

Perceptual Rating of Service Quality and Customer Satisfaction in Selected Hospitality Business Outlets

(A Study of Auchi, Etsako West L.G.A. of Edo State, Nigeria)

¹Shaibu, Achimi Hashim; ²Okorejior, Fatima Astesioya & ³Aniemeke, Catherine Ndubuisi

^{*1&2} Department of Hospitality Management
Auchi Polytechnic, Nigeria

^{*3} Department of Hospitality Management
Delta State Polytechnic, Nigeria.

Abstract : This study examines the perception rating of service quality and customer satisfaction in selected hospitality outlets. The study area was Auchi, Etsako West Local Government Area of Edo State. The study design was questionnaire survey involving 395 respondents. Data for the study were analyzed using descriptive statistic and Spearman correlation. The results show that there is a significant relationship between service quality dimension (item of reliability 3.32, responsiveness 3.93, and assurance 4.13) and customer satisfaction, while no relationship was found with dimension items of empathy 2.23, and tangible 2.34 respectively. This confirms the earlier assumptions that service quality is an important driver of customer satisfaction and purchase intentions. Hospitality business success must be built around service quality evaluation through customer needs assessment, employee training for more skill on the job, possessing excellent communication skills, being courteous and friendly, as well as competence in meeting customer's needs and expectation.

Keywords: Service Quality, Perception, Customer, Satisfaction, Rating.

Introduction

Despite the vast number of research carried out in the area of service quality and customer satisfaction rating, quality related issues have received little research attention within the hospitality context especially in Nigeria. Even though Nigeria is developing in different service sectors, it is on record that the country still lacks world class hotel chains in numbers and lacks provision of international service standards. According to the Ministry of Culture and Tourism, the issue on hotels grading requirements and classification evaluation criteria states that, to obtain a higher star rating, a progressively higher quality and range of services and physical facilities should be provided across all areas with particular emphasis on cleanliness and hygiene service excellence, food and drink of quality, modern quality bedrooms and bathrooms, and lastly technological application in service provision in all customer contact areas.

The hospitality and tourism industry has contributed significantly to the economy of many countries in the last decade. Many countries has considered hospitality and tourism as a means of generating more travelers and tourist resulting into more business and profits in their home countries. Regions and destination of the world are competing with each other on attracting as many

tourists as possible; many countries are engaged in marketing their destination and continuous service improvement geared towards achieving service excellent experience for their guests (Kukoyi, 2014).

In Nigeria, the hospitality and tourism industry has contributed about 4.8% to Nigeria's gross domestic product (GDP) in 2018, provided employment to about 1.6% of Nigeria population as well as contributed greatly to rural infrastructural development considerably (Anunobi et al, 2017). Hospitality product and services consist of tangible and intangible elements of food, accommodation, drink and other auxiliary services as well as the atmosphere and image that surround and contribute to the product value. Service quality has been recognized as a key factor in differentiating service products. Customer satisfaction can be secured through high-quality products and services. In the competitive business environment of today, individual hoteliers must find ways to make their services stand out amongst their competitors. This can be achieved through understanding of customer needs by service provider and then set out the necessary machinery to meet these needs. The attention to service quality from the customer's perspective is considered as the most important development in the hospitality and tourism industry.

Many researchers are of the view that customers' satisfaction should be measured based on comparing the actual service with service expectation. Customer satisfaction is the outcome of customer's perception of the value received in a transaction or relationship, where value equals perceived service quality is compared to the value expected from transactions or relationship with competing hospitality outlets.

Providing high standard of service quality can result in higher level of customer satisfaction if only the customer service specification of service level, availability of service standard, service reliability and flexibility of service are considered amongst the several variables needed to be measured in perception rating of service quality and customer satisfaction in selected hotel outlets are measured.

The objectives of this study are to:

- determine customer service specification for hotel outlets
- determine major service quality dimensions and elements.
- examine the relationship between service quality and customer satisfaction in studied hospitality outlets.
- determine the gap between provided service and expected service provision in selected hospitality outlets.

