Managing Service Quality: Dimensions of service quality: a study in Egypt

Niveen M. El Saghier

Abstract-
Service quality has played an essential role in the hotel industry for decades. Accordingly, it is essential that service providers recognize customer perceptions and expectations in addition to the factors that influence their satisfaction with the service provided.

The hotel industry is growing in Egypt. Taking into consideration the competition among hotels, hotel managers are concentrating on enhancing the factors related to service quality for the hotel industry customers’ in Egypt. The hotel industry service quality is an essential factor of flourishing business. By offering quality service, companies can maintain customers’ loyalty and competitive edges more than their competitors. This study explores the effects of different hotel industry factors that affect customer satisfaction. Most all researchers adopted Parasuraman, Zeithaml, & Berry’s (1988) service quality model and adopted their SERVQUAL instrument, based upon the conception that service quality varies among industries. This study includes additional dimensions, identified by customers, which supposed to be integrated into the service quality construct it measures the level of importance of each particular dimension for the of hotel services users in Egypt.

Keywords- Service quality, Hotel Industry, Customer Satisfaction.

INTRODUCTION

The hotel industry is growing in Egypt. Taking into consideration the competition among hotels, hotel managers are concentrating on enhancing service quality to gain a competitive advantage (Min & Min, 1996). In general, perceived service quality seems to be positively related to customers’ likelihood of remaining a loyal customer and their attitudes toward the service provider (Anton, Camarero, & Carrero, 2007; Bell, Auh & Smalley, 2005; Aydin & Ozer, 2005). According to Berry, Bennet, and Brown (1989), service quality in the hotel industry impacts customer satisfaction and loyalty, brand image, and profit.

Providing outstanding quality of service and high customer satisfaction is a vital issue emerging in the contemporary service industry (Hung, Huang, and Chen, 2003). Kandampully, Mok and Sparks (2001) recommended that the challenge to provide service quality management effectively is the finest way to attain higher customer satisfaction.

Oakland (2005) and Kandampully, et al., (2001) agreed that service quality can only be attained if companies give power to their workforce to emphasize service quality dimensions. These dimensions include tangibles (equipment, physical facilities, and appearance of personnel); reliability (ability to perform the promised service accurately and dependably); responsiveness (willingness to assist customers and offer prompt service); assurance (knowledge and courtesy of employees and their capability to communicate trust and confidence); and empathy (individualized attention and caring, provided to customers).

Research Aim

The purpose of this study is to evaluate the Alexandrian hotels service quality it is vital for hoteliers to be able to identify the importance of service quality dimensions (tangibility, reliability, responsiveness, assurance, and empathy) and their impact on customers’ satisfaction. Taking into consideration guests’ expectations, will assist hotel managers know what to improve ahead and either service quality has been achieved with service providers or exceeded in their hotels. This would offer the actual performance to aid managers in eliminating the gap between expectations and the actual service given. Although it is generally accepted that effective service management has a positive impact on customer satisfaction, the research still aims to gain more insight into these areas.

H1: Hotel customers’ perceptions regarding SERVQUAL dimensions (assurance, tangibles, reliability, responsiveness and empathy) will have positive impact on their satisfaction.
In this work, our aim is to identify factors of service quality in Egypt that affect customer satisfaction and their behavioral intention which result in competitive advantage for hotel.

Accordingly, the research question that the study seeks to answer is given below:

What are the main internal service quality dimensions that affect customers’ satisfaction to share in the Egyptian hotel Industry?

**Research Hypotheses**

In order to answer the above questions literature has been extensively reviewed to devise the following hypotheses:

H.1: There is no significant difference between service quality dimensions and customers' satisfaction.

H.1.1: There is no significant difference between empathy and customers satisfaction. 

H.1.2: There is no significant difference between reliability and customers’ satisfaction. 

H.1.3: There is no significant difference between Assurance and customers’ satisfaction. 

H.1.4: There is no significant difference between responsiveness and customers’ satisfaction. 

H.1.5: There is no significant difference between tangibles and customers satisfaction.

Service quality is reflected as the life of hotel (Min & Min, 1996) and at the heart of service management (Chen, 2008). Service quality is linked to customer satisfaction (Shi & Su, 2007) and customer satisfaction is related to customers revisit intention (Han, Back & Barrett, 2009). If an effective image is represented to customers, it will generate competitive edge for hotel (Ryu, Han & Kim, 2008).

