CUSTOMER SATISFACTION AT ALONI ALL-SUITE HOTEL IN THE PENINSULA AREA OF AKAMAS IN THE COUNTY OF PAFOS-CYPRUS

AN APPLICATION OF THE SERVQUAL MODEL

By:

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Dissertation

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Dedication

This dissertation is dedicated with love to my family.

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Special thanks go to Mr. Michael Leptos the founder of Neapolis University Pafos.

I wish to thank all my professors and lecturers who assisted me during my MBA program at Neapolis University Pafos. Mostly, I wish to thank my tutor Professor Mr. Andreas Kakouris for his guidance, assistance, patience, support and motivation throughout all stages of my research, and of course my wife Helen, my son Alexander, and my daughter Kostantina for their ongoing support and belief in my ability.

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A B S T R A C T

Purpose: This dissertation aims to study customer satisfaction at Aloni All-Suite hotel in the county of Pafos in the Republic of Cyprus.

Design/Methodology/Approach: The conceptual model for measuring service quality used for this study is SERVQUAL. The sample is made up of 60 hotel visitors who stayed in the hotel from May to July 2012. The questionnaire consists of two parts. Part one examines quality service expectations of the customers and part two their quality service perceptions. Each part composes of twenty two service quality items.

Findings: The results with respect to gap analysis reveal negative quality gaps for the quality service attribute of "Tangibility", "Reliability" and "Empathy" with the largest gap being found in tangibles and positive quality gaps for the quality attributes of "Assurance" and "Responsiveness with the largest gap being found in assurance. Negative gaps indicate that customers' expectations are not met and positive gaps show that customers' expectations are met or even exceeded. The Cronbach's alpha values indicate a good to excellent internal consistency of the scale, with the scale of "responsiveness" only to fall into questionable area. T-test suggests that the quality dimension that has the greatest predictive capability is *Tangibility* while *Reliability, Responsiveness, Assurance* and *Empathy* are not significant in any case.

Research Limitations/Implications: The research was carried out only in one tourist lodging in the county of Pafos for the purpose of consultancy, it focused only on two ethnic groups; British and Greeks, and there is not a universal standard formula to estimate the precise sample size.

Originality/Value- Small and family owned hotels are very significant for the economy of Cyprus. Therefore, the service quality offered by hotels is of great importance and a strategic issue for increasing the competitiveness and creating customer loyalty. This study is useful and necessary because it focuses on service quality, but also because service quality in hotels has received little attention from professional and scholars.

Keywords: Tourism, Service Quality, Customer Satisfaction SERVQUAL, Hotel.

Chapter One: Introduction

Nowadays the service sector employs a considerable portion of the world's workforce and contributes significantly for the growth for both the local and international economies. The tourism industry as one of the largest service industries of the world is without any reservation one of the largest and most important employers that is having a tremendous impact on the prosperity of the countries. Hotels are the tourism sub-sector that provides the greatest total employment in global terms and probably accounts for the highest level of receipts (Cooper *et al.,* 2008). This is also true for Cyprus which is considered today one of the most favorite and popular holiday destinations for the European holiday makers.

Service quality in hotels has been recognized as very important (Callan, & Bowman, 2000; Callan & kyndt, 2001; Danaher & Mattson, 1994; Min et al., 2002, Saleh & Ryan, 1991) but, there has been limited research that has addressed the structure and antecedents of the concept. According to Berry *et al.* (1989), service quality of the hotel industry affects brand image, customer satisfaction and loyalty, and profit as well. Therefore, service quality in hotels should address customer needs and include plans for improving service quality. Furthermore, service quality in hotel industry requires an in-depth investigation on the dimensions and attributes of the hotel service quality in order to better measure service quality. Thus, using the results of the measurement, hotel managers can effectively improve their service quality.

The fact that products and services today look more and more identical due to the expansion of technology, production methods and globalization, customers seek for unique and specific attributes of products and services that distinguish them from competition. Quality will be the key role for success in differentiating the products or services. Recent researches show that the service sector has become the prominent element of world economy and that service quality has the centerpiece of business management strategy (Ghobadian *et al*., 1994).

For this reason quality of the service must be measured, and evaluated periodically so that service quality will be improved and maintained. There are a lot of ways to measure the quality in services such as statistical methods, benchmarking, ServPerf (Service Performance), LodgQual (Lodging Quality), HolSat (Holiday

Satisfaction), SERVQUAL (Service Quality), (Brown, Churchill, & Peter, 1993; Cronin & Taylor, 1992; Tribe & Snaith. 1988; Parasuraman *et al.,* 1985), etc.

There has been a limited research that has addressed the structure and antecedents of the concept. A number of authors have researched the selection criteria consumers' use in choosing hotels (Ananth *et al.,* 1992; Callan 1998; Callan & Bowman, 2000; McCleary *et al.,* 1994; Weaver & Oh, 1993).There has been little research that has studied the performance of the lodgings in relation to the customers' selection criteria. There is a need to more clearly identify the structure and the antecedents of the service quality in the hotel industry, given the importance of service quality and its relationship to customer satisfaction (Buttle, 1996; Caruana, 2002; Oh, 1999; Parasuraman *et al.,* 1985, 1988) and loyalty (Bloemer & Kasper, 1985; Buttle, 1996; Caruana, 2002; McDougall & Levesque, 2000).

The aim of this study has been defined to measure and determine the quality service attributes, as suggested by Zeithaml *et al*. (1998) i.e. Tangibility, Reliability, Responsiveness, Assurance, and Empathy at a small privately owned All-Suite Hotel, the only one of its kind, in the peninsula area of Akamas in the county of Pafos – Cyprus. Family and small hotel businesses are an attractive choice for holiday makers and they are without any doubt, the backbone of the country's tourism industry, and thus its economy. Unfortunately, in the Republic of Cyprus there has been no serious and academic research concerning the service quality and the customer satisfaction in the hotel industry.

There will be five sections in this study. The conceptualization of the service quality and especially in hotel industry will be discussed and supported. The methodology used in the study will be explained in detail. The results and discussion of the findings will be given and analyzed, and finally the conclusions, recommendations, and limitations of the study will be provided.

Chapter Two: Literature Review

2.1 Quality in Tourism

Among the service industries tourism is especially significant in terms of its sensitivity to quality issues, impact on national economies, and recent expansion. For many countries, international tourism has been an indispensable source of foreign-currency earnings. According to World Travel and Tourism Council (WTTC) the industry will contribute $2 trillion in GDP and 100 million jobs to the global economy in 2012. When, anyway, the wider economic impacts of the industry are taken into account, Travel & Tourism is forecast to contribute some $6.5 trillion to the global economy and generate 260 million jobs –or 1 in 12 of jobs on the planet (WTTC, 2012).

Quality in tourism is very important issue and without any doubt dictates the success of the tourism business. Quality in tourism, according to the World Tourism Organization WTO (2003) can be defined as:

...the satisfaction of all the legitimate product and service needs, requirements and expectations of the consumer, at an acceptable price, in conformity with underlying quality determinants such as safety and security, accessibility, transparency, authenticity and harmony of tourism activity concerned with its human and natural environment (WTO,2003).

Kandampully (2000) has emphasized that quality will be the main driving force of tourism as travel firms strive to meet competitive challenges of the future. In (2001) Von Friedrichs Grängsjö identified five main factors that shape and affect the tourism product. These factors are:

1. Tourism is dominated by services; this means that the various services have to be produced in the presence of the customer. In other world there is an interaction with suppliers of those services.

2. Seasonal variations, including climatic seasons and the time of vacation can influence demand for tourism, therefore many staff members are hired for only short periods of time resulting sometimes to a degraded quality.

3. The tourist industry consists of a mixture of private-sector and public-sector organizations. This means that the tourist industry operates within two systems that have different requirements, rules and forms of control.

4. The tourism industry is fragmented, that is to say, it consists of various small companies working in various business areas such as hotel, travel, car rental, food and leisure.

5. Tourism composed of a number of ingredients experienced over a certain time, and it is seldom the case that one actor has control over all components.

As a result "tourism quality" becomes a complex concept. Tourism quality can be described as a jigsaw puzzle that has many parts that must fit to perfectly satisfy the tourist. Nevertheless, despite these difficulties, satisfying the tourism customer is important –not only because it leads to positive word-of mouth recommendations and repeat customers, but also because a lack of satisfaction leads to complaints and dealing with such complaints can be expensive, time-consuming and injurious to a destination's reputation (Swarbrooke and Horner, 2001).

2.2 Service Quality

The term "service" has been defined in various ways. Grönroos (2002) defined service as follows:

A service is an activity or a series of activities of a more or less intangible nature that normally, but not necessarily, takes place in the interaction between the customer and service employees and /or physical resources or goods and / or systems of the service provider, which are provided as solutions to customer problems.

It is well recognized that product and service –delivery organizations all over the world attempt to achieve and sustain a specific and distinguish position over their competitors through creating and delivering products and services that will fulfill their customers' satisfaction and consequently to create and sustain resoluteness and loyalty in them. On the other hand , customers and consumers are always in seek of suppliers that offer services and goods that not only meet but exceed their expectations. Today's open market demands not only cheaper products and services

but also better product and services (Gray and Larson, 2007). Because today, there are many suppliers and service organizations that offer products or services with relatively equal quality, the customers try to consider other quality factors / indexes that distinguish the product or service apart from the apparent specifications of the product. For these reason the service organizations should identify these unique factors/ indexes, so that they will respond to customers' expectations by offering goods and services to satisfy the specific demands of the customers.

The definition of service concept is a fundamental part of the strategic advantage seeking processes of service design, service development and service innovation (Goldstein *et al.,* 2002). Services are spread into a lot of areas such as hotels, travel and tourism, car servicing, health, higher education, airlines, hospitals government, transportation, accounting and so on. The fact that services combine a lot of heterogeneous activities they become more complex, and therefore defining services becomes a more complicated issue as well.

Kotler and Armstrong (1996) define service as any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything, and they continue that a service possesses four major characteristics, which are; Intangibility, variability, inseparability, and perishability, see Figure 1.

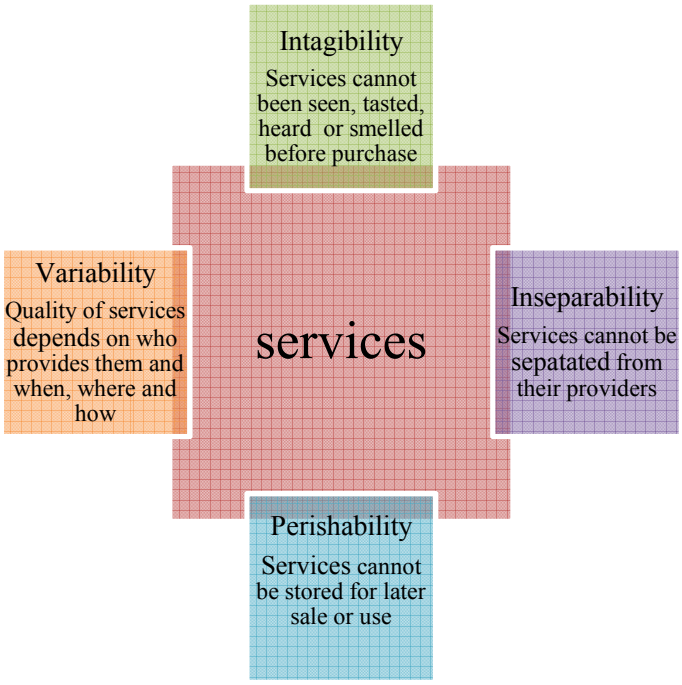

Figure1: The four service characteristics as presented by Kotler (1996)

Dibb *et al*. define service as the application of human or mechanical effort to people or objects in order to provide intangible benefits to customers (Dibb *et al.*, 1997). Service is an economical activity which obtains shape, time, place and psychological benefits. Goetsch and Davis (1998) see service as to execute a work for someone else, while Edvardsson and Olsson (1996) see a service concept as a detailed description of what is to be done for the customer and how this is to be achieved. Goldstein *et al.* (2002) see service as a mixture of both physical and non-physical components that combine to create the service package. Various definitions and in depth analysis of service concept are of a great value to service managers as they provide them with the framework in understanding what a service concept should be, and therefore to develop those strategies that will enable them to achieve the organizational mission and vision.