Review of Related Literature

Conceptual framework for this study was developed to identify the capability to predict the customer satisfaction based on the dimensions of service quality and customer satisfaction

a) Service Quality

Quality in a service business has become a measure of the extent to which the service provided meets the customer's expectations. Many business organisations have found that in order to increase profits and market share, they should pay attention to service quality. Bitner and Booms (2014) define service quality as the consumer's overall impression of the relative inferiority/superiority of the organisation and its service. Parasuraman, Zeithland and Berry (2017) view service quality as a function of the difference between expectation and performance along the quality dimensions. Service quality is considered to be the life of a hotel as it is related to customer satisfaction, which is associated with customer revisit intention (Chen, 2018).

The conceptual framework for this research depicts the relationship between the independent and the dependent variables. Currently, the lodging quality index model has been proven to be the best model to measure service quality in service sectors especially with customer perspective.

Service quality dimensions and their meaning

i. Tangibility: Appearance of physical products facilities, equipment, personnel and communication materials used in creating first impression on guests.

ii. Reliability: Ability to perform the promised services dependability and accurately.

iii. Responsiveness: Willingness to help (internal) customers and provide prompt service without persuasion.

iv. Assurance or Confidence: Knowledge and courtesy of employees and their ability to convey trust and confidence especially the skilled, knowledgeable and experienced staff.

v. Empathy: Care, individual attention, responsibility to carry out promised task.

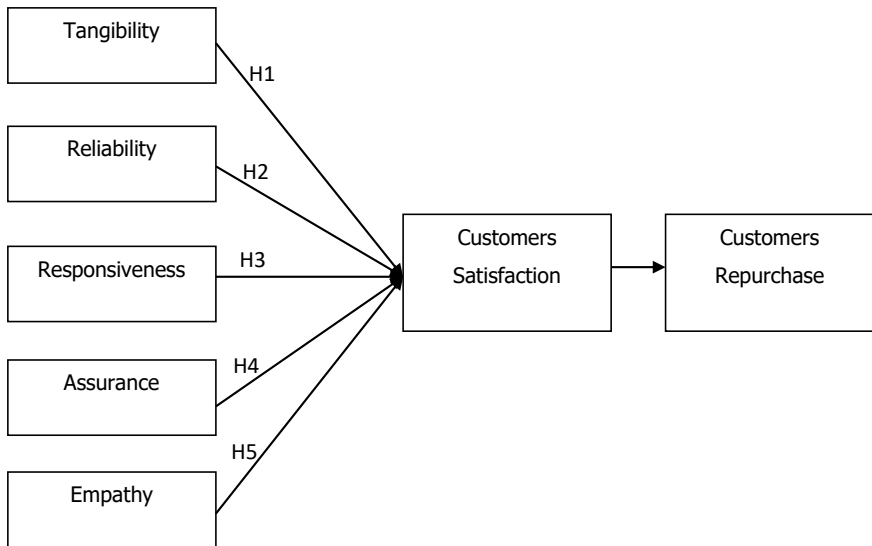
b) Customer Satisfaction

Customer satisfaction is the outcome of customer's perception of the value received in transaction or relationship, where value equals perceived service quality compared to the value expected from transactions or relationships with competing vendors or hospitality outlets (Alkhattab, 2017). In order to achieve customer satisfaction, it is important to recognize and to anticipate customers' needs and to be able to satisfy them. Business outlets which are able to understand and satisfy customers' needs, make greater profits than those which fail to understand and satisfy them (Almsalam, 2017). Commitment towards quality improves the guests level of satisfaction and increases profits and consequently the benefits gained by the guest and the employees.

On the opposite, mistakes in service provision cost the hotel money and its reputation may suffer. This is the non-quality cost complex. The scenario created by non-quality service can be daunting for any hotel manager. An unhappy guest does not usually express his/her unhappiness to the management of hotel, but will on average inform at least nine (9) other people about poor service experience. A happy guest will by contrast, only inform three people about his/her good service experiences in a hotel (Almsalam, 2017).

