	3	3.0
21-30 years	20	20.0
31-40 years	37	37.0

41 years and above	40	40.0
Marital Status		
Single	22	22.0
Married	74	74.0
Divorced	4	4.0
Nigerians	72	72.0
Foreigners	28	28.0
Occupation		
Farming	2	2.0
Trading	6	6.0
Artisan	18	18.0
Civil Servant	74	74.0

Qualification		
Secondary Education	6	6.0
Tertiary Education	90	90.0
No Formal Education	4	4.0

Source Field Survey, 2022.

TEST OF HYPOTHESIS

The tangibility, reliability, assurance, good communication, good facility, security, professionalism and timeliness will not significantly determine service quality and customer satisfaction in medium hotels in Osogbo metropolis.

Table : PPMC showing the determinants of service quality and customer satisfaction in medium hotel patronage in Osogbo metropolis, Osun state

Variables	Mean	Std. Dev.	N	R	p-value	Remark
Determinants of service quality and customer satisfaction in medium hotels	19.2900 19.6200	5.9277 6.7507	100	.499 *	.000	Sig.

**Sig at 0.5 level

DISCUSSION OF FINDINGS

From the results, it showed that 48(48.0%) of the respondents were males while 52(52.0%) were females. 37(37.0%) were less than 20 years old, 20(20.0%) were aged 21-30 years, 40(40.0%) were aged 31-40 years and 3(3.0%) were above 40 years old. 22(22.0%) were single, 74(74.0%) were married and 4(4.0%) were divorced. 72(72.0%) were Nigerians, 28(28.0%) were foreigners, 2(2.0%) were Farmers, 6(6.0%) were Traders, 18(18.0%) were Artisans and 74(74.0%) were Civil Servants. 6(6.0%) had Secondary school certificates, 90(90.0%) had Tertiary school certificates while 4(4.0%) had no formal education. This implies that females participated more than male counterpart in medium hotels in the study area; Nigerians patronized more than foreigners and civil servants more than businessmen in medium hotels in the study area.

Also, results showed that there was a positive significant relationship between the factors (tangibility, reliability, assurance, security, good facility, professionalism and timeliness) and customer satisfaction ($r = .499$, $N = 100$, $p < .05$)

Hence, the factors are good determinants of service quality and customer satisfaction in medium hotel patronage. The hypothesis is rejected. Thus, all the component are essential to effecting customer satisfaction. It is also necessary to pay more attention to human development and strategy to enhance human satisfaction.

CONCLUSION

This research aimed at investigating the large extent to which tangibility, reliability, assurance, responsiveness and empathy influence customer satisfaction in medium hotels in Osogbo metropolis, Osun State. The study's results indicate that servqual five-dimensions have varying impacts on customer satisfaction and service quality. Factors that portrayed moderate effect included empathy and tangibility. The study concludes all the factors contributes significantly to customers satisfaction. Despite that, all of the five dimensions received substantial ratings. This led to the conclusion that the medium hotels within Osogbo metropolis need to give details strategies to

enhance customer satisfaction, recruit right worker for the right position, recruit employee with professional skills. In addition, hotel needs to update information frequently to avoid it becoming obsolete. It is necessary to invest in human resources and create a good system of working condition.

RECOMMENDATIONS FOR POLICY AND PRACTICES

Based on the above conclusion, the study recommended that:

- a. Hotel managers should encourage the implementation of the five-dimensional aspects of the standard of service for effective hotel patronage
- b. More emphasis should be put on the reliability dimension because it portrays a higher impact on customer satisfaction, and
- c. Hotel communication channels should be improved so as to foster good relationship between the customers and the hotel management

DIRECTION FOR FURTHER WORK

The study suggests that future research should be extended to five-star hotels in the study area.

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