Researchers have defined quality in different ways. This quality construct has been variously defined as a value (Feigenbaum, 1951), conformance to requirement (Crosby, 1979), fitness for use (Juran *et al*., 1974) and meeting customers' expectations (Parasuraman *et al*., 1985). Garvin (1988) defined perceived quality as the subjective perception of quality through indirect measures of quality comparison. Customers defined quality in various ways. In general sense, quality may be defined as meeting or exceeding the expectations of the customers.

In his landmark book "Out of the Crisis", quality pioneer W. Deming has this to say about quality:

"*Quality can be defined only in terms of the agent. Who is the judge of quality? In the mind of the production worker, he produces quality if he can take pride in his work. Poor quality, to him, means loss of business, and perhaps of his job. Good quality, he thinks, will keep the company in business. Quality to the plant manager means to get the number out and to meet specifications. His job is also, whether he knows it or not, continual improvement of leadership"* (Goetsch and Davis, 2010).

But, any discussion about quality must include Kaoru Ishikawa, the Japanese quality guru. Kaoru Ishikawa defines quality as follows: (1) quality and customer satisfaction is the same thing and (2) quality is a broad concept that goes beyond just

product quality to also include the quality of people, processes and every aspect of the organization. It is observed for one more time that quality is synonymous to customer satisfaction.

The study of quality in business and government is becoming consolidated as a necessary alternative driving an organization's success. The interest in service quality comes from the numerous advantages of the philosophy of excellence, such as augmenting the number of loyal users , increasing the attraction of new customers , presenting opportunities for organizational development , improving cost reduction policy and optimizing the institutional image, reinforcing the permanence of its members(Salvador-Ferrer , 2010).

Rust and Oliver (1994) reported that the best way to analyze quality is with an objective formula, by evaluating the resources available. By this paradigm, quality is established in standard terms or adjusts to certain institutional standards. On the other hand there are authors who study quality from more subjective perspectives, especially based on customer opinion, which is a vital criterion in finding the requisites that an "ideal" service must have (Bolton and Drew, 1991). Slack *et al. (2010*) defines quality as the consistent conformance to customers' expectations. Slack's definition stresses the strong and continuous provider-customer relation. The word 'conformance' implies the need of meeting specific standards and specifications; while the word 'consistent', implies that the process to achieve quality is designed under specific requirements. In other words, the process itself has to incorporate quality requirements to be continuous, and always focused and tailored to the customers' expectations.

Parasuraman *et al.* (1985) stress that service quality is an abstract and elusive construct, because of three features unique to services: intangibility, heterogeneity, and inseparability of production and consumption. In addition, Reid and Sanders (2007) argue about the intangibility of the service processes and support the opinion that quality of services is often defined by perceptual factors. A number of these factors are the responsiveness to customer needs, the ability to respond on time, courtesy and friendliness of staff, promptness in resolving complaints, etc.

Bitner (1992) and Mossberg (2003) have both associated the term experience to service quality. To be more accurate, Bitner (1992) suggested the expression "servicecape" in order to describe the spherical perception of the customers as regards the services being offered to them. Later, Mossberg (2003) developed this further to encompass tourism in discussing so- called "experience areas". According to Mossberg (2003) these " experience areas" can include several destinations over extended geographical distances and quite long periods of time –because according to Mossberg(2003) an "experience" can include different sub-elements while still considered as a single entity. Finally, in some specific cases it could be a difficult task for a customer to ascertain the exact nature of the result of a service (Zeithaml and Bitner, 1996). This means that the outcomes of services performed by doctors, academics, engineers, and others are not always self-evidently 'good" or "bad" (Zeithaml & Bitner, 1996).

Grönroos (1993) stated that service quality was developed based on the information/disconfirmation concept in the perceived service quality model introduced in 1982. The notion of the model explains that perceived quality is the result of comparing a consumer's real experience with his/her expectation of the service. An organization can only reach at high levels of quality service, only if the organization has the way to understand its customers' expectations. By doing so, then the organization can establish service improvement programs, which include issues of customer segmentation, service culture, communication to customers, recruitment and training of service personnel, empowerment of employees, and appraisal systems. These measurement and programs support the customer loyalty, leading to increase in market share, higher returns to investors, reduction in costs, lowering vulnerability to price competition, and establishment of a competitive edge (Knutson, 1988; Render *et al.,* 2000; Wuest, 2001). When high quality service is established then it creates customer satisfaction that generates increased market share and profitability of the providers (Hoffman & Bateson, 1997).

The development of technology has managed to increase production and make products to be seemed as identical. What differentiates products in the competitive market is quality (Denburg & Kleiner, 1993). Quality in service is very important in the hotel industry because it can be seen as a differentiating factor. It has been

identified as one of the most effective (albeit difficult) means of building a competitive position and improving organizational performance (Lewis, 1993). Therefore, service quality can be a differentiating factor among hospitality properties that provide similar services within a small geographical area. In the hospitality industry the major issue of its members should be the delivery of consistent quality to its customers that will lead to customer satisfaction. Philip Kotler (1996) defines customer satisfaction as "The extent to which a product's perceived performance matches a buyer's expectations. If the product's performance falls short of expectations, the buyer is dissatisfied. If performance matches or exceeds expectations, the buyer is satisfied or delighted. Customer satisfaction is an important topic for both researchers and managers. The reason is that when satisfied customers exist then this leads to an increase in repeat patronage among current customers. As a result this supports and aids customer recruitment because it enhances the market reputation of the organization. Customer satisfaction increases customer retention. As a result the customer retention is dependent on the substance of the relationship between parties which can also be affected by the kind of the serviced delivered. The service must have the characteristics customers want, and those characteristics must be of the quality expected. The customers' interaction with the service organization and how this interaction is measured are important. It is not enough just to make a good service available because customer satisfaction will be affected by how effectively, courteously, and promptly customers are served and therefore, the appearance, knowledge, and attitudes of an organization's personnel will also affect customer satisfaction. Customers choose the organizations they want to make business with, and they choose those organizations whose personnel are knowledgeable, professional in appearance, and positive. Such relationships promote loyalty (Goetsch & Davis, 2009).

Hard and Troy (1986) suggest that one of the greatest challenges facing service marketers in the hospitality industry is to develop a system by which to control service variability – a system that not only adapts the quality control methods developed by manufacturing industries to the unique problems and situations of service industries, but also one that explores new methods of tracking and controlling the consistent delivery of quality services. The key to quality is consistency, and the keys to consistency are the standards that a property (hotel) develops by coordinating

the expectations of quests, employees, and the management into agreed upon levels of performance for every position throughout the organization. However, standards alone do not assure quality; people assure quality. Only the people within the organization can make quality a reality by working together to develop, communicate and manage quality standards. This kind of cooperation becomes possible only when everyone within the organization absorbs a common language, a common set of values, and a common set of objectives and goals.

It is important for the quality of the product to be controlled, especially in relation to the process of service delivery. This is because relative quality between services providers or retailers has implications for market share and profitability (Cooper *et al.,* 2010). As a result, quality is one of the key components that contribute to a successful strategy. Quality has emerged as a major competitive component of a service organization's strategy. However, despite the importance of quality in the hospitality industry, many managers apparently do not know how to measure and evaluate it. In addition, existing measurements of service quality are controversial in terms of generating reliable information for management (Hoffman & Bateson, 1997).

It is therefore, very important to create systems of quality control which will ensure and monitor a constant and approved quality level in the hospitality industry. To this end Total Quality Management is the art of managing the whole to achieve the excellence. "Total quality Management is a management approach for an organization, centered on quality, based on the participation of all its members and aiming at long term success through customer satisfaction, and benefits to all members of the organization and to society" (Kakouris, lecture 2012). TQM is managed by quality assurance arrangements that guarantees more quality control for a consistent and approved quality service by all the parties involved (Cooper, *et al.,* 2010).

In summary the term "quality", can be judged subjectively by consumers leading to the conclusion that it is a difficult concept to assess and measure. It is even more complicated to evaluate, assess and measure quality within the tourism sector, because tourism quality includes many interactions with a variety of providers, but also because services are an essential and integral part of the tourism experience,

service quality is beyond any doubt a vital and an important aspect of satisfying tourists.

2.3 Hotel Service Quality Attributes

Because of the four elements that characterize services, that is, the perishability, the variability, the inseparability and the intangibility, the consumers' perceptions of satisfaction criteria may include contextual cues that they use to evaluate the service quality and to make decisions about future patronage, whether or not they experienced the hotel's products and services before (Bitner, 1990; Parasuraman *et al.,* 1985). Wuest *et al.* (1996) defined perceptions of hotel attributes as the degree to which travelers find various services and facilities important in promoting their satisfaction with hotel accommodations. The intangible nature of services, the presence of consumers at the point of production and delivery, and the people-intensive nature of service interaction are among the many factors that contribute to service variability. Some service businesses have tried to eliminate service variability by isolating a "technological core" of service and minimizing the interaction between customers and employees. However, in the hotel industry, this strategy of reducing the human element in the service delivery system is seldom or even desirable.

There have been a lot of researches of the needs and the characteristics of holiday makers. Reviews of the literature suggest the travelers evaluate various hotel attributes for hotel choice decision. The prioritization of the hotel attributes depends on the age, sex, educational and financial background, and the ethnicity of the travelers. But, most of them consider the cleanliness, location, room rate reputation and service quality as the most important hotel attributes. In a research conducted, Atkinson (1988) reported that cleanliness of accommodation, followed by safety and security, accommodation value for money, and courtesy and helpfulness of the staff were the top attributes for travelers in hotel choice decision.

In this context various quality models were developed in order to measure the desired and the adequate service, and therefore customer satisfaction and customer retention. Grönroos (1982) developed a model to explain what he called the "missing service quality concept". The model focuses mainly on the construct of image, which

represents the point at which a gap can occur between expected service and perceived service (Cooper *et al.* 2008). Grönroos makes us more aware of the ways image is created from the aggregation of different aspects of the technical and functional variables. He defined the perceived quality of the service to be depended on two variables the "experienced service" and the "perceived service" which collectively provide the outcome for evaluation. He goes a step further, and distinguishes between technical quality and functional quality. He explains that the technical quality is what actually the customer is receiving from the service. This is capable for objective measurement, as with tangible goods. The functional quality refers to how the technical elements of the service are transferred. For example, in a restaurant the customer will not only evaluate the quality of the food received but also the way in which the food was delivered to him (Cooper et al., 2008*).* Getty and Thompson (1994) developed LODGQUAL model (Lodging Quality) to measure quality in hotels based on SERVQUAL. In 1992, Cronin and Taylor launched alternative methodology of measuring called SERVPERF (Service Performance). SERVPERF does not actually measure service quality because it does not measure expectations. It measure customer's satisfaction (Cronin, & Taylor, 1992). SERVQUAL model instrument has also been used as the basis for developing other models, as for example the HOLSAT model (Holiday Satisfaction), which assesses service quality respectively tourists' satisfaction with destination (Tribe, & Snaith, 1988).

2.4 SERVQUAL Model

SERVQUAL meaning service quality is a multi-item instrument that quantifies the difference between customer's service expectations and customer's perception of the actual service received. When Parasuraman *et al.* (1985) introduced their model for a first time; they presented ten dimensions of service quality.

1. *Tangibles.* The appearance of housing, equipment, staff uniforms and so on.
2. *Reliability.* The ability to deliver the promised service.
3. *Responsiveness.* The readiness of the staff to provide any assist to customers in a nice and effective way.
4. *Competence.* The capability of the members of the organization in executing a service.

5. *Courtesy.* The respect, politeness, and thoughtfulness of the staff being in direct contact with the customer.
6. *Credibility.* Honesty and trustworthiness of the service provider.
7. *Security.* Absence from doubt, economic risk and physical danger.
8. *Access.* Accessibility of the service giver.
9. *Communication.* To communicate in an understandable way and language.
10. *Understanding the Customer.* The service provider does all these necessary efforts and actions in order to get to know and understand the customer.