Service quality was defined by Zeithaml (1988) as “the judgment of customers about the overall superiority of a product or service.” Gronroos (1988) posited that perceived quality is considered good when the experienced quality of customers meets the expected quality from the brand. Although SERVQUAL has been useful to several business industries, different dimensions and the construct nature were industry related. Allied researches revealed that the dimensions were not replicable, and at times, the SERVQUAL scale considered being unidimensional (Babakus & Boller, 1992) or ten-dimensional (Carman, 1990). These dimensions are tangibles (equipment, appearance of personnel and physical facilities), responsiveness (willingness to help and provide prompt service), reliability (ability to perform the promised service dependably) assurance (knowledge and courtesy of employees and their ability to inspire confidence and trust), and empathy (caring, individualized attention the firm delivers to its customers).

The most famous model of service quality was proposed by Parasuraman et al. (1985, 1988). It had five dimensions and can be explained as:

1st – **Reliability**: “the degree to which a promised service is performed dependably and accurately”.

2nd – **Responsiveness**: “the degree to which service providers are willing to help customers and provide prompt service”.

3rd – **Assurance**: “the extent to which service providers are knowledgeable, courteous, and able to inspire trust and confidence”.

4th – **Empathy**: “the degree to which the customers are offered caring and individualized attention”.

5th – **Tangibles**: “the degree to which physical facilities, equipment, and appearance of personnel are adequate.

Mei, Dean, & White (1999) examined service quality in the hotel industry in Australia, using SERVQUAL, and came out with the HOLSERV scale. The findings revealed that “employees”, “tangibles”, and “reliability” were the most three dimensions affecting service quality, concluding that “employees” as the best influencer. Saleh and Ryan (1992) reported five dimensions of “conviviality”, “tangibles”, “reassurance”, “avoid sarcasm” and “empathy”, with “empathy” being the most vital dimension of service quality. Sirra, Falces, Delgado, Becerra, & Brinol (1999) designed a alike questionnaire of HOTELQUAL to study customers’ perceptions of hotels and outlined three factors of “hotel facilities”, “appraisal of the staff”, and “functioning and organization of service”.

Lately, Ekinci et al. (2003) discovered that tangible and intangible dimensions are the simply two separate dimensions measuring service quality of hotels. Finally, Akbaba (2006) studied the service quality expectations of business hotel’s customers and recognized five service quality dimensions, namely tangibles, adequacy in service, quality, assurance, understanding and caring, and convenience.

In hotel industry, where customers are directly interacting with services, therefore customer satisfaction is considered to be a replication of service quality in hotels (Shi & Su, 2007). Hotel performance is directly allied...
to service quality improvement. There is a significant relationship exist between improvement in service quality and hotel performance change (Narangajavana and Hu, 2008). Customers revisit intention and emotions are mediated by customer satisfaction (Han, Back & Barrett, 2009). Customer satisfaction plays a role of mediator in perceived value of hotel and behavioral intention (Ryu, Han & Kim, 2008). Customers revisit intention and emotions are mediated by customer satisfaction (Han, Back & Barrett, 2009). Customer satisfaction plays a role of mediator in perceived value of hotel and behavioral intention (Ryu, Han & Kim, 2008).

In every organization service and quality plays a vital role for every customer (Brombacher, 2000). Customer is the main person who defines the Quality (Berry & Parasuraman & Zeithaml, & Adsit & Hater & Vanetti & Veale, 1993). For providing good quality service to customers, it is necessary for hotel managers to understand the expectations of its customers (Shi & Su, 2007; Nilssom, Johnson & Gustafsson, 2001) and then develop such programs that can address issues of customers (Narangajavana and Hu, 2008) and bring improvement in service quality (Chen, 2008).

Customer is the main person who defines the Quality (Berry & Parasuraman & Zeithaml, & Adsit & Hater & Vanetti & Veale, 1993). For providing good quality service to customers, it is necessary for hotel managers to understand the expectations of its customers (Shi & Su, 2007; Nilssom, Johnson & Gustafsson, 2001) and then develop such programs that can address issues of customers (Narangajavana and Hu, 2008) and bring improvement in service quality (Chen, 2008). Customers demand and expectations continue to change according to market that is why hotel managers must timely know those expectations and improve their service quality accordingly (Chen, 2008). Besides this, different customers have different perception of service quality, so there is a need to cater this problem also (Shi & Su, 2007).