Conceptual Framework

Conceptual framework was developed to identify the capability to predict the customer satisfaction based on the dimensions of service quality. It depicts the relationship between the independent and dependent variables. Currently the lodging quality index model has been proven to be the best model to measure service quality in service sectors, especially with customer perspective. The idea generates an assumption that the five dimensions of lodging quality index model could have a direct relationship with customer satisfaction. Assessing the relationship between customer satisfaction and service quality dimensions, it is better recommended to use the model by Glegziabher (2015) and Na (2010).



Service quality dimension model by Glegziabher (2015)

Customer Service Specification

Increasing competition within the hospitality and tourism industry has meant that the quality of the service and the perceived value of the experience had by the customers have become the main differentiators between operations that are seeking to attract similar customers. Therefore understanding the customers involvement in the process and identifying the experience they are likely to have,

and should expect have become critical to the business success of food service operations.

Like the beverages and other product specifications, there must also be a customer service specification. A customer service specification cannot be achieved if it does not take account of both the infrastructure supporting the specification as well as the ability to implement standards within the interactive phase. A customer service specification can be defined taking account of a combination of the following five key characteristics:

- a. *Service Level:* This has to do with the method of providing service and the extent of the individual personal attention that is given to customers.
- b. *Availability of Service:* This has to do with opening times, variation in menus, wine and drink lists, etc.
- c. *Level of Standards:* This has to do with food quality, décor, equipment cost, staffing and professional touch of skilled labour.
- d. *Reliability of the Service:* This is the extent to which the product is intended to be consistent in practice.
- e. *Flexibility of Service:* The provision of alternatives or variations in the standard product on offer is considered here.

In designing a food service operation to meet customer specification, care is taken to ensure the profitability of the operation by considering the efficiency of the use of resources like capital, labour, materials and equipment.

Material and Method

The Study Area

The study area was Auchi, the administrative headquarters of Etsako West Local Government Area of Edo State. Other towns in Estako West Local government area include, Ibie, Agbede, Uzairue, Iyamho, Jattu, Jagbe, Ugiol and Anwai clan. Auchi is located on latitude 7.07° North and 5.27° east longitude and 164 metres elevation above sea level, and has an area of 940km² with temperature of 23°C with south west wind at 5km/h, and about 95% humidity during the raining season (State Ministry of Agriculture and Forestry, 2020). Auchi has a population of about 197,609 as at 2006 census, which by estimation must have double the above estimate by now due to influx of people into the town. No thanks to the socio-economic activities associated with the location of federal polytechnic in the ancient town of Auchi with it attendant attraction of students and staff as well as business men and women from all over Nigeria.

Study Population and Sample Size

The study population for this research comprises of customers visiting four (4) prominent hotel outlets and one fast food outlet located in Auchi and adjoining towns as indicated below.

Hotels located in this location, are operating in a highly competitive and dynamic environment ((Aldehayyat, 2017).

Table 1: Location

S/N	Studied Hotel Outlet	Location	Registration Status	No. of Estimated Customers	Percentage (%)	Proposed Questionnaire
1	Uyi Ground Hotel	Jattu Rd, Auchi	Registered	1,900	19.89	95.07
2	Meremu Hotel	Jattu Road, Auchi	Registered	1,750	18.32	88.56
3	Yak Hotel	Benin Okene Rd, Auchi.	Registered	1,500	15.70	75.0
4.	Presto Hotel	Auchi Warake Rd, Auchi.	Registered	1,400	14.65	70.02
5	Valchi Fast Food	Old Bode Road, Sabo, Auchi	Registered	3,000	31.41	150.1
	Total			9550	100%	478

Source: Field Survey, 2021

In this study, both non-probability and probability sampling were employed. Purposive/judgmental type of non-probability was used for selecting the studied hotel and fast food outlets. Probability sampling method of +5% precision level by Cochran (1992) was adopted for this study. Where confidence level is 95% and P = 0.5.

$$\text{Which is } \frac{5}{100} \times \frac{9550}{1} = 478$$

The sample size for the study is 478. Haven determined the sample size from the population, the number of proposed respondents for each of the hospitality outlet were determined as indicated above.