Some dimensions were to narrow to each other and confusing. To be more specific, tangibles features such as personnel's or property appearance are relatively easy to assess. However, intangibles characteristics such as understanding clients' needs, trusting staff, feeling safe dealing with staff or staff having guests best interest at heart may be extremely difficult for the clients to evaluate but also for professionals. For this reasons the authors and as a result of a further study, Parasuraman *et al.* (1988) proposed a five –dimensional scale and their significance as showed in Table 1.

Table1: The quality dimensions and their weight.

Dimension	Weight (%)	Definition
Reliability	30	Doing what it has been promised
Responsiveness	25	Willingness to help and provide prompt service
Assurance	20	Conveying trust and confidence
Empathy	15	Ability to see through the customer's eyes
Tangibles	10	Equipment, physical facilities, staff uniforms ,etc.

Source: Zeithaml *et al.* (1990)

SERVQUAL has been used to measure service quality in different service industries such as: healthcare sector(Carman, 1990; Babakus & Mangold, 1992; Headley & Miller, 1993; Lam, 1997;Kilbourne *et al.,* 2004); banking (Lam, 2002; Zhou *et al.,* 2002); fast food (Lee & Ulgado, 1997); telecommunications (Van der Wal *et al.,* 2002); retail chain (Parasuraman *et al.,* 1994); information systems (Jiang et al.,2000) ; and library services (Cook & Thomson, 2001). The SERVQUAL instrument has been applied in various countries; these have included: the United states (Babakus & Boller, 1992; Pitt *et al.,* 1995; Jiang *et al.,* 2000; Kilbourne *et al.,* 2004); China (Lam, 2002; Zhouet *et al.,* 2002); Australia (Baldwin & Sohal, 2003); Cyprus (Arasli *et al.,* 2005); Korea (Kettinger *et al.,* 1995); The Netherlands (Kettinger *et al.,*1995); and the UK (Pitt *et al.,* 1995; Kilbourne *et al.,* 2004).

The SERVQUAL scale has been adapted for the purpose of evaluating service quality in tourism industry as well. It has been applied to measuring service quality in hotels (Ekinci, & Riley, 2001), and winter resorts (Weiemair, & Fuchs, 1999). Cliff and Ryan (1994) used the same scale to measure quality of travel agencies and remarkably they found, as a rule, clients perceive material elements and the skills of the personnel positively, and they are less concerned with the reliability provided. Zeithaml and Bitner (2000) argue that the dimension *'Reliability"* has been consistently shown to be the most important from all five SERVQUAL dimensions in the study of service quality.

Ingram and Daskalakis (1999) used SERVQUAL to investigate hotels in Crete that have adopted the ISO 9000 quality standard. Ingram and Daskalakis (1999) found a divergence in perceptions of service quality between quests and managers, with the greatest gaps being found in hotels with the highest quality classification. Juwaheer and Ross (2003) used a modified model of SERVQUAL to measure service quality in the hotel industry in Mauritius and they concluded that *"assurance", "reliability"* and *"responsiveness"* appear to be the most important service quality determinants. In the contrary, Johns *et al.* (1995) used the SERVQUAL model to investigate quality service in eight small hotels in the United Kingdom and found that *"tangibles"* were the most important component in absolute terms of the service mix.

According to Wilson (2008), *customer expectations* are beliefs about service delivery that serve as standards or reference points against which performance is judged. Customer expectations are of a great importance since they are closely correlated with satisfaction and satisfied customers are more likely to come again and/ or recommend the specific service to other customers. This knowledge is very important for companies because customers compare the quality or performance of the service received, and therefore they verify this as the reference point when they experience and evaluate the service quality (Wilson, 2008). Service organizations need this information to assess their provided service in order to identify the areas in which customers give more priority regarding the specific service. Finding out the customers' service priorities, companies can focus on those specific service areas that require attention in order to sustain or improve their provided services. Customer expectations rotate around their beliefs about the products and services that they

receive from the various organizations. It is well understood as the key point against which the level and performance of the service provided, is assessed. There has been a debate in the literature over the inclusion of expectations in the measurement of service quality, resulting in general agreement that performance only measures are superior (Cronin & Taylor, 1994; Parasuraman et al., 1994; Teas, 1994).

Customer perceptions are shaped and developed following their experience of the services received from an organization. They result from how customers receive, recognize and interpret service quality. In addition, the level of past customer experience with various services that offered by other firms can also have an impact on customers' perception of service quality. Researchers believe that perception and expectation are strong relative concepts (Parasuraman et al., 1985; Mersha, 1992; Avkiran, 1994) and it is recommended to be studied and analyzed together. Moreover, perception plays as important a role as performance. A product or service that is *perceived* by customers to be higher quality stands a much better chance of gaining market share than does one *perceived* to be of low quality , even if the actual levels of quality are the same (Krajewski & Ritzman, 1996).

The service quality model defines the customers' evaluation as a function of the gap analysis between the expected service and the perceived service. Has the organization managed to meet or even exceed customers' expectations, or not? Parasuraman *et al.* (1988) identified five possible gaps that are a result of an unsuccessful service delivery in an organization. Quality gaps can take place within the organization at different stages of various processes. Figure 2 illustrates the service gaps, as presented by Zeithaml *et al.* (1990).

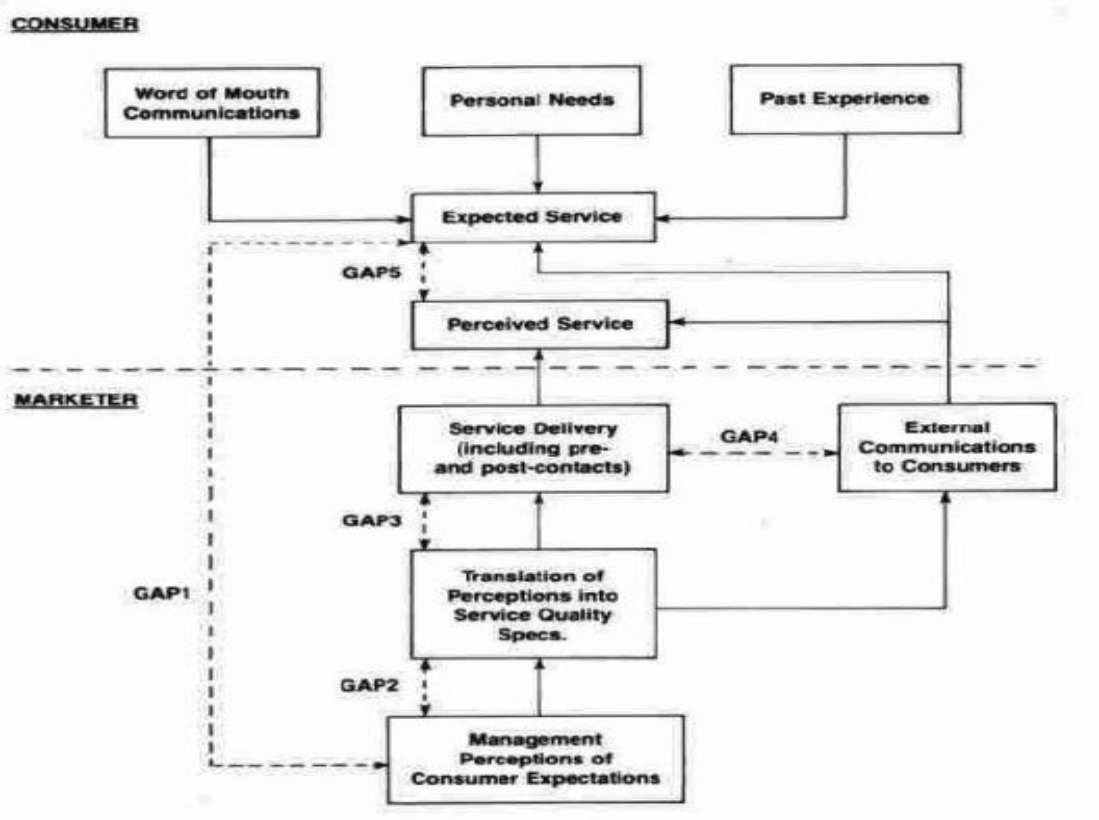

Figure2: the Gap model presented by Zeithaml *et al.* (1990)

Gap 1: Between customer expectation and management perception. As Slack (2010) reports, this gap arises because perceived quality could be poor, because there may be a mismatch between the organization's own integral quality and specification and the specification which is expected by the customer.

Gap 2: Between the management perception and service quality specifications. According to Cooper (2008) *et al.,* this gap results when there is discrepancy between what management perceives to be consumer expectations and actual service quality specifications established. This could be the result of unclear or even unrealistic quality standards set by the management.

Gap 3: Between service quality specifications and service delivery. Even in cases where clear guidelines exist for performing a service well, service delivery may not be of the appropriate quality due to poor employee performance (Cooper *et al.,* 2008).

Gap 4: Between service delivery and external communication. Consumer expectations are affected by the promises made by the service provider's promotional message (Cooper *et al.,* 2008). Therefore, marketers should be very accurate when releasing

their marketing massages to target markets. So, accurate and appropriate company communication, advertising and public relations that do not over promise are for great importance in order to avoid this gap.

Gap 5: Between perceived service and delivered service. This gap results when one or more of the previous gaps occur (Cooper *et al.,* 2008). Service quality should meet or preferably exceed customers' expectations.

As reported by Cooper *et al.* (2008) the gap model presented by Parasuraman *et al.* has two main strengths. These strengths are:

1. The model presents an entirely dyadic view of the marketing task of delivering service quality and alerts the marketers to considerer the perceptions of both parties (marketers and consumers) in the exchange process.
2. The gap model can be used as a logical basis to develop strategies and tactics to ensure consistent experience and expectations.

Under this theory, employee performance is very crucial to improving the quality of service delivery and perceived service quality. The improvement of service quality is a job that involves everyone in the organization. Krajewski and Ritzman (1996) stated that one of the "spokes" of the TQM wheel is employee involvement. A complete program in employee involvement includes changing organizational culture, fostering individual development through training, establishing awards and incentives, and encouraging teamwork.

This research will focus on measuring *Gap 5.*

2.5 SERVQUAL Criticisms

There have been criticisms as regards the validity of the SERVQUAL tool. Some of these criticisms have to do with the difficulties that arise when analyzing differences between expectations and perceptions and some criticism deal with the influence of the cultural background on the measurement of service-quality perceptions (Armstrong *et al.,* 1997). A great number of researchers have supported that the service quality is an aggregation of various quality sub-dimensions and

therefore service quality is a multilevel assembly as well being a multidimensional construct (Dadholakar *et al.,* 1996; Brady & Cronin, 2001; Wilkins *et al.,* 2007).

Sureschandar *et al.* (2001) reported that the present evaluating scale is not sufficient and comprehensive. Therefore, a number of researchers have suggested that different dimensions are more appropriate for expectations, perceptions and gap scores. These suggestions were: one dimension (Cronin & Taylor, 1992; Lam, 1997); two dimensions (Babakus & Boller, 1992; Gounaris, 2005); three dimensions (Chi Cui *et al.,* 2003; Arasli *et al.,* 2005; Najjar & Bishu, 2006); four dimensions (Kilbourne *et al.,* 2004); six dimensions (Carman, 1990; Headley & Miller, 1993); seven dimensions (Carman, 1990). In addition, the concept the validity and the operationalisation of the "gap score" have been criticized because, as Ekinci and Riley (1998) suggest the notion of "subtraction' (Perceptions –Expectations = Gap score) contained in the SERVQUAL model has no equivalent in theories of psychological function. Van Dyke *et al.,* (1999) argue that the use of "gap score" is not a good choice to measure the psychological construct, because there is a little evidence that customers actually assess service quality in terms of Perceptions-minus- Expectations.