When service quality is improved, then it will lead to customer satisfaction that will result in good business results (Johnson & Gustafsson, 2001). It is necessary to scrutinize the perceptions of hotel managers about hotel ranking and they should correlate it with improving service quality and performance (Narangajavana and Hu, 2008). To bring improvement in service quality, there is a need to emphasize on tangible and intangible assets (Narangajavana and Hu, 2008).

The Link between Service Quality and Customer Satisfaction

Gabbie and O’Neill (1996) discovered that in today’s hospitality environment, the real measure of company success deceits in the company’s capability to satisfy customers constantly. A confusion seemed to appear between differences between service quality and satisfaction (Storbacka, Strandvik, and Grönroos (1994). Liljander and Strandvik (1994), stated that satisfaction refer to an insider perspective, the customer’s experiences of a service whereas the outcome is measured by the received value what the customer gave to receive something. Conferring to Hunt (1977), satisfaction is an assessment that an ‘experience was good as it was perceived to be’.

Measurement of service quality

Parasuraman et al. (1988) defined service quality as “a global judgment or attitude relating to the overall excellence or superiority of the service” and they conceptualized a customer’s evaluation of overall service quality by adopting Oliver’s (1980) disconfirmation model, as the gap between expectations and perception of service performance levels. Furthermore, they suggest that overall service quality performance may well be determined by the measurement scale SERVQUAL that uses five generic dimensions: tangibles (the appearance of physical facilities, equipment, personnel, and communications materials); reliability (the ability to perform the promised service dependably and accurately); responsiveness (the willingness to help customers and provide prompt service); assurance (the competence of the system and its credibility in providing a courteous and secure service); and empathy (the approachability, ease of access and effort taken to understand customers’ needs).

Methodology:

In this research paper, we examined aspects of service quality that affect customer satisfaction and results in success of hotels. The recent research relies on a questionnaire as a tool to gather data from the sample group which is international tourists visiting Alexandria and staying at hotels tourists during the time the survey was conducted. The samples for this survey were selected regardless of their nationality, age and gender, and included all types from those wanting luxury to backpackers, etc.

In the questionnaire the questions were adopted from previous research. It measures service quality by implementing the five dimensions of the “SERVQUAL” instrument: each dimensions followed by four questions. The 5-point Likert scale is used for all responses with (1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree).
TABLE I
QUESTIONNAIRE SUMMARY

<table>
<thead>
<tr>
<th>Questionnaire Items</th>
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<tbody>
<tr>
<td><strong>Empathy</strong></td>
<td></td>
</tr>
<tr>
<td>Friendliness and courtesy of staffs</td>
<td></td>
</tr>
<tr>
<td>Providing a menu for diet</td>
<td></td>
</tr>
<tr>
<td>Understands specific needs of guests</td>
<td></td>
</tr>
<tr>
<td>Special attention given by staff to know each guest</td>
<td></td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td></td>
</tr>
<tr>
<td>Well-trained and knowledgeable staff</td>
<td></td>
</tr>
<tr>
<td>Handled complaints and problems graciously</td>
<td></td>
</tr>
<tr>
<td>Provides services as promised</td>
<td></td>
</tr>
<tr>
<td>Performs services right at the first time</td>
<td></td>
</tr>
<tr>
<td><strong>Assurance</strong></td>
<td></td>
</tr>
<tr>
<td>Instilling confidence in guests</td>
<td></td>
</tr>
<tr>
<td>Convenience of service availability</td>
<td></td>
</tr>
<tr>
<td>Occupational knowledge of employees</td>
<td></td>
</tr>
<tr>
<td>Provides a safe and secure place for guests</td>
<td></td>
</tr>
<tr>
<td><strong>Responsiveness</strong></td>
<td></td>
</tr>
<tr>
<td>Gives individual attention to guests</td>
<td></td>
</tr>
<tr>
<td>Provides prompt services</td>
<td></td>
</tr>
<tr>
<td>Willingness of staffs to help guests</td>
<td></td>
</tr>
<tr>
<td>Availability of employees when needed</td>
<td></td>
</tr>
<tr>
<td><strong>Tangibles</strong></td>
<td></td>
</tr>
<tr>
<td>Attractiveness of the hotel decorate and design</td>
<td></td>
</tr>
<tr>
<td>Neat and professional appearance of staffs</td>
<td></td>
</tr>
</tbody>
</table>
Modern-looking and well-maintain hotel equipments
Quietness of the hotel environment for purpose of stay

**Customer Satisfaction**
Overall, I am satisfied with the hotel services

In the questionnaire, the questions are divided into two sections (Dependent variable and the Independent variable).