Methodology

During the initial visit, consent of the management in the study outlets was obtained to allow the prospective customers participate and cooperate with the researcher for the study. The study was descriptive in nature and employed explanatory research method which was aimed at establishing the cause and effect relationship between variables.

Data for the study was collected through the use of one instrument, structured questionnaire and was validated by five Academic staff of the department of Hospitality Management, Auchi Polytechnic, all between the rank of senior lecturer and above. In developing measurement to represent the concepts, service

quality and customer satisfaction synthesized scale from the literature with those obtained from the field work. The initial measures were refined and pretested to enhance the validity and accuracy of the questionnaire. The questionnaire were divided into part A and part B. Part A was designed to get information about the socio-economic characteristics of the respondents, while Part B was designed to examine the quality service perception of the respondents through five dimensions of tangibility, rehabilitee, responsiveness, assurance, and empathy. In addition, part B includes one dimension for measuring customer satisfaction. A total of 478 questionnaires were distributed personally during the month of May and June 2021. Of these numbers, 395 questionnaires were found to be valid for analysis. The response rate was therefore 82% from the original sample population of 478.

Measurement

The questionnaire consists of two parts. Part A and Part B. Part A of the questionnaire sought answer for age of respondents, gender, marital status, educational level and No. of times customer had visited the hospitality outlet. Part B consists of twenty-one items related to quality service (adopted from Parasurama et al (1988) and six items related to customer satisfaction. Table (2) A five point Likert scale was used for data collection ranging from strongly disagree – 1, disagree – 2, indifference – 3, Agree – 4, Strongly Disagree – 5. SPSS 16.0 for windows was employed in order to obtain the result required for the scale measurement. Data obtained were analyzed using descriptive statistics analysis such as frequencies, percentage, mean and standard deviations and Pearson correlation for assessing the relationship between quality service dimension and customer satisfaction.

Results and Discussion

Results

Of the total number of 395 respondents surveyed, Table 2 below shows that majority of the respondents 156 (39%) were within the age bracket of 36-45, followed by 89 (22.5%) within the age bracket of 25 – 35, and 22.3% (88) respondents respectively who are within the age of 46-55 years of age. The result for Gender distribution of respondents shows that there were more male 216(54.7%) than female 179(45.3%). With regard to marital status of respondents, the results show that there were more married respondents 158(40%) than single 102(58.8), divorced 75(19%), widowed 60(15.2%) respondents respectively. The result for educational level distribution of respondents shows that majority of the respondents possess first degree or its equivalent 186(47.1%), followed by 133(33.7) for holders of post-graduate degree certificate amongst the respondents and 76(19.2%) of the respondents possess college certificate. Under occupation distribution, the results show that 238(60,3%) of the respondents works with the private sector, followed by 96(24.3%) of the respondents who are from public sector. Others are 54(13.6%) for self-employed and 07(1.8%) respondents for retirees respectively. The result for No. of visitation of respondents to patronized

hospitality outlet shows that 180(45.6%) of the respondents had visited the chosen outlet for more than three times, others are 94(23.8%) for respondents who had visited for three (3) times, 75(19%) respondents for twice (2 times) visit and 46(11.6%) response for visit to outlet just once.

Table 2: Socio-economic characteristics of respondents (n-395).