Baker and Fesenmaier (1997) expressed their concerns about the SERVQUAL instrument when it involves multiple stakeholders. Baker and Fesenmaier (1997) researched service – quality expectations among visitors, managers, and employees in various theme parks and came to the conclusion that the SERVQUAL model was inadequate in this setting because it ignores multiple stakeholders. The main criticism of SERVQUAL has concentrated on the use of expectations as a comparison factor (Teas, 1994; Cronin, & Taylor, 1994). The reason is that expectations can change according to customers' experiences and the *"place"* of experiencing expectations. Therefore, expectations are not passive but dynamic, and they are subject to situations. Service quality is a long term attitude, whereas consumer satisfaction is a transitory judgment made on the basis of a specific service encounter (Bitner 1990; Bolton & Drew 1991, Cronin & Taylor 1992, Oliver 1993; Patterson & Johnson 1993). Service quality perceptions reflect a customer's evaluating perceptions of a service encounter at a specific moment of time. In contrast, customer satisfaction is experiential in nature involving both an end state,

and a process, and reflecting both emotional and cognitive elements (Oliver, 1993). Therefore, Boulding *et al.* (1993) rejected expectations as a comparison measurement for assessing service quality and recommended that it should be replaced by performance dimension as quality comparison measurement. It has also been argued that SERVQUAL focuses on the purpose of the service delivery rather than the outcomes of service encounters (Grönroos, 1990; Richard & Allaway, 1993; Brandy & Cronin, 2001).

2.6 Zone of Tolerance

Responding to this criticism Zeihalm *et al.* (1993) proposed that expectation – as a comparison standard- can be viewed under to perspectives; the narrow and broad. This concept implies that customers' expectations exist on two different levels, a desired level and an adequate level. The desired level reflects what level the service could be, and the adequate level reflects what customers believe it should be (Cooper *et al.,* 2008). The extent to which the customers are willing to accept this variation is the "*zone of tolerance"* (Lovelock, & Wright, 1999). It is of course obvious that a majority of customers will fall within a zone between upper and lower desired and adequate levels of performance. This is a variable dimension and can increase or decrease. It depends on factors like, cost of accommodation, value for money and other differences provided by competition. It is also important to mention and realize that there are differences between individual customers' perception. Similarly each single customer may have different expectations of one brand in comparison with other (Cooper *et al.,* 2008). The above is explained as follows: If, we say that hotel A brand delivered more consistent service over a period of time than hotel B brand, then the expectations for hotel A brand are obviously higher. If now, hotel A service were to drop to the level at which hotel B brand operates, then the customers may be more disappointed by the service offered by hotel A brand, even though the service standards are similar (Cooper *et al.,* 2008). Figure 3 below shows the zone of tolerance from the perspective of customer.

Figure 3: The zone of tolerance

However, despite the criticisms received from various authors the SERVQUAL instrument has also its strengths as reported by Cooper (2008) *et al.* enabling managers to establish strategies and tactics for service –quality improvement. Also the quality dimensions upon which the SERVQUAL model is based are often employed when studying and evaluating service quality sectors, including tourism and hotel industry as it has already been mentioned. Ingram and Daskalakis (1999), Juwaheer & Ross (2003) and other authors have adopted the SERVQUAL instruments to measure service –quality in hotels.

Chapter Three: Methodology

3.1 Method

The research took place from May until the July 2012 and included two ethnic groups; British and Greeks. The case study concerned the privately owned Aloni All-Suite hotel in Kathikas village that is located in Peninsula area of Akamas. Akamas Peninsula is one of the world's Heritages, as declared by the United Nations. Although in that area exist some other holiday resorts, Aloni All-Suite Hotel is the only one of its kind, as it was designed and is managed under the concept *"A home away from home"*. The hotel was designed to host and cater for middle and upper class demanding visitors. The minimum stay of the visitors during the research was one week. This has given customers the opportunity to experience in depth the offered services and facilities which have been offered by the hotel, enabling them to be more accurate and subjective when evaluating their perceptions against their expectations.

3.2 Questionnaire

The questionnaire was based on the SERVQUAL instrument (Parasuraman *et al*., 1985, 1988, 1991). The questionnaire consists of two sections (see Appendix A): the expectations and the perceptions. Each section of the questionnaire consists of twenty two identical items/questions which are grouped under the following five quality dimensions: Tangibility (questions 1, 2, 3, and 4) Reliability (questions5, 6, 7, 8, 9) Responsiveness (questions 10, 11, 12, 13), Assurance (questions 14, 15, 16, 17) and Empathy (questions 18, 19, 20, 21, 22). Each question was measured with Likert scale of values ranging from 1 (fully disagree) to 7 (fully agree).

3.3 Sampling

According to Francis (1993) there is not a universal formula for calculating the size of a sample. However, as a starting point, there are two facts that are well known from statistical theory and should be remembered.

1. The larger the size of the sample, the more precise will be the information about the population and

2. Above a certain sample size, little extra information is given by increasing the sample size. The sample size is considered to be large enough when it is greater than 30.

Of course, some general factors involved in determining the sample are according to Francis (1993) the following:

1. The aim of the survey

2. The degree of precision required and

3. The number (if any) of the subsample required.

For the estimation of our sample at Aloni All-Suite Hotel, we have used the software provided by Raosoft Software Incorporation (www.raosoft.com), using the following steps:

- The margin of error was chosen to be 5% as this margin is a common choice in most of the researches. The general rule relative to acceptable margins of error in educational and social research is as follows: for categorical data, 5% margin of error is acceptable (Bartlett et al., 2001).
- The confidence level was chosen to be 95% because from our knowledge of the properties of a normal distribution, together with the rule that sample means are normally distributed around the true population mean, with a standard deviation equal to the standard error, we can predict (using normal distribution table) that 95% of all samples means will be within 1.96 standard errors of the population (ACCA study text, 1996).
- The population was chosen to be 70. The population size was based on factsheets provided to the researchers by the hotel management that showed the average visitors to the hotel the last three years from May to July.
- The response distribution was selected to be 50%. The reason we selected 50% as the response distribution is because we did not know if our sample distribution was highly positively or negatively skewed. Therefore, by choosing 50% as the response distribution, this would give us the largest sample size. We will thus at least achieve the required accuracy (ACCA study text, 1996).
- After the calculations the sample size was estimated to be 60.

Once the 60 questionnaires were selected, during the period May to July 2012, the data was treated using SPSS 19.0 and Excel.

3.4 Ethics

Ethical issues are very important for both the researcher and the respondent. It is crucial for the researcher to take unbiased true answers and for the respondent to remain safe and unknown to public. According to Zikmund (2000), ethical aspects can be managed if you concern matters of confidentiality/privacy, dignity, deception and the right of being informed.

The participation was voluntary and the participants were not required to identify themselves. Participants were informed that all individual survey responses would remain confidential and that survey results would be reported in aggregate form only. The questionnaire does not require the respondent's name or other personal details and secured the anonymity and confidentiality of the participants. In order to better analyze the findings we requested from the participants to provide us with two more information i.e. their sex and age. A collecting box had been placed in the reception area, so that the participants would drop in their questionnaires. Any information, personal judgments and/ or evaluations that customers provided to us during the survey had been securely held by us in accordance to the processing of personal data (Protection of Individuals) Law of 2001 and 2003 ("The Law").

Chapter Four: Findings/Discussion

4.1 Reliability –The Cronbach's Alpha

A reliability test was carried out, in order to verify the appropriateness of the measurement model through the Cronbach's alpha. The Cronbach's alpha is a widely used measure to test the reliability of a group of items that constitute and measure a factor. Hair (2006) *et al*., reported that the Cronbach Alpha requires to reach a value greater than 0.7, while Malhorta (1983) argues that acceptable parameter is above 0.50. The Cronbach alpha is not a statistical test but it is a coefficient of reliability. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. George and Mallery (2003) provide Table 2 for the values of Cronbach's alpha. Table 3 illustrates the Cronbach alpha values that were extracted using SPSS as per Appendix B.

Table2: The values of Cronbach's alpha

Cronbach' s alpha	**Rating**
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

Source: George and Mallery (2003)

Table 3: Internal Consistency of the Scales

Dimension	**Item**	**Expectation**		**Perceptions**	
		Cronbach alpha	**Cronbach alpha if item deleted**	**Cronbach alpha**	**Cronbach alpha if items deleted**
Tangibility		.829		.784	
	Modern equipment		.754		.716
	Appearance of physical facilities		.747		.651
	Appearance of employees		.850		.812
	Cleanliness of materials		.775		.729
Reliability		.928		.834	
	Fulfilment of promise		.928		.790
	Staff concern in problem solving		.900		.804
	Correctness of service provided		.904		.771
	Punctuality		.895		.767
	Accuracy of records		.931		.862
Responsiveness		.595		.625	

	Time allotment		.383		.436
	Promptness		.337		.468
	Willingness to help		.456		.552
	Response to customer request		.877		.788
Assurance		.907		.842	
	Trustworthiness		.891		.765
	Safety/Security		.854		.821
	Politeness of staff		.864		.791
	Knowledge of staff		.908		.824
Empathy		.932		.898	
	Individual Attention		.920		.885
	Operating hours		.925		.915
	Personal service		.916		.851
	Interest ay heart		.918		.861
	Specific needs		.904		.857
OVERALL		.975		.938	

As it can be observed, the majority of the values are within acceptable parameters, above 0.70 (Hair *et al.,* 2006; and Malhorta 1983). Cronbach's alpha indicates the internal consistency of the items in the scale and it does not mean that the scale is undimensional. The overall values of the Cronbach alpha are 0.957 for the Expected service and 0.938 for the Perceived service indicating that the overall scale is consistent. When we compare the internal consistency of the five quality dimensions, we observe that, only the consistency of the scale under the quality dimension *"responsiveness"* is questionable. This is true for both the "*expectation*" and "*perception*" section. The Cronbach's alpha for the expectations: responsiveness is 0.595 and for the expectations: responsiveness is 0.626. We also observe that, if we had deleted the item "*Response to customer request*" that is to say that *"the employees of Aloni will never be so busy to respond to customer' request"* then the Cronbach's alpha of the dimension responsiveness increases remarkably to 0.877 (good) for expectations and 0.938 (excellent) for perceptions.

4.2 t-tests

By conducting a t-test (statistical approach) we attempt to compare the means of paired variables. T-test computes the difference between the two variables for each case, and tests to see if the average difference is significantly different from zero. Accordingly, we reject or we fail to reject the null hypothesis (H0) and we adopt the alternative hypothesis (H1). In this specific case the H0 Hypothesis is that "There will be no significant difference between what the customers of Aloni Hotel have expected

to experience(expectations) and what the customers of Aloni hotel have actually experienced (perceptions)." If our findings are not significant then we fail to reject our Null hypothesis, and if our findings are significant then we reject the Null hypothesis. Table 4 represents the t-values and the significance of the twenty two items (22) and the five quality dimensions as well. This table was constructed by using values that were extracted using SPSS as shown in Appendix C. The variables with the extension (Yes) show a significant difference at 95% of confidence interval.

Table4: t-values and their significance

Question No	Dimensions of Quality and their items	t-value	Significance 2-tailed	Significant at 95%
	Tangibility	**2.385**	**.020**	**Yes**
1	**Modern equipment**	**3.605**	**.001**	**Yes**
2	Appearance of physical facilities	.990	.326	
3	Appearance of emploees	.228	.775	
4	**Cleanliness of materials**	**2.608**	**.012**	**Yes**
	Reliability	.357	.722	
5	Fulfilment of promise	.249	.804	
6	Interest	-.802	.426	
7	Correctness of service provided	.000	1.000	
8	Punctuality	-.326	.0745	
9	**Accuracy of records**	**2.772**	**.007**	**Yes**
	Responsiveness	-.694	.491	
10	Time allotment	-.161	.873	
11	Promptness	-.894	.375	
12	Willingness to help	-1.928	.059	
13	Response	.689	.493	
	Assurance	-1.635	.108	
14	**Trustworthiness**	**-2.007**	**.049**	**Yes**
15	Safety/Security	-1.697	.095	
16	**Politeness**	**-2.014**	**.049**	**Yes**
17	Knowledge	-.316	.753	
	Empathy	.166	.868	
18	Individual attention	-1.038	.303	
19	Operating hours	1.164	.249	
20	Personal service	.454	.651	
21	Interest at heart	.000	1.000	
22	Specific needs	.141	.888	

The items that are observed to have the greatest predictive capability are *Modern equipment*, *Cleanliness of the Material, Accuracy of records,*

Trustworthiness, and *Politeness*. To the contrary, the other items are not significant in this case study. At the same time the quality dimension that is observed to have the greatest predictive capability is *tangibility*. *Reliability, Responsiveness, Assurance* and *Empathy* are not significant in any case.