This research targeted 150 respondents. However, only 130 questionnaires were returned. Since the respondents did not properly complete the, questionnaires. Those questions were adopted from previous research. It measures service quality by implementing the five dimensions of the “SERVQUAL” the each dimensions followed by four questions 5-point Likert-scale is used for all responses with labels (1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree, 5 = strongly agree).

Group 1: The items for measuring Empathy are Questions(1-4)
Group 2: The items for measuring reliability are questions (5-8)
Group 3: Items for measuring assurance are Questions (9-12)
Group 4: Items for measuring responsiveness are Questions (13-16)
Group5: Items for measuring tangibles are Questions (17-20)
Group 6: Items for measuring customer satisfaction is question 21.

**STATISTICAL ANALYSIS**
In order to analyze the questionnaire data, statistical analysis was done using the Statistical Package for Social Science (SPSS) software.

- **Reliability Analysis**, used to measure reliability using Cronbach alpha.
- **Chi-Square Testing**, used to test if there is a difference between two variables.
- **Regression analysis**, used to assess how much do each independent affect Customer Satisfaction (dependent variable). It also gives an indication of the relative contribution of each independent variable.
- **Stepwise Regression analysis**, used to assess the most effective independent variables which affect Customer Satisfaction (dependent variable).

### A. Reliability Analysis
Reliability test is an assessment of the degree of consistency between multiple measurements of a variable. Cronbach’s alpha is the most widely used measurement tool with a generally agreed lower limit of 0.6.

The following Table provides an overview of the reliability scores. As can be seen from this table, all the alpha coefficients were above the required level of 0.6.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empathy</td>
<td>3</td>
<td>0.634</td>
</tr>
<tr>
<td>Reliability</td>
<td>4</td>
<td>0.743</td>
</tr>
<tr>
<td>Assurance</td>
<td>4</td>
<td>0.607</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>4</td>
<td>0.647</td>
</tr>
<tr>
<td>Tangibles</td>
<td>3</td>
<td>0.804</td>
</tr>
</tbody>
</table>

### B. Testing Hypotheses using Chi-Squared Test
In order to understand and determine the main factors that affect the Customer Satisfaction towards banking services, a number of hypotheses were devised and tested as shown below:

H₀1: There is no significant difference between Empathy and Customer Satisfaction

Testing this using the relevant questions, Chi-square = 37.586 (DF=8, sig. =0.000).
This shows a significant relation between Empathy and Customer Satisfaction. This would enable the authors to reject the null hypothesis.


H₂: There is no significant difference between Reliability and Customer Satisfaction

Testing this using the relevant questions, Chi-square = 68.773 (DF=12, sig. =0.000).

This shows a significant relation between Reliability and Customer Satisfaction. This would enable the authors to reject the null hypothesis.

H₃: There is no significant difference between Assurance and Customer Satisfaction

Testing this using the relevant questions, Chi-square = 48.262 (DF=12, sig. =0.000).

This shows a significant relation between Assurance and Customer Satisfaction. This would enable the authors to reject the null hypothesis.

H₄: There is no significant difference between Responsiveness and Customer Satisfaction

Testing this using the relevant questions, Chi-square = 56.978 (DF=8, sig. =0.000).

This shows a significant relation between Responsiveness and Customer Satisfaction. This would enable the authors to reject the null hypothesis.

H₅: There is no significant difference between Tangibles and Customer Satisfaction

Testing this using the relevant questions, Chi-square = 39.375 (DF=12, sig. =0.000).

This shows a significant relation between Tangibles and Customer Satisfaction. This would enable the authors to reject the null hypothesis.

C. Regression Analysis

Regression analysis shows how much assessment do each independent variable affect Customer Satisfaction (dependent variable). By using this regression analysis, one may assess the direct relationship between variables as well as show the causal relationship and the nature of relationship between variables (Aiken et al., 1991; Foster et al., 2004).

