

## **The Study on Impact of Service Quality on Guest Loyalty in Hotel Industry: (with special reference to five star hotels in Kandy district)**

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Sri Lankan tourism industry is rapidly growing at present. Therefore tourism was able to upgrade its rank to the third among the important sources of Foreign Exchange Earner of the national economy. Within that, the hotel sector mainly contribute to the GDP of the country. In this context, this study investigated the impact of service quality on guests' loyalty in hotel industry with special reference to five star hotels in Kandy District. The researcher selected all the three five star hotels in Kandy District and collected data from 120 guests who visited those three five star hotels using convenience sampling method and questionnaire is used as the data collecting technique. The SERVQUAL model has been used to measure the service quality as it proved as a best yardstick to measure it. Descriptive statistics, correlation and regression analysis were used to analyse the data with the support of SPSS 21.0. Existing level of service quality and guests' loyalty is in agreed level according to the descriptive statistics. According to the correlation analysis, there is a positive relationship between all service quality dimensions and guests' loyalty in hotel industry. In addition to that multiple linear regression analysis confirmed the positive impact of service quality towards guests' loyalty. Since the study found that service quality is a key driver of guests' loyalty in hotel industry, study provides recommendations and suggestions for practical implementation in hotel management based on research findings. It suggests that empathy, tangibility and reliability of a service are key consideration as these factors strongly influence on guests' loyalty according to the analytical results. Hoteliers should improve the service based on these factors and its indicators to enhance their loyal customer base since it affect to the profitability of the hotel. The quality service is mainly affect to the guests' loyalty.

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