4.3 Descriptive Statistics

The questionnaire includes two *demographic* questions. Demographic questions are questions about the respondent's characteristics and circumstances. Questions about sex, age group, occupation, education, household type, income, religion, are all demographic. These are included in surveys for two main reasons:

- As a check on the accuracy of the survey sample. If there are 50% males and 50% females in the population, then 50% of the people surveyed should be of each sex. (In practice, most surveys end up with a slight excess of females because females seem to devote more free time to get them involved in researches of this kind.

- For comparison with answers to the substantive questions of the survey, e.g. to find out the age and sex balance of a particular quality item of the five quality dimensions.

For surveys with small samples (up to 100 respondents) the number of respondents will be too few for these comparisons. If you split 100 people into six age groups, some age groups will probably contain less than 10 people. These numbers are too small to prove anything at all. The reason for including two demographic questions in this case study , and namely sex and age, was to give us a spherical idea about the composition of our sample, and therefore not a statistical hint about how our sample behaved.

The respondents' distribution due to males and females is 43% and 57% respectively. Figure 4 shows the distribution of the frequency and the percentage of the respondents.

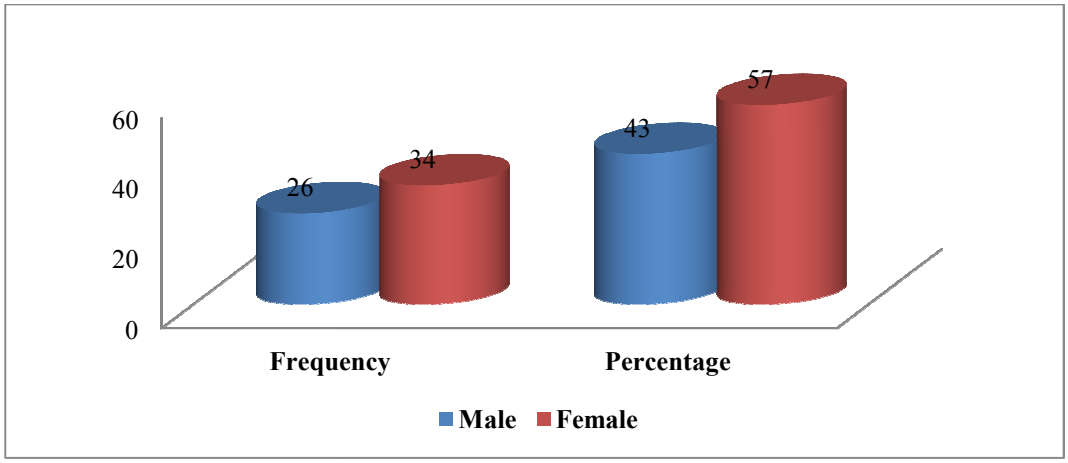

Figure 4: Gender Distribution (Frequency, Percentages)

Besides the gender distribution the respondents were grouped in five age groups, as per Figure 5 below. Figure 5 demonstrates that all respondents were mature enough to evaluate and contrast their expectations against their perceptions.

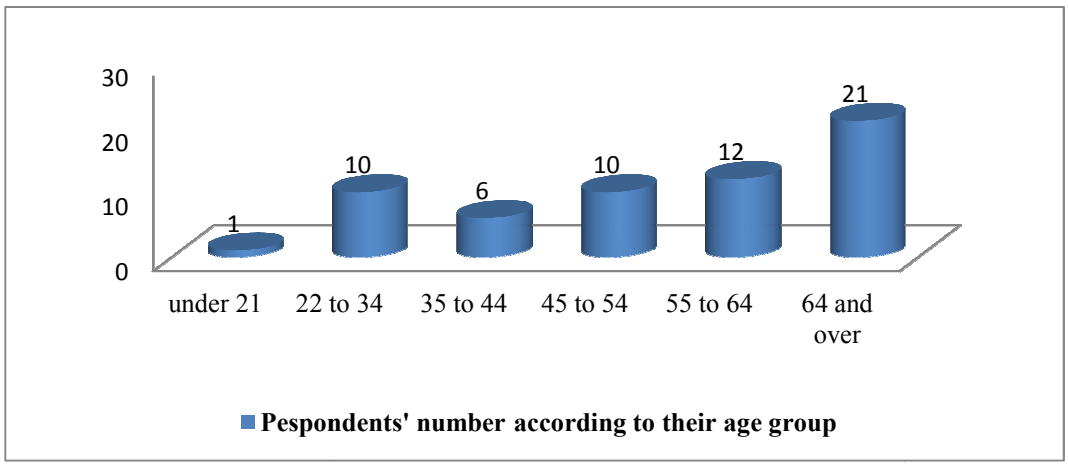

Figure 5: Respondents' Age Group

Table 5 illustrates the distribution of sex against the age group of the respondents.

Table 5: Distribution of Respondents' Age

Age Group	**Under 21**	**22 to 34**	**35 to 44**	**45 to 54**	**55 to 64**
Total	1	10	6	10	12
Male	1	3	4	2	10
Female	0	7	2	8	11
Percentage					
Male	100%	30%	67%	20%	83%
Female	0%	70%	33%	80%	92%

4.4 Analysis of Five Quality Dimensions

According to Whitely (1991), a customer-driven organization can be recognized by the following characteristics. These characteristics are: *Reliability, Assurance, Tangible, Empathy* and *Responsiveness.*

4.4.1 Tangibility-Tangibles

Tangibility or tangibles refers to appearance of physical artifacts and staff connected to the service. Table 6 below illustrates the items' means of expectation and perception as well as their gaps.

Table 6: Tangibility Table (items, means, and gaps)

Quality Dimension-*Items*	**Expectation mean**	**Perception mean**	**Gap P-E**
Tangibility	**5,77**	**5,40**	**-0,37**
Modern equipment	5,60	4,85	-0,75
Appearance of physical facilities	5,82	5,65	-0,17
Appearance of emploees	5,67	5,62	-0,05
Cleanliness of materials	6,00	5,48	-0,52

We observe that for all dimensions there is a negative gap with the *"Appearance of physical equipment "to* be the highest, with gap difference (-0.75) and the *"Appearance of employees"* to be the lowest with (-0.05) in absolute values. All quality items of the customers' perceptions section were lower than those of the customers' expectations section. It means that the hotel failed to meet at least customers' expectations for tangibles. More specifically in the hotel industry, tangibles will include physical evidence of the service, such as hotel bedroom and facilities, the material the customer can see, touch, use etc., (Cooper *et al.,* 2008) report that tangibles are :

- Physical facilities such as extra size of hotel room;
- Appearance of personnel and condition of the surroundings;
- Technology or equipment used to provide the service;
- Other customers in the service facility.

This finding are aligned with the findings of Johns *et al.* (1997) who found that "*tangibles"* is for the most important factor for the customers, but the findings are not aligned with those of Parasuraman *et al.* (1985) that "*tangibles"* is the least

important factor. A particular problem anyway is presented by the" *tangibles"* dimension, because services are thought to encompass both tangible and intangible components. However services differed in the proportion of tangibles they contain. This may help us conclude that in the hotel industry, where hotel services contain a high proportion of clearly differentiated tangible components, the "*tangibles aspects"* is higher in customer experience. Another problem with tangibles is how different people evaluate *"tangibility"* due to their previous experience. These finding also support the Kano-model (1995, 2001) of customer satisfaction. Tangibles items are "expected needs". Customers expect the property to be clean, the staff to be clean and tidy; they expect all materials associated with service to be well maintained and clean. If management fails to meet these expected needs the customer will be dissatisfied. However they do not expect the size of the rooms to be extra large. Therefore, if the property offers extra large and specious rooms, then the property manages to satisfy an "excitement need "creating an attractive value to the customer.

4.4.2 Reliability

Table 7 below illustrates the reliability items with their means and their quality gaps. Parasuraman (1985) *et al.,* suggest that "*reliability"* is the most important factor of the five quality dimensions with weighting factor 30%.

Table 7: Reliability Table (items, means, and gaps)

Quality Dimension-*Items*	**Expectation mean**	**Perception mean**	**Gap P-E**
Reliability	**5,95**	**5,89**	**-0,06**
Fulfilment of promise	6,07	6,02	-0,05
Interest	5,98	6,17	0,18
Correctness of service provided	6,00	6,00	0,00
Punctuality	6,08	6,15	0,07
Accuracy of records	5,62	5,10	-0,52

The overall quality gap score for *"reliability"* is m=-0.06, and someone could say that it is a very marginal score. The worst score under the "*reliability"* dimension was achieved by the quality item *"accuracy of records"* with mean gap= -.052. The best score was achieved by the item *"interest or staff concern in problem solving"* with gap mean = 0.18. Cooper (2008) *et al.,* argue that reliability in hotel industry involves consistency of performance and dependability in order to gain the customer's confidence. This creates customer loyalty, a very important factor for the survival of

service organizations. Reliability, they continue, is the ability of the service provider to establish a relationship of trust and faith greatly influences perceived quality. The hotel should perform the service right the first time, so that it will gain a good reputation. As Peter Drucker once said, "Customers don't buy products, they buy results" (Besterfield *et al.,* 2003).

4.4.3 Responsiveness

Responsiveness refers to the willingness or readiness of employees to provide service, their action and willingness to help customers and give timely service (Cooper *et al.,* 2008). Besterfield *et al.* (2003) simply define responsiveness "human – to-human interface, such as the courtesy of the dealer". Table 8 shows how the respondents behaved and evaluated the items of quality dimension responsiveness. Responsiveness, according to Zeihalm *et al.* (1985) is the second most critical factor for evaluating quality with weighting factor 25%.

Table 8: Responsiveness Table (items, means, and gaps)

Quality Dimension-*Items*	**Expectation mean**	**Perception mean**	**Gap P-E**
Responsiveness	**5,53**	**5,65**	**0,12**
Time allotment	5,68	5,72	0,03
Promptness	5,87	6,05	0,18
Willingness to help	6,05	6,45	0,40
Response to customer request	4,53	4,38	-0,15

It is observed that the quality gap of the quality dimension "*Responsiveness"* has the second best score (m=0.12) from the five quality dimensions .The best gap score was achieved by the dimension "*Assurance":* m=0.27. This result indicates that Aloni hotel's performance did not only meet its customers' expectations, but it did manage to exceed them as well. Three out of the four quality items scored positive values. In addition, the item *"willingness to help*" scored the highest value from all the twenty two quality items that composed the questionnaire. Only the item "*response to customer request"* scored a negative value for the dimension *"responsiveness"*

4.4.4 Assurance

Assurance is the organizations ability to generate and convey trust and confidence. Cooper et al. (2008) goes a step further and argue that assurance concerns the knowledge and courtesy of employees as well as the peace of mind that the company is to be trusted. This then creates and delivers the assurance that employees will have the knowledge, skills and courtesy to develop trust and confidence in the customer base for example;

- the reputation of the firm, Personal characteristics of the contact personnel;
- Explaining the actual and wider service available, confidentiality, financial and personal security.

Table 9 shows the various mean scores and their gaps for the dimension assurance.

Table 9: Assurance Table (items, means, and gaps)

Quality Dimension-*Items*	**Expectation mean**	**Perception mean**	**Gap P-E**
Assurance	**6,13**	**6,40**	**0,27**
Trustworthiness	6,15	6,50	0,35
Safety/Security	6,20	6,50	0,30
Politeness	6,15	6,53	0,38
Knowledge	6,02	6,08	0,07

"*Assurance"* scored the best quality gap score (m=+0.27). This is the only quality dimension where all its quality items scored a positive quality gap. It indicates that at Aloni hotel, both the management and the personnel managed to exceed customer expectations in every aspect concerned. It supports Zeithaml *et al.* (1990) that "*reliability", "assurance" and "responsiveness"* are the most critical determinants. But, it also supports strongly Juwaheer and Ross (2003) who concluded that *"assurance"* is the most critical quality determinant followed by *"reliability"* and "*responsiveness"*. It also supports the definition of management and its nature and purpose according to Koontz and Weihrich (1974). They argue that *"management is the process of designing and maintaining an environment in which individuals working together in groups efficiently accomplish selected aims"*, because the above finding indicate strong , progressive management and leadership that support and encourage employee participation.

4.4.5 Empathy

Table 10 illustrates the characteristics of the quality dimension empathy.

