Department of Economics and Business

þÿ Master of Business Administration (œ'')

2012

# Customer satisfaction at Aloni all suite hotel in the peninsula area of Akamas in the country of Pafos-Cyprus: an application of the servqual model

#### Demetriou, Demetrios

Business Administration Programm, School of Economic Sciences and Business, Neapolis University Pafos

http://hdl.handle.net/11728/8825

Downloaded from HEPHAESTUS Repository, Neapolis University institutional repository



# 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:

**DEMETRIOS DEMETRIOU** 

#### MASTER IN BUSINESS ADMINISTRATION

**Neapolis University Pafos** 

Pafos, Cyprus

2012

Submitted to the Faculty of

**SCHOOL OF BUSINESS** 

In the partial fulfillment of

The requirements for

The Degree of

**MBA** 

## 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

#### **Dissertation**

#### Advisor

**Professor Andreas Kakouris** 

**Program Director** 

**Professor John Politis** 

## **Dedication**

This dissertation is dedicated with love to my family.

#### Acknowledgements

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.

#### **Table of Contents**

Title: Customer Satisfaction at Aloni All-Suite Hotel in the i

Peninsula Area of Akamas in the County of Pafos-Cyprus, An	
Application if SERVQUAL model.	
Dedication	ii
Acknowledgement	iii
Table of Contents	iv
List of Tables	v
List of Figures	v
Abstract	vii
Chapter One : Introduction	1
Chapter Two : Literature Review	3
2.1 Quality in Tourism	3
2.2 Service Quality	4
2.3 Hotel Service Quality Attributes	11
2.4 SERVQUAL Model	12
2.5 SERVQUAL Criticisms	17
2.6 Zone of Tolerance	19
Chapter Three: Methodology	21
3.1 Method	21
3.2 Questionnaire	21
3.3 Sampling	21
3.4 Ethics	23
Chapter Four: Findings and Discussion	24
4.1 Reliability – The Cronbach's Alpha	24
4.2 T-test	25
4.3 Descriptive Statistics	27
4.4 Analysis of the Five Quality Dimensions	29
4.4.1 Tangibility	29
4.4.2 Reliability	30
4.4.3 Responsiveness	31
4.4.4 Assurance	32
4.4.5 Empathy	33
4.4.6 Expectations Vs Perceptions	33

Expe	ectations Item Level Means ( Lowest and Highest)	33
Perceptions Items Level means ( Lowest and Highest)		
Gaps	Between Expectations and Perceptions on Items	35
Grapl	nical Presentation of the Five Quality Dimensions	38
Chapter Five	e: Conclusions/Recommendations	39
5.1 Customer	Loyalty	39
5.2 Recomme	endations	40
Customer	Loyalty	40
Improvem	nents	41
5.3 Limitation	ns	43
References		44
Appendix A	The Questionnaire	49
Appendix B	The Cronbach's Alpha Values using SPSS	50
Appendix C	T-values and their Significance using SPSS	55
Appendix D	Descriptive Statistics of the Items using SPSS	57
List of Table	s	
Table 1-The Quality Dimensions and their Weights		13
Table 2-The Values of Cronbach's Alpha		24
Table 3- Inter	rnal Consistency of the Scale	24,25
Table 4- T-va	alues and their Significance	26
Table 5- Distribution of Respondents' Age		28
Table 6- Tangibility ( items, means, gaps)		
Table 7- Reliability ( items, means, gaps)		30
Table 8- Responsiveness (items, means, gaps)		31
Table 9- Assi	urance (items, means, gaps)	32
Table 10- Em	npathy ( items, means, gaps)	33
Table 11- Me	eans and Gaps of the Five Quality Dimensions	37
List of Figur	es	
Figure 1-The Four Service Characteristics		5
<b>Figure 2</b> -The Gap Model as Presented By Zeithaml et al. (1990)		16
Figure 3-Zone of Tolerance		20
Figure 4- Ger	nder Distribution ( frequency, percentage)	28

Figure 5-Respondents' Age Group	28
Figure 6- Expectations Vs Perceptions on Item Level	36
Figure 7-Polar Diagram of the Five Quality Dimensions	35

#### ABSTRACT

**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.