

Role of Service Quality on Guest Satisfaction in the Budget Hotels: A Case Study of Ratnagiri and Ganpatipule

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ABSTRACT

Budget hotels play a crucial role within the hospitality industry, and they are a trend in the tourism industry. Budget hotels are the no-frills establishment offering accommodation at a minimum tariff to the people and acts as a substitute for the guest who wants a room. The service quality of any hotel is recognized to be one the most crucial part of flourishing in the hospitality industry. The modern trend of complete service quality management in the hotel industry ensures the achievement of the hotel. However, at another end to be a successful player in the hospitality industry, it is most important to concentrate on existing guest from the broad perspectives of guest satisfaction, particularly with the guest satisfaction that related to service quality as guest satisfaction is mainly hooked upon the quality of service provided to them. The research provides an understanding of the service experiences of the guest during their stay in budget hotels. SERVQUAL model is used to know the relationship between service quality and guest satisfaction in the budget hotels of Ratnagiri and Ganpatipule. Ten budget hotels from Ratnagiri and ten hotels from Ganpatipule were selected randomly. The sample consisted of one hundred and forty Guest from these twenty budget hotels in which seven guests from each hotel were selected on a convenience basis who had availed the services of these hotels. A twenty two attributes questionnaire was framed on the five dimensions of the SERVQUAL model to record the guest perception and expectation towards the service quality of the budget hotels. Data was then analyzed by finding the weighted mean of the five SERVQUAL dimensions based on guest expectation and perception, and later SERVQUAL method was used to find out the actual service gap. The study found that the service quality of budget hotels plays a vital role in guest satisfaction.

KEYWORDS: Budget Hotels, Service Quality, SERVQUAL, Hotel, Guest Satisfaction, Service

INTRODUCTION

Maharashtra is the third largest state in the country of India, both in area and population. The Ratnagiri district and town Ganpatipule are a boon to be the best tourism rising places in the state of Maharashtra and has developed massively from several tourist attractions from the holy places to the Coast of western India (Gaikwad and Berad, 2014). In globalization, the quality of service is a critical component that complex and derives cutthroat advantage. Delivering a quality service is an essential aspect of competition in business to succeed (Kim-

Soon et al., 2014). The term service quality has been highlighted and evaluated by many academicians and researchers, but its indefinable, intangible nature is too indistinct to measure its standards. Hence only a few of them have operationalized it, such as Parasuraman, Zeithaml and Berry in 1988, Brown and Swartz in 1989, Carman in 1990 and Cronin and Taylor in 1992. Therefore Parasuraman, Zeithaml and Berry's (1988) to measure such nature of the service quality, a model in SERVQUAL was introduced by conceptualizing five dimensions: tangibles, reliability,

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responsiveness, assurance and empathy. In simple words, service quality results from the efficiency taken by the hotel staff to match the guest expectations.

Service quality plays a crucial role in the success of any hotel business. A hotel provides a feeling of home away from home, and in this, it is essential to identify the specific expectation or the guest in the guest as a reason to have a better understanding of the guest's specific needs (Akbaba, 2006). However, the concept of budget hotels often declared as a 'boom' or as representing one of the most critical trends in the international hospitality industry (Fiorentino, 1995). The budget hotel can be defined as economical compared to the luxury hotel and only providing the basic service and amenities (Teng, 2010). This however the service quality of the budget hotels has a great impact on the guest satisfaction as it deals with the evaluation that's formed by the guest perception by comparing their pre purchase expectations of what they might receive from the hotel in terms of the performance they really did receive (Oliver, 1980). Guest satisfaction is a overall result of the perception of the guest towards the service in which he evaluates his psychological reactions for the service he availed Yi (1990)

The research objective is to study the role of the Service Quality on Guest Satisfaction in the Budget Hotels in Ratnagiri and Ganpatipule of Maharashtra using the SERVQUAL model by applying its five basic dimensions, i.e., Tangibles, Reliability, Responsiveness, Assurance and Empathy.