Table 10: Empathy Table (items, means, and gaps)

Quality Dimension-*Items*	Expectation mean	Perception mean	Gap P-E
Empathy	**5,80**	**5,77**	**-0,03**
Individual attention	5,80	6,03	0,23
Operating hours	5,82	5,55	-0,27
Personal service	5,67	5,57	-0,10
Interest at heart	5,97	5,97	0,00
Specific needs	5,75	5,72	-0,03

According to Whitely (1991), "*empathy"* can be described as the real interest that an organization conveys to its customer. Cooper *et al.* (2008) say that "*empathy relates to the individualized attention to customers, the caring, individual concern for others and their emotions".* We observe that the item "*operating hours"* scored the second worst negative value (m=-0.27) after the item tangibility: "*modern equipment"*. This suggests that the operating hours at Aloni All-suite hotel should be extended to make services round the clock. The management reported that the operating hours where personnel and special services were available to customers were quite limited during the research from 07.30 am to 07.30 pm. The management anyway supported this policy based the fact that the concept of All- Suite hotel is based on the fact All-Suite hotels offer less elaborate public spaces and fewer services round the clock (Hard & Troy, 1986).

4.4.6. Expectations Vs Perceptions

Expectations Item Level Means (lowest and highest)

On item level, under the expectation's section, we observe that the lowest mean (m) was scored under the dimension responsiveness: m=4.53. This could mean that the guests of Aloni hotel expected that the personnel of Aloni would not have enough time to respond immediately in order to satisfy their requests. These judgments might be supported by bad experiences at this specific lodging in the past, or by bad experiences regarding the "image" of Cyprus as tourist destination. Cyprus is a destination region that is located in South Europe while the majority of the tourist visiting Cyprus come from North European countries (tourism origin), where quality

service has already been established as a differentiating factor ,and has become a way of life. The North countries of Europe have a strong image as being countries that offer their citizens high standards of quality services and goods.

Mayo (1973) examined regional images and regional travel behavior. Among other things he mentioned that the image of the destination is a critical factor when choosing a destination. Mayo further reported that, whether or not an image is in fact a true representation of what any given region has to offer to the tourist, what is important is the image that exists in the mind of the vacationer. Apart from this, the fact that Aloni hotel is a family owned small service business, without a strong brand, contributes probably to a negative approach for evaluating expectations. We must not forget that the stage of" expectations" sometimes takes place long time before the stage of experiencing services. Especially in the hotel industry, people book and organize their holidays about a year before the actual time of their holidays. Phillip Kotler and Gary Armstrong(1996) argue that " A brand is a name , term, sign, symbol, or design, or a combination of these intended to *identify* the products or services of one seller or group of sellers and to *differentiate* them from those of competitors…and continue " The best brands *convey* a warranty of *quality."*

The highest mean in expectations section was achieved under the quality dimension *Assurance*: safety/security m=6.20 to be followed closely by two other items under the quality dimension assurance as well: *trustworthiness*, m=6.15 and politeness, m=6.15. This result is supported by Mayo (1993) about the destination image. Cyprus as a tourist destination has a strong image as being a very safe country with very low criminality, with friendly people who create a warm and safe atmosphere compared to other tourist destinations.

Perceptions Items Level Means (lowest and highest)

The lowest perception mean was scored under the quality dimension: *response*: m=4.38.It is observed that the customers of Aloni All-Suite hotel not only did they expect a bad *response* on behalf of the management and staff, but they experienced a bad *response* at the end as well. This suggests that perceptions justified expectations for this specific service item. *Response* means that "*Employees of Aloni will never be to busy to respond to customers' request"*.

Evaluating the t-test results (Table 4) of the individual items and their significances, we observe that the specific item of *"response"* has t-value = .689 and sig (2 tailed) =0.493. This is can be explained as follows. Because of the fact that the significance is greater than .05, there is no significant difference between the two means of expectation and perception for the item "*response"*. In simple words there is no difference between pre- and post- test scores for this quality item. Respondents perceived what they expected to experience.

The highest perception mean regarding the 22 items on the questionnaire was scored by the item *"politeness"* with m=6.53 under the quality dimension of "*assurance"*. The corresponding expectation mean for the item is m=6.15, sig=0.049. Here, we observe that there is a significant difference between the two means. In this case the respondents experienced a better service compared to what they expected to experience.

The quality gap regarding all quality dimensions is -0, 02, with the expectation mean= 5, 84 and perception mean= 5, 82 as per Table 4. So, generally speaking someone could support the notion that there is not important difference between what the customers expected to experience and what customers actually experienced at Aloni All-suite hotel.

Gaps between Expectations and Perceptions on Items

The core of this study is the degree of satisfaction of the customers with Aloni hotel. As a result, the gaps will be used as a guideline to understand and evaluate the existing problems at the hotel, and then by taking the appropriate measures to cure the problems and enhance the quality that is offered by Aloni hotel. This degree of satisfaction is clearly presented by the differences between customers' expectations and customers' satisfaction.

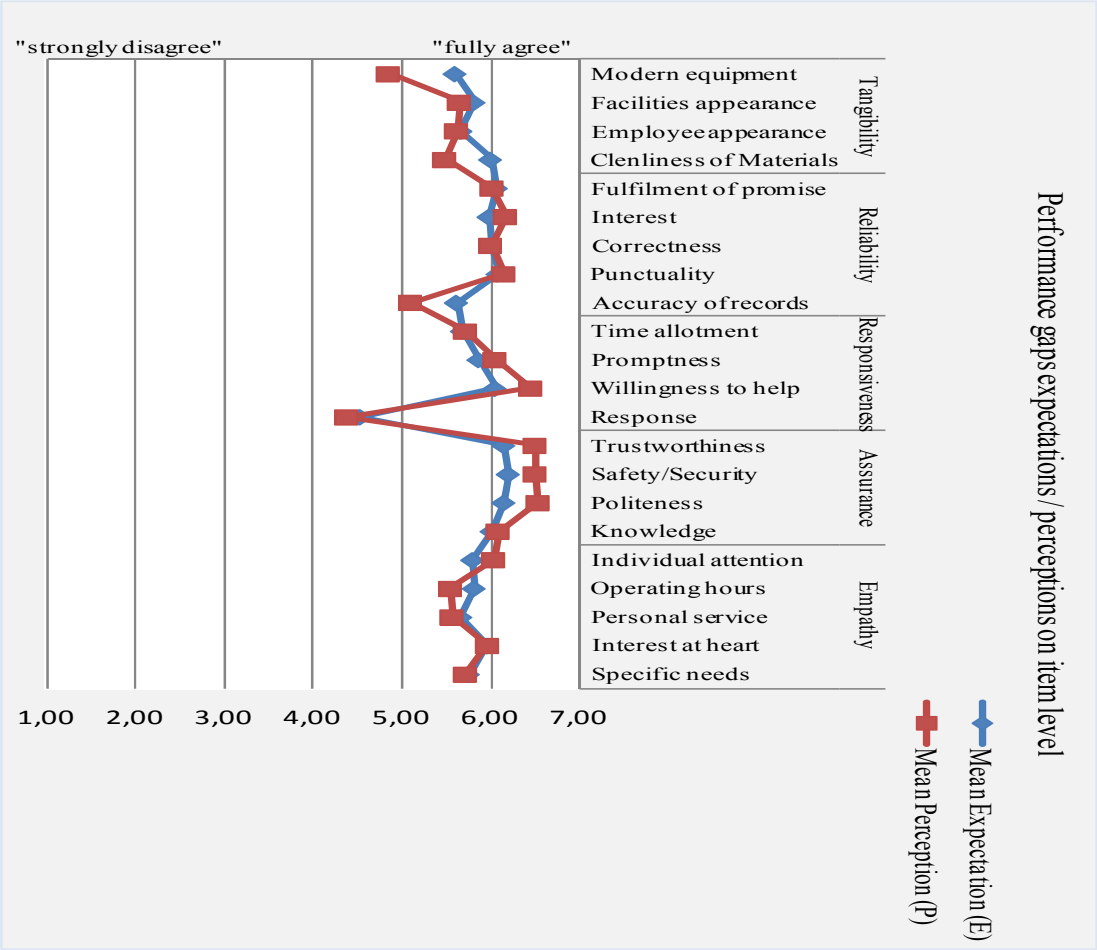

Figure 6: Performance Gaps Expectations vs. Perceptions on Item Level

Figure 6 shows the means of the twenty two individual items of the questionnaire, and therefore a comparison of customers' actual perceptions and expectations on the individual item level. It is observed that some items show a negative and some items a positive performance gap. This means that some of customers expectations are fully met and even exceeded, but some are not fully met. Our sample moved generally between the interval "undecided-neutral" and "strongly agree". A negative gap indicates that quests' expectation of service attribute is more than their perception, while a positive gap shows that their perception is exceeding their expectation. The gap values range from -0, 75 *(Appearance of physical facilities)* to +0, 40 *(Willingness to help)*. Table 11 presents the five quality dimensions and

their items, their means and their discrepancies of the quality dimensions as described by Parasuraman *et al.,* (1985).

Table 11: Means and Gaps of the Five Dimensions

Question No	Dimensions of Quality and their items	Means Expectation	Means Perception	Gap Scores (G=P-E)
	Tangibility	5,77	5,40	-0,37
1	Modern equipment	5,60	4,85	-0,75
2	Appearance of physical facilities	5,82	5,65	-0,17
3	Appearance of emploees	5,67	5,62	-0,05
4	Cleanliness of materials	6,00	5,48	-0,52
	Reliability	5,95	5,89	-0,06
5	Fulfilment of promise	6,07	6,02	-0,05
6	Interest	5,98	6,17	0,18
7	Correctness of service provided	6,00	6,00	0,00
8	Punctuality	6,08	6,15	0,07
9	Accuracy of records	5,62	5,10	-0,52
	Responsiveness	5,53	5,65	0,12
10	Time allotment	5,68	5,72	0,03
11	Promptness	5,87	6,05	0,18
12	Willingness to help	6,05	6,45	0,40
13	Response to customer request	4,53	4,38	-0,15
	Assurance	6,13	6,40	0,27
14	Trustworthiness	6,15	6,50	0,35
15	Safety/Security	6,20	6,50	0,30
16	Politeness	6,15	6,53	0,38
17	Knowledge	6,02	6,08	0,07
	Empathy	5,80	5,77	-0,03
18	Individual attention	5,80	6,03	0,23
19	Operating hours	5,82	5,55	-0,27
20	Personal service	5,67	5,57	-0,10
21	Interest at heart	5,97	5,97	0,00
22	Specific needs	5,75	5,72	-0,03
	All dimensions	5,84	5,82	-0,02

More detailed and analytical tables presenting the variables' lowest and highest values, their standard deviation and their variance can be found in Appendix D.

The largest gap discrepancies are observed under the dimension *"Tangibility"* showing a negative value -0.37 with its items *"modern equipment"* and *"cleanliness of materials"* to score the worst values -0.75 and -0.52 respectively. The management should therefore, take seriously into consideration new trends in decoration, equipment, materials, and the cleanliness of hotel materials. According to Cliff and Ray (1994) customers perceive "*material elements"*, and their less concern with the reliability provided. Atkinson (1988) reported that "cleanliness*"* is the most important quality factor for customers in hotel choice decision. On the other hand *"Assurance"*

shows a positive value +0.27 with *"politeness"* to be the best value (0.38) followed by *"Trustworthiness"* (0.35). It is evidence that the hotel has managed to established and convey trust and confidence within its customers. According to Zeithaml *el al*. (1990) the significance of *"assurance"* and *"tangibles"* is 10% and 20% respectively (see Table 1).

Graphical Presentation of the Five Quality Dimensions

The polar diagram, Figure 7 is a synopsis of all the tables enabling the reader to immediately spot the gap differences for the five quality dimensions.

