2012

Customer satisfaction towards service quality in 5star hotels industry in Paphos

Mikellides, Epiphanios

Business Administration Programm, School of Economics Sciences and Business, Neapolis University Paphos

http://hdl.handle.net/11728/7596

Downloaded from HEPHAESTUS Repository, Neapolis University institutional repository
CUSTOMER SATISFACTION TOWARDS SERVICE QUALITY
IN 5STAR HOTELS INDUSTRY
IN PAFOS AREA

By

EPIPHANIOS MIKELLIDES

MASTER IN BUSINESS ADMINISTRATION
NEAPOLIS UNIVERSITY
PAFOS, CYPRUS
2012

SUBMITTED TO THE FACULTY OF NEAPOLIS UNIVERSITY
IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR
THE DEGREE OF
MBA
CUSTOMER SATISFACTION TOWARDS SERVICE QUALITY
IN 5STAR HOTELS INDUSTRY
IN PAFOS AREA

DISSERTATION

ADVISOR
PROFESSOR ANDREAS KAKOURIS

PROGRAM DIRECTOR
PROFESSOR JOHN POLITIS
Abstract

Purpose - This research project aims to assess the views of customers about the service quality which tourism receive in 5star hotels in Pafos, Cyprus. Thus it is essential that service providers understand and assess customer’s expectation and perception level towards service quality offered by 5star hotels in Pafos in five dimensions: tangibility, reliability, responsiveness, assurance, and empathy.

Methodology/approach/design - The objectives of this research have been achieved through review of various literatures in service quality management and quality measurement of tourism. This work has begun with the concept of quality of service and shown the model of the gaps of service quality. The paper results have been obtained through a survey. Approximately 300 questionnaires were distributed to three 5star hotels in Pafos area. The number of respondents who participated was 230. SERVQUAL model/Gap Model was used to measure customer expectations and perceptions of service quality.

Findings - The main findings of this research work are: the quality may be regarded as a philosophy for guiding tourism organization/destination when taking decisions related to tourism services. Tourism business environment in 5star Hotels, in overall score of the five dimensions, does not support customer satisfaction, is still a need for things to be done, such as improving environmental conditions, internal improvement of the quality of services and improving the level of safety and protection.

Research limitations/implications - There is a number of constraints which faced this research paper, they are:

- The sample size is small, compared with the size of total population 5star Hotels had yearly, that was reflected on the level of reliability of the research results.
- The limited time allowed to the respondents was reflected on the validity of the research outcomes, because they interviewed at the last time of their journey by the time they are ready for departure.
- The questionnaire had no use of weights at the questions, or classification of the customers based on their sex, age and if they are repeaters or not, the results of the research can be very useful to the hotel management in order to improve the service level of this specific unit.
Practical implications - A useful source of information about service quality management and how practitioners can measure it. It provides general guidelines for improving the quality service for tourism services in total manner in 5star Hotels in Pafos area and in Cyprus in general.

Keywords Tourism, Service Quality, Customer expectations/perceptions, Hotels, Gaps, SERVQUAL
Acknowledgements

I would like to thank all those who helped me through the project thesis of the Master in Business Administration program. I would begin by sincerely thanking my academic supervisor, Prof. Dr. Andrea Kakouris for his cooperation and the unyielding support he gave to me. I appreciate his efforts because he offered my all the necessary guidelines we needed in order to achieve this academic task.

I would like to thank the management and the staff of the three 5star Hotels in Pafos area for their cooperation and support. Special thanks to all customers for giving my answers to my questionnaires and those who gave extra support in making my work have a better quality.

Finally, I am grateful to my boss and my colleagues for their understanding and support. I also thank all my friends for their encouragement.

I deeply wish to pay highest tribute to my wife and my children for their love, support, encouragement and advice. To them I dedicate this study.
# TABLE OF CONTENTS

Abstract.................................................................................................................................................. 3

Acknowledgements.................................................................................................................................... 5

TABLE OF CONTENTS.......................................................................................................................... 6

List of Tables............................................................................................................................................. 7

List of Figures........................................................................................................................................... 8

List of Charts........................................................................................................................................... 8

CHAPTER ONE: INTRODUCTION........................................................................................................ 9

CHAPTER TWO: LITERATURE REVIEW............................................................................................... 12

2.1 Introduction......................................................................................................................................... 12

2.2 Background information of Tourism in Pafos.................................................................................. 12

2.3 Service Quality Concept..................................................................................................................... 15

2.4 Service quality Management in Hotel Industry................................................................................ 18

2.5 Gap model / Servqual......................................................................................................................... 19

2.6 Application of the SERVQUAL Model in Different Contexts....................................................... 25

CHAPTER THREE: METHODOLOGY.................................................................................................... 27

3.1 Research Approach............................................................................................................................. 27

3.2 The Questionnaire.............................................................................................................................. 28

3.3 Data Collection Approach................................................................................................................ 29

3.4 Ethical issues....................................................................................................................................... 30

3.5 Analysis of Data Method................................................................................................................... 30

3.6 Gap Analysis..................................................................................................................................... 31

3.7 Reliability Analysis............................................................................................................................ 31

CHAPTER FOUR: DATA ANALYSES/FINDINGS.............................................................................. 33

4.1 Introduction......................................................................................................................................... 33

4.2 Reliability.......................................................................................................................................... 33

4.2.1 Expectations Statement.................................................................................................................. 33
CHAPTER FIVE: DISCUSSION OF FINDINGS

5.1 Introduction

5.2 Tangibles

5.3 Reliability

5.4 Responsiveness

5.5 Assurance

5.6 Empathy

5.7 Overall

5.8 General Discussion

CHAPTER SIX: CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

6.2 Recommendations to Hotels management

6.3 Limitations

6.4 Implications of the Study

6.5 Suggestions for further research

References

Appendix A: Servqual Questionnaire

List of Tables

Table 1: Tourist Arrivals by Country of usual residence – 10 top Countries

Table 2: Distribution of Tourist arrivals per District 2010

Table 3: Percentage Distribution of Tourists by type of accommodation

Table 4: Hotel units and beds in operation in Pafos as at 13.06.2012

Table 5: Quality Definition sand implications

Table 6: Overview of the determinants involved in the research

Table 7: Example of one column format Questionnaire

Table 8: Questionnaire response from Hotels
Table 9: Reliability Coefficient (Cronbach's alphas) Expectations by Hotel ........................................ 34
Table 10: Reliability Coefficient (Cronbach's alphas) Perceptions by Hotel ........................................ 35
Table 11: Service Quality Gap (Perception – Expectations) ................................................................. 37
Table 12: Descriptive Statistics ........................................................................................................... 43

List of Figures
Figure 1: Perceived Service Quality model ......................................................................................... 17
Figure 2: Service quality gap model .................................................................................................. 21
Figure 3: Measuring service quality using SERVQUAL model ..................................................... Error! Bookmark not defined.

List of Charts
Chart 1: Gap Analysis per Dimensions (Perceptions – Expectations) .............................................. 36
Chart 2: Total Average (Mean) Perceptions – Expectations by Hotel .............................................. 36
Chart 3: Gap Analysis for all Hotels by Dimension .......................................................................... 45
Chart 4: Perceptions – Expectations for all 3 Hotels ..................................................................... 45