The stepwise regression model is defined as the step-by-step iterative construction of a regression model that involves automatic selection of independent variables. Stepwise regression can be achieved either by trying out one independent variable at a time and including it in the regression model if it is statistically significant, or by including all potential independent variables in the model and eliminating those that are not statistically significant, or by a combination of both methods. Stepwise regression analysis was recommended by several scholars, such as Aiken et al., 1991; Berenson and Levine, 1992).

The SPSS stepwise regression procedure was employed in the table below to ascertain the proposed relationships between the independent variables and the dependent variable.

### TABLE II
REGRESSION ANALYSIS

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.169</td>
<td>.556</td>
<td>.304</td>
<td>.762</td>
</tr>
<tr>
<td>Reliability</td>
<td>.344</td>
<td>.106</td>
<td>.254</td>
<td>3.235</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>.397</td>
<td>.119</td>
<td>.254</td>
<td>3.329</td>
</tr>
<tr>
<td>Tangibles</td>
<td>.204</td>
<td>.088</td>
<td>.181</td>
<td>2.330</td>
</tr>
</tbody>
</table>

Regression Analysis is shown in equation:

Estimated \( Y = a + b₁ x + b₂ x + \ldots \),

where \( Y \) is the dependent variable, \( a \) is the \( Y \) intercept, that is the value of \( Y \) when \( x = 0 \), \( b₁ \), \( b₂ \), \ldots \) is the regression coefficients which indicate the amount of change in \( Y \) given a unit change in \( x₁, x₂, \ldots \), and \( x₁, x₂, \ldots \) are the values for the independent variables.

Based on the stepwise regression shown in the above table, the results are as follows:
Estimated Y = 0.169 + 0.344*Reliability + 0.397*Responsiveness + 0.204*Tangibles

Where:

Constant a=0.169  
Reliability Coefficient = 0.344  
Responsiveness Coefficient = 0.397  
Tangibles Coefficient = 0.204

This means that in the presence of all variables together, only Reliability, Responsiveness and Tangibles variables show a significant impact on Customer Satisfaction in hotels, while both Empathy and Assurance variables impact become insignificant.

The highest impact is shown to be for Responsiveness (Coefficient = 0.397), then comes Reliability variable (Coefficient = 0.344), while the least variable in its impact was Tangibles (Coefficient = 0.204).

The above results illustrate the impact of the responsiveness on the Customer satisfaction, where an increase in responsiveness by 0.397 will cause an increase in the customer satisfaction in hotel. Similarly, the reliability in hotel in Egypt is directly affected by the customer satisfaction where an increase in reliability 0.344 will cause a direct increase in the customer satisfaction in hotels. Also, the customer satisfaction in hotel in Egypt will be affected by Tangibles where an increase in Tangibles 0.204 will cause a direct increase in the customer satisfaction within hotels.

CONCLUSION
This study examined the aspects of service quality in hotels that influence the satisfaction of customers. The findings of this study suggested that impact of service quality affects the customer satisfaction that results in success of hotel and it is an irrefutable fact. Furthermore, sustaining the customer satisfaction level is an ongoing process that requires continuous improvement in service quality at hotels.

Based on study findings, it can be concluded that customers’ perceptions regarding hotel brand quality dimensions such as “responsiveness”, “reliability” and “empathy” contributed to build their satisfaction rather than “empathy” and “assurance”. Interestingly, favorable perceptions on hotel responsiveness predicted relatively stronger satisfaction than did reliability and empathy perceptions.

It is therefore essential for managers in hotel industry to apply the SERVQUAL model for the measurement of service quality, in order to satisfy the guest’s expectations.

Limitations and avenues for future research
This research has certain limitations, and interpretation of its findings therefore needs to be undertaken with caution. First, the sample in this study is small and is limited to a relatively specific group of tourists – citizens who stayed in certain hotels in Alexandria.

Implications:
This study was aimed to diagnose the perceived service quality of Egyptian customers to determine the customer satisfaction level in Alexandrian hotels. The findings of this study reveal that the SERVPERF scale successfully maintains its reliability. Hence, customers’ evaluation of perceived service quality in consists of two dimensions: tangibles and intangibles. This study supports previous empirical studies in the hospitality and tourism literature (Karatep and Avci, 2002; Ekinci et al., 2003). Therefore, the findings of this study are important for practitioners in Egypt.

Reference:


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