Review of literature:

SERVQUAL model is found to be one of the best models that have been used for many research in measuring the service quality; it comparatively emphasis the differentiation in the service quality towards the guest expectation and perception, as a guest assess the actual service experience delivered to him within a stipulated time (Parasuraman, Zeithaml, & Berry, 1985, 1991, 1994; Nasution & Mavondo, 2008). Parasuraman et al., 1985 stated that SERVQUAL is a gap assessment tool in which the gap between the guest expectation and perception found results from the perceived service quality. It denotes that the lesser the gap, the higher the service quality and the higher the service gap, then the lesser the service quality. Zeithaml et al. in 1988 defined service quality as the degree and direction of a discrepancy between consumers' perceptions and expectations in terms of different but relatively essential dimensions of service quality, which can affect their future behavior. According to Parasuraman et al. (1988), service quality can be

defined as an overall judgment similar to attitude towards the service and generally accepted as an antecedent of overall customer satisfaction.

Budget hotels are the establishments that target and focus more on medium and small enterprise business, budgeted tourists, youth class, etc. (Albattat, 2016). Quest 1983 defines budget hotel as a 'new generation of budget hotels, mainly small and all with limited facilities and a no-frills price'. However, Lee 11 1984, stated, A hotel referred to 'one of the fastest-growing segments of the industry' offering 'clean, simple room, a restaurant coffee shop is generally on-site nearby' is known as a budget hotel.

Statement of the problem:

The entire hospitality industry attempt and offers the best of it to their guest and ensures to provide a high quality of the services yet they lacks to match with the guests' expectations as the guest has become more aware of their requirements and demand superior standards of service for meeting the particular organization (Kumar et al., 2011). Hotels represent a significant profession within the global agendas and modern development trends of the hospitality industry (Pavia et al., 2014). However, a series of new and economic start-ups, including budget and midrange hotels proving a no-frill accommodation is an ongoing concept yet lacks the standard definition and yet to fit in the existing category of the hotel business (Fiorentino, 1995). Commonly there are numerous constraints and difficulties in the operations of budget hotels faced by hotel owners/managers (Mastura et al., 2011). This came out to a significant research gap. Therefore, the researcher has studied the service quality of budget hotels distinctively at Ratnagiri and Gapatipule, from the guest perception and expectation through the SERVQUAL scale.

Objective:

The research's core objective is to study the role of the Service Quality on Guest Satisfaction in the Budget Hotels in Ratnagiri and Ganpatipule of Maharashtra using the SERVQUAL model by applying its five basic dimensions, i.e., Tangibles, Reliability, Responsiveness, Assurance and Empathy.

Hypothesis:

Service quality of the Budget hotels in Ratnagiri and Ganpatipule of Maharashtra is low from the guest satisfaction.

Methodology:

The study evaluates the service quality of the budget hotels in Ratnagiri and Ganpatipule of Maharashtra through the guest expectation and perception study using the SERVQUAL method. It is hypothesized that the Service quality of the Budget hotels in

Ratnagiri and Ganpatipule of Maharashtra is low from the guest perspective. The study consists of both primary and secondary data collection in which the primary data collection was carried out through a survey of 20 various budget hotels in Ratnagiri and Ganpatipule and around its famous tourist destination randomly selected. The hotels with the single room tariff between Rs.1000-2000 were classified under budget and midrange hotels. 07 guests were selected on a convenience basis from each of the selected hotels and were asked to fill the questionnaire to know the service gap. Data were then analyzed using the SERVQUAL method, a non-parametric test for testing hypothesis towards guest perception with their expectation. After an extensive review of the literature, a 22 attributes questionnaire was framed on the five dimensions of the SERVQUAL model to record the guest perception and expectation towards the hotels' service quality in Ratnagiri and Ganpatipule and ultimately to know its role on the guest satisfaction.

Data Analysis:

SERVQUAL method/model consists of five chief attributes/dimensions, i.e. reliability, assurance, tangibles, empathy and responsiveness. These attributes help identify the actual gap, which is the difference between guest expectations of service and what they receive.