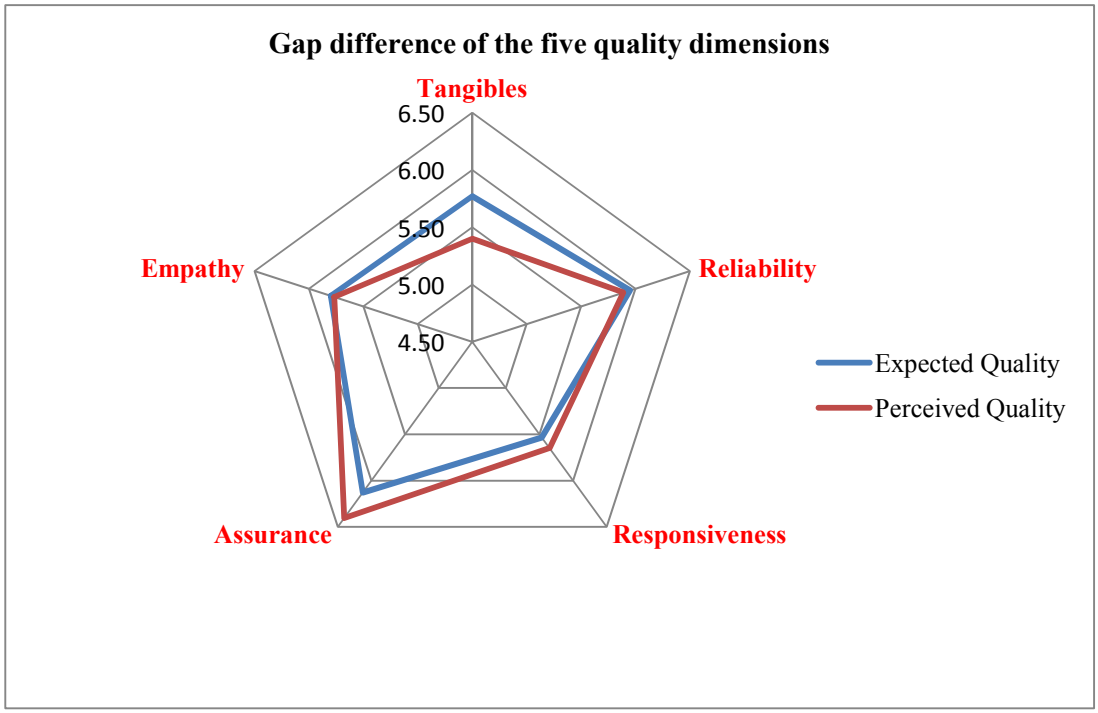

Figure 7: Polar Diagram of the Five Quality Dimensions

Chapter Five: Conclusions & Recommendations

5.1 Conclusions

The measurement of service quality has received great and significant attention from scholars and practitioners across the world in recent years. SERVQUAL model (Parasuraman *et al.,* 1985, 1988) which was designed to be used for measuring service quality across a wide spectrum of services, has been extensively used, modified and criticized (Ladhari, 2008). One of the most important criticisms is the generalization of usage of the SERQUAL instrument. Other criticisms have to do with the difficulties that arise when analyzing differences between expectations and perceptions and some criticism deal with the influence of the cultural background on the measurement of service-quality perceptions (Armstrong *et al.,* 1997). The research included two ethnicities – British and Greeks- but there is not a separate and clear analysis how these two groups behaved during the research. Several researchers have suggested that there is a need to develop and apply culturally specific measures of service quality, and therefore, as with other marketing strategies and measures, it has been contended that strategies of service quality that are developed in one culture might not be applicable in another (Ladhari, 2008). As a result , the meaning , the relative importance of service quality dimensions depend on the culture and value orientations of the customers , especially with respect to cultural traditions of power distance and individualism/collectivism(Ladhari , 2008). Despite the fact that the measures of service quality reviewed in this study indicate good reliability (Hair *et al.,* 2006) and Malhorta (1983), it is important to note that the higher alpha values can be indicative of deficiencies rather than reliability in a scale (Churchill, 1979; Smith, 1999). Smith (1999) reported that high alpha values can indicate poor design of the measurement, poor scale content or problems of data attenuation. Therefore, it is imperative to conduct a validity test that it measures the degree to which SERVQUAL instrument measures what is intended to measure (Ladhari, 2008). The present study revealed that validity analysis did not receive the appropriate attention but, validity was apparently not examined *in several of studies* (Ladhari, 2008). In addition future studies should include indications of whether their scale is likely to be valid or invalid.

Despite anyway of several implications the SERVQUAL model was used in hotel and tourism industry by several researches across the world (Cliff & Ryan, 1994); (Johns *et al.,* 1997); (Weiemair, & Fuchs, 1999) (Daskalakis & Ingram, 1999); (Ekinci, & Riley, 2001); (Juwaheer & Ross 2003) and has undoubtedly had a major impact on the business and academic communities. It could be a difficult task for a customer to ascertain the exact nature of the result of a service (Zeithaml and Bitner, 1996). This means, that the outcomes of services performed by doctors, academics, engineers, and others are not always self-evidently 'good" or "bad" (Zeithaml & Bitner, 1996).

The outcome of the research suggests that the service quality attribute *"tangibles"* to be the most important quality dimension among the tourists who stayed at Aloni Hotel. This finding is parallel to the findings from Johns *et al.,* (1997), who found *"tangibles"* to be the most important quality attribute in absolute terms. It qualifies contention of Parasuraman *et al.* (1985) that tangibles were the least important perceived component of the service mix. The quality attributes of *"responsiveness"* and *"assurance"* is among the three most important quality attributes. This supports both Parasuraman *et al.,* 1985) and Juwaheer and Ross (2003), who found that *"assurance"* is the most important quality dimension followed by *"reliability"* and *"responsiveness"*.

Customers' answers were available for both the management and the staff of the hotel, and positive answers was a motivating factor. Negative answers were treated as a starting point for developing strategies to increase quality. This review has documented that regardless the size and the type of the accommodation customers are seeking for service quality, and they are willing to participate in quality researches and help local managements to establish strategies aiming to total customer satisfaction.

5.2 Recommendations

Customer Loyalty

It is strongly recommended that the management should attempt to consistently exceed customer expectations for the purpose of creating and maintaining customer loyalty. Goetsch and Davis (2010) argue that the customers constantly

evaluate both formally and informally the organizations they do business with. From these evaluations, they form their perceptions of the performance of the organizations. If these perceptions are positive then a customer loyalty is built. Customer loyalty leads to competitive advantage and better financial results. This is translated to: success.

Improvements

Serious efforts should be undertaken on behalf of the management and the employees to improve quality service in terms of tangibles, reliability and empathy because these dimensions are the only ones that have scored negative gap scores. In contrast the quality attributes of assurance and responsiveness have scored positive gap scores indicating that customers' perceptions for those quality service dimensions were greater than their expectations. Therefore, the management should adopt a consistent quality program aiming for measuring, evaluating and continuously upgrading all service quality dimensions. Goetsch and Davis (2010) suggest that one of the most acceptable improvements strategies is *kaizen*. *Kai* means "change "and *Zen* means "good". Kaizen therefore is making things better on a continual never ending basis, involving people, processes and products by specifying its value system and the roles of all parties involved in the Kaizen value system. It is a holistic and spherical approach towards Total Quality.

Kandampully (2000) emphasized that quality will be the main driving force for tourism in the future. It is recommended therefore, that the management should seriously take into account the dimension "tangibles". It seems to be a critical factor for the customers when it comes to assess quality. Premises should be well maintained and all tangible facilities that are associated with service should not only be well preserved but they should be also periodically updated. The tangible quality attribute is a difficult dimension to be assessed, as it has to do with likes, dislikes and different tastes. Service attributes may contribute positively to quality or detract from it. Johnston and Silvestro (1990) and Balmer and Baum (1990) found a closely connection between the classes of quality attributes and Herzberg's "motivating" and "hygiene" factors. Johnston (1995) identifies them as "satisfiers" and "dissatisfiers". The underlying meaning is that there are service attributes that satisfy customers when they are present, or dissatisfy customers by their absence. Of course this is not

constant and universal because quality evaluation varies from service industry to service industry. What it can be considered as a "satisfier" in one service industry, it can be considered as a "dissatisfier" in another. Balmer and Baum (1993) report that there has been speculation that tangible attributes of service are more likely to be dissatisfiers than intangible ones. In terms of intangible attributes, we suggest that the management of All-Suite Aloni hotel should take the following measurements and actions. Given the cost of finding new customers is extremely higher than that of retaining the existing ones, there must me a growing emphasis on customer retention and relationship marketing. The relationship marketing (RM) is concerned with getting and maintaining customers by ensuring that an appropriate combination of marketing, customer service and quality is provided (Dibb *et al*., 1997). Therefore, the hotel should develop service recovery strategies. These may include the following:

- Training: Service is an interpersonal performance activity. The hotel management should seek ways to further develop the unique interpersonal activities of each staff member. Though consistent training the staff will acquire and develop communication and customer skills so that staff will be capable to deal with the most difficult situations. Cooper et al. (2008) suggest that training will allow staff to feel confident in the service encounter transaction and allow them to deal professionally with all situations.
- Application of quality function deployment: This is the voice of the customer. Quality function deployment is a planning tool used to fulfill customer expectations. Besterfield et al. (2003) identify the benefits of QFD to be, a) improves customer satisfaction, b) reduces implementation time, c) promotes team work, and d) provides documentation.
- Watching for sign language: Encouraging those customers who are reticent and mute when it comes to complaints to speak their silence. Aloni All –suite hotel should use these customers as a source of vital and constructive information. An unsatisfied and silent customer can only create major problems to the hotel because bad news travels faster than good news. The hotel management should provide free telephone lines for complaints. Complaints should be turned into assets through a well organized complaint management (Cooper *et al.,* 2008).

- Preplanning-Effectiveness: The management of Aloni hotel should analyze the service delivery process as to forecast these aspects of service that may exceed the tolerance level of customers. This suggests a strategic planning. A strategic planning is a proactive effort of the managers to anticipate change by establishing objectives and formulating strategies and tactics by which to organize the marketing effort. Through a good preplanning strategy Aloni management would be in a position to anticipate, create, maintain, and promote service strategies that will increase customer loyalty. Peter Drucker puts it simply. "Efficiency is concerned with doing things right. Effectiveness is doing the right things" (Goetsch & Davis. 2010).
- Empowerment: The management of Aloni should encourage and supports empowerment. Hotels are peculiar businesses that are composed of different department dealing with both internal and external customers. For example the front office should react immediately with accuracy to service problem situations without the input of the supervisor and or hotel owner. The management should encourage the staff of Aloni to take initiatives towards problem solving and providing top and accurate quality service. This will have a positive effect for enhancing the intangible service attributes.

5.3 Limitations

The research took place in only one lodging in the county of Pafos- Cyprus as there is no other identical type of accommodation in that area. Therefore, the factor "comparison" is missing. Validity test was not paid a considerable attention and the language used for conducting this research was only English. Also, the main questions in this research are limited to five items of SERVQUAL model such as tangibles, reliability, responsiveness, assurance and empathy. The statistical population of this research is limited to guests, and is estimated on the basis of the hotel occupation of the previous year who resided in Aloni Hotel from May to July. The generalization of the research conclusions to other hotels should be applied with care.

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APPENDIX A -The questionnaire

SERVQUAL QUESTIONNAIRE

The Survey: The questionnaire below attempts to compare and evaluate your expectations against your experiences and perceptions at your Holiday Resort **(Aloni all-suite hotel).**

Expectations: This section of the survey deals with your opinion of **Aloni.** Please show the extent to which you believe **Aloni** should posses the following features. We are interested in a number from 1 to 7 that best shows your expectations about **Aloni.**

Experiences or Perceptions: This section of survey deals with your experiences and feelings about the particular Holiday Resort **(Aloni).** Here we are interested in a number from 1 to 7 that shows your perceptions about the Holiday Resort. For both the expectations and perceptions sections you should rank each of the statements as follows:

Strongly Disagree	Disagree	Disagree Somewhat	Undecided / Neutral	Agree Somewhat	Agree	Strongly Agree
1	2	3	4	5	6	7

SEX: AGE:

STATEMENT	EXPECTATIONS	PERCEPTIONS
1. Having up-to-date service Equipment.		
2. Having visually appealing physical facilities (premises).		
3. Good appearance of employees.		
4. Cleanliness and well-maintenance of physical facilities.		
5. Keeping promises by service providers.		
6. Staff concerns in solving problems.		
7. Performing the service right the first time.		
8. Commitment of staff in delivering services as promised without delay.		
9. Keeping accurate records by management.		
10. Giving guests the exact time of performing a service.		
11. Prompt service by staff.		
12. Staff willingness to help guests.		
13. Employees ignorance of guest requests.		
14. Trusting staff.		
15. Feeling safe when dealing with Holiday Resort (Aloni) Staff.		
16. Politeness of Staff.		
17. Knowledgeable staff to answer your questions.		
18. Individual attention given by the staff to their guests.		
19. Operating hours convenient to all of its customers.		
20. Staff knowing needs of their guests.		
21. Staff having guests best interest at heart.		
22. Staff understanding specific needs of the customers.		