Personal factors	Frequency	Percentage (%)
Gender		\
Male	216	54.7
Female	179	45.3
Age:		
25 – 35	89	22.5
36 – 45	156	39
46 – 55	98	22.3
55 and above	62	15.7
Marital Status:		
Married	158	40
Single	102	25.8
Divorced	75	19
Widow/widower	60	15.2
Educational Level		
College certificate	76	19.2
First degree equivalent	186	47.1
Postgraduate degree	133	33.7
Occupation		
Public servant	96	24.3
Private sector	238	60.3
Self employed	54	13.6
Unemployed	-	-
Retiree	7	1.8
No. of Visit to Hospitality Outlet:		
Once (1)	46	11.6
Twice (2)	75	19
Three times (3)	94	23.8
More than three times	180	45.6

Source: Field Survey, 2021

The result from table 3 below shows that customer perceptions relating to tangible dimension, range from mean 3.22 to 2.33 with perceptual statement of outlet being neat and hygienic in presentation of facilities rated the highest mean. Perception item for quality service on reliability of the mean average, range from

3.32 to 2.80 with perceptual statement of reservation activities being carried out accurately, 3.32 and the least mean of 2.80 for error free records keeping.

Table 3: Mean and Standard deviation of perceived quality service elements on customers of studied hospitality outlets (n = 395)

Measured Variables	Mean	SD
Tangibility		
The hospitality outlet is visually appealing	2.34	.096
The hospitality outlet has modern facilities	2.33	1.03
The hotel employees appear very neat	2.45	1.12
The hospitality facilities are presented neatly and hygienic	3.22	1.23
Reliability		
Reservation activities are carried accurately.	3.32	0.98
The hospitality outlet show sincere interest in attending to guest inquiries and queries	3.07	1.13
The hospitality outlet provide error free records	2.80	1.05
The hospitality outlet informs guest about time of service availability.	2.93	1.11
The hospitality outlet do not inflate service bills	3.02	.096
There is no compromise to service quality in this outlet.	3.23	1.06
Responsiveness		
The employees of this outlet are polite and courteous.	3.87	0.94
The hospitality outlet provides special attention to each guest.	3.93	0.06
The employees are willing to assist guest at all times.	3.89	1.05
The employees are prompt to providing services.	3.67	0.74
Assurance		
The employees' attitude instills confidence on customers.	4.13	1.06
The hospitality employees have job knowledge and experience.	2.68	0.93
Customers can trust the employees with their personal belongings.	3.19	0.98
The hospitality outlet provides convenient operating hours to all customers.	3.83	1.36
Empathy		
The employees always apologize for any service failure.	3.03	0.98
The hospitality employees listen carefully to customer's complaint.	2.33	1.01
The employees understand the customer's requirement.	2.23	0.98
Customer Satisfaction		
Intend to continue patronizing this hospitality outlet.	3.02	0.97
I will recommend this outlet to other customers	2.32	0.99
My choice of this outlet is a wise one.	2.24	1.43
I consider the service provision of this outlet as excellent.	3.13	1.33
I shall always inform the staff when I am not satisfied.	3.14	1.34
I will always say positive things about this outlet.	3.15	1.36

Source: Field Survey, 2021

For quality service perception item on Assurance, the mean average of perceptual item range from 4.13 to 2.68 with perceptual item of employee attitude instill confidence on customers being the highest mean average (4.13) for quality

service perceptual item on Empathy the mean average of measured item range from 3.03 to 2.23, with perceptual item of employee always apologizing for any service failure rated the highest mean average (3.03). The least mean average perceptual item was employee understanding customer requirement 2.23. This shows the importance of apology from employees of hospitality outlet for any form of service failure.

Pearson correlation was conducted to assess the relationship between the quality service dimensions and customer satisfaction. The results show a positive statistical significance between the three dimensions of service quality (Reliability, Responsiveness, and Assurance) and customer satisfaction. No relationship was however established with empathy and tangibility service quality dimension.

The mean is derived from a scale of 1- Strongly disagree to 5- Strongly Agree.