In the study, the data was then analyzed by finding the weighted mean of the five servqual dimensions based on guest expectation and perception; later on, the actual service gap was found using the SERVQUAL method. SERVQUAL model provides a score for the guest expectation (E) likewise, a score for the guest's perception (P) of the hotel performances. Guest expectations are the wants and requirements they carry in their mind before consuming a service; what the guest wants should be identified by the hotels, and accordingly, these are considered a service aspect or standards (Miller, 1977).

Table 1: Weighted mean and overall SERVQUAL Gap of the budget hotels in Ratnagiri and Ganpatipule.

SERVQUAL DIMENSION	EXPECTATION (Before stay)	PERCEPTION (After stay)	Servqual Gap (SQ=P-E)
RELIABILITY			
Hotel room allocated and kept ready.	3.90	3.57	-0.34
The hotel room equipment's functioning (A.C., Fan, T.V., lamp, phone, mini-bar, etc.)			
Value for money (Hotel)			
The efficiency of the Check-in & Check out Process.			
Ability to provide service as promised			
ASSURANCE			
Safety & Security in the hotel	3.80	3.56	-0.24
Hotel staff (Polite, Courteous, Friendly)			
Knowledge of the hotel staff to answer guest queries			
Quality of overall service			
TANGIBLES			
The first impression of the hotel(Visually Appealing)	3.78	3.56	-0.22
Grooming & Appearance of the hotel Staff			
Cleanliness in the Hotel Room			
The comfort of the Furniture in the hotel room (Bed, Table, Chair etc.)			
Cleanliness in the lobby and Public area			
EMPATHY			
Staff's concern about the benefits of the guests	3.77	3.41	-0.36
Understanding of the guests' specific needs			
Paying Individual attention			
Complaint handling by the hotel staff			

RESPONSIVENESS			
The willingness of the hotel staff to provide the service	3.73	3.34	-0.38
Promptness of the room service & another department			
Speed of response to guest request			
Speed of response to guest Problems			
Total	3.80	3.49	-0.31

Results and Discussion

After comparing the service quality of the Ratnagiri and Ganpatipule budget hotels through the SERVQUAL method and its dimensions (i.e. Reliability, Assurance, Tangibles, Empathy, Responsiveness), the researcher found that the maximum SERVQUAL gap between “expectation” and “perception” of the guest was **-0.38**, whereas the minimum gap found was **-0.22**. All the factors under five SERVQUAL dimensions showed a negative result in the difference between “expectations” and “perception” (P-E). The widest gaps found in the dimensions of “**responsiveness**” (**-0.38**) and in “**empathy**” (**-0.36**) where the guest found better physical evidence in the hotels, so the gap in the dimension of “**tangibles**” is the narrowest (**-0.22**). Also, the overall difference between “expectations” and “perception” of the guest resulted negative. This indicates that the Guests expectations are not fulfilled as per their perception (post-stay), which means that hotel guests' expectations are higher than their perception, and therefore, this proves the existence of a negative SERVQUAL gap in the budget hotels of the Ratnagiri and Ganpatipule.

Conclusion & Suggestions:

This research helps in escalating the understanding of the connection between service quality experience and guest satisfaction in the budget hotels of the Ratnagiri and Ganpatipule of Maharashtra state. The overall service quality standards were comparatively low in terms of the guest's expectation and perception of who had availed the services.

To minimize the negative score gap between guests' expectations and their perceptions, particularly with the “**responsiveness**” dimension/attribute of SERVQUAL, the following are the recommendations.

- Staff should be introduced to the basics of hospitality standards.
- The manager or the owner should then monitor staff.
- Staff should inculcate the feeling of ownership.
- All staff should work as a team.

- It is the responsibility of every staff of the hotel that they should work effectively and efficiently.
- Recommendations to improve the score of the Empathy dimension are as follows.
- Hotel staff should consider very hotel guest as a critical friend of him.
- The employee should have a Self approach attitude towards the guest.
- Managers and the staff of the budget hotels in Ratnagiri and Ganpatipule have to ensure for discovering the needs, wishes and expectations of the guests.
- To offer a high-quality service to guests, all budget hotels must utilize their employees with success in skill development in training or recruiting the trained workforce. The guest feed should be taken from every guest of the hotel at checkout; this will help to work on various parts.

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