APPENDIX B-The Cronbach's alpha values

Scale: Assurance Expectations Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.907	.908	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
TrustingAloniStaff	18.3667	8.270	.761	.691	.891
FellingSafeDealingWithAloni	18.3167	7.644	.865	.782	.854
PolitenessOfStaffExpectati	18.3667	7.287	.836	.706	.864
StaffKnowledgeToAnswearToCustomerQuestions	18.5000	8.288	.709	.563	.908

Scale: Assurance Perceptions Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.842	.849	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
TrustingAloniStaff	19.1167	7.766	.770	.609	.765
FellingSafeDealingWithAlon	19.1167	8.037	.626	.459	.821
PolitenessOfStaff	19.0833	7.840	.699	.510	.791
StaffKnowledgeToAnswearToCustomerQuestionsPerce	19.5333	7.033	.643	.510	.824

Scale: Empathy Expectation Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.932	.932	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
IndividualAttention	23.2000	14.942	.806	.667	.920
ConvenientOperatingHours	23.1833	15.847	.775	.645	.925
PersonalAttentionToCustomers	23.3333	15.040	.825	.698	.916
CustomersBestInterestAtHeart	23.0333	14.643	.816	.712	.918
UnderstandingSpesificNeeds	23.2500	14.428	.884	.796	.904

Scale: Empathy Perceptions Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.898	.896	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
IndividualAttention	22.8000	20.569	.702	.559	.885
ConvenientOperatingHours	23.2833	22.952	.547	.354	.915
PersonalAttentionToCustomers	23.2667	18.673	.854	.799	.851
CustomersBestInterestAtHeart	22.8667	19.609	.812	.703	.861
UnderstandingSpesificNeeds	23.1167	19.223	.830	.741	.857

Scale: Reliability Expectation Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.928	.930	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
KeepingPromisesByProviders	23.6833	17.169	.722	.540	.928
StaffConcernInSolvingProblem	23.7667	15.029	.873	.853	.900
DependabilityOfStaff	23.7500	16.394	.862	.768	.904
CommitmentForProvidingServiceAsPromised	23.6667	15.616	.901	.887	.895
AccurancyOfRecords	24.1333	15.914	.725	.566	.931

Scale: Reliability Perceptions Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.834	.839	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
KeepingPromisesByProviders	23.4167	16.518	.672	.495	.790
StaffConcernInSolvingProblems	23.2667	16.470	.624	.492	.804
DependabilityOfStaff	23.4333	15.538	.731	.589	.771
CommitmentForProvidingServiceAsPromised	23.2833	16.783	.779	.644	.767
AccurancyOfRecords	24.3333	18.565	.411	.216	.862

Scale: Responsiveness Expectation Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.595	.709	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
GivingCustomersExactTimeOfPerformingAService	16.4500	8.760	.592	.613	.383
PromptServiceExpectations	16.2667	8.673	.688	.796	.337
StaffWillingnessToHelp	16.0833	9.230	.481	.654	.456
StaffIgnoranceOfCustomerReq.	17.6000	9.905	.049	.033	.877

Scale: Responsiveness Perceptions Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.626	.701	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
GivingCustomersExactTimeOfPerformingAService	16.8833	9.223	.581	.405	.436
PromptServicePerceptions	16.5500	9.981	.563	.561	.468
StaffWillingnessToHelpPerc	16.1500	11.350	.446	.443	.552
StaffIgnoranceOfCustomerRequest	18.2167	8.918	.220	.096	.788

Scale: Tangibility Expectation Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.829	.829	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
ModernEquipment	17.4833	6.830	.723	.565	.754
FacilitiesAppearance	17.2667	6.673	.737	.663	.747
EmployeesAppearance	17.4167	7.874	.500	.336	.850
MaterialsVisualAppeal	17.0833	6.620	.676	.576	.775

Scale: Tangibility Perceptions Reliability Test

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.784	.788	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
ModernEquipment	16.7500	10.597	.634	.439	.716
FacilitiesAppearance	15.9500	9.133	.742	.608	.651
EmployeesAppearance	15.9833	11.610	.417	.207	.812
MaterialsVisualAppeal	16.1167	8.817	.609	.496	.729

APPENDIXC- t-test values and their significance.

Expectations paired with Perceptions		95% Confidence Interval of the Difference		t	df	Sig. (2-tailed)
		Lower	Upper			
Pair 1	ModernEquipmentModernquipment	.33366	1.16634	3.605	59	.001
Pair 2	FacilitiesAppearanceFacilitiesAppearance	-.17021	.50354	.990	59	.326
Pair 3	EmployeesAppearance - EmployeesAppearance	-.29764	.39764	.288	59	.775
Pair 4	MaterialsVisualAppeal - MaterialsVisualAppeal	.12018	.91315	2.608	59	.012
Pair 5	KeepingPromises - KeepingPromises	-.35196	.45196	.249	59	.804
Pair 6	StaffConcernInSolvingProblems - StaffConcernInSolvingProblems	-.64075	.27408	-.802	59	.426
Pair 7	DependabilityOfStaff - DependabilityOfStaff	-.41464	.41464	.000	59	1.000
Pair 8	CommitmentForProvidingServiceAsPromise-CommitmentForProvidingServiceAsPromised	-.47544	.34211	-.326	59	.745
Pair 9	AccurancyOfRecords - AccurancyOfRecords	.14370	.88963	2.772	59	.007
Pair 10	GivingCustomersExactTimeOfPerformingAService - GivingCustomersExactTimeOfPerformingAService	-.44788	.38121	-.161	59	.873
Pair 11	PromptService - PromptService	-.59383	.22717	-.894	59	.375
Pair 12	StaffWillingnessToHelp - StaffWillingnessToHelp	-.81518	.01518	-1.928	59	.059
Pair 13	StaffIgnoranceOfCustomerRequest-StaffIgnoranceOfCustomerRequest	-.28546	.58546	.689	59	.493
Pair 14	TrustingAloniStaff - TrustingAloniStaff	-.69894	-.00106	-2.007	59	.049
Pair 15	FellingSafeDealingWithAloni - FellingSafeDealingWithAloni	-.65369	.05369	-1.697	59	.095
Pair 16	PolitenessOfStaff - PolitenessOfStaff	-.76410	-.00257	-2.014	59	.049
Pair 17	StaffKnowledgeToAnswearToCustomerQuestions - StaffKnowledgeToAnswearToCustomerQuestions	-.48905	.35572	-.316	59	.753
Pair 18	IndividualAttention - IndividualAttention	-.68296	.21629	-1.038	59	.303
Pair 19	ConvenientOperatingHours - ConvenientOperatingHours	-.19168	.72501	1.164	59	.249
Pair 20	PersonalAttentionToCustomers - PersonalAttentionToCustomers	-.34030	.54030	.454	59	.651
Pair 21	CustomersBestInterestAtHeart - CustomersBestInterestAtHeart	-.44617	.44617	.000	59	1.000

Pair 22	UnderstandingSpesificNeeds - UnderstandingSpesificNeeds	-.43982	.50649	.141	59	.888
Pair 23	Tangibility - Tangibility	.05975	.68192	2.385	59	.020
Pair 24	Reliability - Reliability	-.29176	.41843	.357	59	.722
Pair 25	Responsiveness - Responsiveness	-.45329	.21996	-.694	59	.491
Pair 26	Assurance - Assurance	-.61188	.06188	-1.633	59	.108
Pair 27	Empathy - Empathy	-.36734	.43400	.166	59	.868

APPENDIX D-Descriptive Statistics

The table represents the descriptive statistics for dimension perception as extracted from SPSS.

a/a	Perception	N	Minimum	Maximum	Mean	Std. Deviation	Variance
1	Modern Equipment	60	2.00	7.00	4.8500	1.14721	1.316
2	Facilities Appearance	60	1.00	7.00	5.6500	1.29961	1.689
3	Employee Appearance	60	2.00	7.00	5.6167	1.23634	1.529
4	Materials' Visual Appearance	60	1.00	7.00	5.4833	1.52373	2.322
5	Keeping Promises by Provider	60	3.00	7.00	6.0167	1.28210	1.644
6	Staff Concern in Problem Solving	60	1.00	7.00	6.1667	1.35505	1.836
7	Dependability of Staff (Correctness)	60	2.00	7.00	6.0000	1.35296	1.831
8	Punctuality	60	3.00	7.00	6.1500	1.11728	1.248
9	Accuracy of Records	60	3.00	7.00	5.1000	1.34920	1.820
10	Time allotment	60	3.00	7.00	5.7167	1.31602	1.732
11	Promptness	60	3.00	7.00	6.0500	1.18501	1.404
12	Willingness to Help	60	2.00	7.00	6.4500	1.04840	1.099
13	Staff Ignorance of customer Request (Response)	60	1.00	7.00	4.3833	2.00923	4.037
14	Trusting Aloni Staff (Trustworthiness)	60	3.00	7.00	6.5000	.98290	.966
15	Felling Safe Dealing with Aloni (Safety/Security)	60	2.00	7.00	6.5000	1.06564	1.136
16	Politeness of Staff	60	2.00	7.00	6.5333	1.03280	1.067
17	Staff Knowledge	60	2.00	7.00	6.0833	1.26614	1.603
18	Individual attention	60	2.00	7.00	6.0333	1.32725	1.762
19	Convenient Operating Hours	60	2.00	7.00	5.5500	1.21327	1.472
20	Personal Attention to Customer	60	1.00	7.00	5.5667	1.38229	1.911
21	Customers Best Interest at Heart	60	2.00	7.00	5.9667	1.31441	1.728
22	Understanding Specific Needs	60	2.00	7.00	5.7167	1.34154	1.800

The table represents the descriptive statistics for dimension expectation as extracted from SPSS.

a/a	Expectations	N	Minimum	Maximum	Mean	Std. Deviation	Variance
1	Modern Equipment	60	3.00	7.00	5.6000	1.02841	1.058
2	Facilities Appearance	60	1.00	7.00	5.8167	1.04948	1.101
3	Employee Appearance	60	4.00	7.00	5.6667	1.01958	1.040
4	Materials' Visual Appearance	60	1.00	7.00	6.0000	1.11993	1.254
5	Keeping Promises by Provider	60	4.00	7.00	6.0667	1.05552	1.114
6	Staff Concern in Problem Solving	60	3.00	7.00	5.9833	1.20016	1.440
7	Dependability of Staff (Correctness)	60	4.00	7.00	6.0000	1.02511	1.051
8	Punctuality	60	3.00	7.00	6.0833	1.09377	1.196
9	Accuracy of Records	60	4.00	7.00	5.6167	1.23634	1.529
10	Time allotment	60	3.00	7.00	5.6833	1.18596	1.406
11	Promptness	60	4.00	7.00	5.8667	1.09648	1.202
12	Willingness to Help	60	3.00	7.00	6.0500	1.22716	1.506
13	Staff Ignorance of customer Request (Response)	60	1.00	7.00	4.5333	1.95254	3.812
14	Trusting Aloni Staff (Trustworthiness)	60	4.00	7.00	6.1500	.98849	.977
15	Felling Safe Dealing with Aloni (Safety/Security)	60	4.00	7.00	6.2000	1.02180	1.044
16	Politeness of Staff	60	2.00	7.00	6.1500	1.11728	1.248
17	Staff Knowledge	60	4.00	7.00	6.0167	1.03321	1.068
18	Individual attention	60	4.00	7.00	5.8000	1.10162	1.214
19	Convenient Operating Hours	60	4.00	7.00	5.8167	.99986	1.000
20	Personal Attention to Customer	60	3.00	7.00	5.6667	1.06829	1.141
21	Customers Best Interest at Heart	60	3.00	7.00	5.9667	1.13446	1.287
22	Understanding Specific Needs	60	3.00	7.00	5.7500	1.09892	1.208