Table 4: Correlation between the quality of service dimension and customer satisfaction

Option	Tangibility	Reliability	Responsively	Assurance	Empathy
Customer satisfaction	0.44	.216*	.206*	.193*	.133
	.338	.023	.011	.039	.237

Discussion

The result of the respondents profile shows that there were more males (54.7%) than females (45.3). this is consistent with the study carried out by Suleiman (2011), which revealed that the male proportion of respondents in his study of perceptions of service quality in Jordanian hotels were more than female respondents. This study also reveals that majority of the respondents were between the age bracket of 36-45 years (39.5%) and therefore are young active, and mobile with enthusiasm to visit hospitality outlet more often than the older population. For marital status, the percentage of married respondents was more (40%) which shows that respondents are very responsible, mature and considerate in providing answers to the questionnaire items. This is equally consistent with the study conducted by Umesh Gurathne (2014) on the relationship between service quality and customer satisfaction in Srilankan Hotel Industry, where the number of married respondents were more with 47% of the total sample for population for the study. For qualification of the respondents, findings reveals that majority of the respondents posses at least a first degree/ equivalent (47.1%), and consistent with the study of Green and Oluwole (2014) on factors affecting the improvement of service quality at University of Technology, South Africa, which shows that majority of the respondents possess at least a first degree (50.1%) which indicates that the respondents for the study are highly informed and educated, to be in a position to provide answer for the questionnaire items. The result of the customer perceptions regarding the statement s relating to the three dimensions of service quality (Reliability Responsiveness and Assurance) and the customer satisfaction shows a positive statistical significance, while no relationship was found with empathy and tangibility quality service perception item. This is at variance with

the result of Kukoyi and Iwuagwu (2015) which confirmed that the five dimensions of service quality has been related to customer satisfaction. This result is however consistent with the outcome of the research conducted by Alkhatab et al (2011). All these findings support the claims that the numbers of service quality dimensions vary depending on the types of service being offered, and that different measures should be developed for different service context (Lam et al, 1991). The result of the customer perceptions regarding empathy dimension appear to be less positive, than their perception of other dimensions. This shows that hospitality outlets must understand that all customers are not the same and that market should be segmented for the purpose of grouping customers based on similar demographic factors, expectation and their service requirements, This will go a long way in achieving the best possible satisfaction that will result into consistent patronage on the part of customers.

Conclusion

Service quality is an important driver of customer satisfaction and behavioral intentions. Hospitality business operators should give needed attention to customer satisfaction especially as it has to do with their delight. Hospitality business operators should pay more attention to the tangible aspects of the service quality as it is indicated in this research that tangible dimension has the lowest perception scores. This means that emphasis of area of improvement should be on equipment and physical facilities, appearance of employee, materials associated with service and operating hours of the hotel. Hospitality operators should equally note that empathy was the most important dimension in predicting hotel customer overall service quality evaluations. The terms 'satisfaction' and 'quality' have been a central hospitality management philosophy, and their importance continues with the promise of renewed, foreseeable prosperity for hospitality industry of the future.

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About the Authors

Dr Shaibu, Achimi Hashim holds an M.Sc and a Ph.D from Imo State University and federal University of Technology, Akure (FUTA), Nigeria. His research interest focuses on Food Service Standard, food hygiene, food service marketing, rural tourism resource management, community tourism participation, tourism resource protection, conservation and sustainability. He has participated in numerous conferences and workshops both locally and internationally, where he had contributed significantly to current research issues in hospitality and tourism management. E-mail: haribs2010@gmail.com.

Okorejior, Fatima Astesioya is a Principal Lecturer in the Department of Hospitality Management, Federal Polytechnic, Auchi, Edo State, Nigeria, a former Head of Department. Her research interest is in the area of food production, product development, and standardization. E-mail: astieok2000@yahoo.com.

Aniemeke, Catherine Ndubuisi, holds a master degree (M.Sc) in hospitality and tourism management of the Imo State University, Owerri, Nigeria. Her research interest is in the area of local food preservation, food costing and control, indigenous food production and promotion. She has attended conferences and workshops locally, where she has contributed significantly to knowledge. E-mail: catherine100percent@gmail.com