The impact of service quality on customer satisfaction, with special reference to five star hotels in Sri Lanka

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Introduction

The business environment has been challenged by satisfying customers that become a major business asset and a competitive edge for various companies in the current scenario. Service organizations are considering much on quality of the service as a major tool to obtain satisfied customers (Chingang et al., 2010). Service industries are aligning with the quality of the service that derives the success of any organization (Berry et al., 1994). With the booming of the hotels and restaurants industry, it is become a major industry that adds value to the domestic economy significantly. Hence the quality of service has major influence on visitors' satisfaction, hospitality and tourism industry has considered much on providing better service to customers that remain the prospective customers and attract new customer groups.

Service quality and its antecedents were significantly correlated with customer satisfaction and frequency of patronage (Chow et al., 2007) while service quality has become a key performance indicator that customer demands and expectations could be sharply increased and changed in hotels and restaurant industry (Karunaratne and Jayawardena, 2010). Scholars have explored the importance of service quality in hospitality and tourism industry. It has been discussed, the service quality is a crucial factor that can add value and lead to customer loyalty (Lee et al., 2003). Humnekar and Phadtare, (2011) have examined service quality toward customer satisfaction by using SERVQUAL model that has explored that there is a path from service quality towards customer satisfaction. Further, studies have revealed that high levels of service quality could not have ensured high satisfaction where the service quality does not matched with perceived value of customers, it has negative effect on customer loyalty and satisfaction (Rousan et al, 2010).

The study of literature has been identified the significance of the relationship between Service Quality and Customer Satisfaction. Further the literature proves that the main influential factors of Service Quality to Customer Satisfaction differ from industry to industry. It also suggests that even in the same industry, these factors can differ from country to country. Many researches have used fivefold SERVQUAL dimensions to measure the service quality, which is developed by Parasuraman et al., (1988). This is the widely accepted method that determines the customers' base assessment of service quality depends on five dimensions, tangibles, reliability, responsiveness, assurance, and empathy which included 22 item scales to analyze the quality of the service.

Accordingly, the problems derived from literature justification, the primary objective was to determine the impact of service quality dimensions on customer satisfaction. The secondary objectives were to recognize the most important service quality dimensions that effects on customer satisfaction and to ascertain the relationship between service quality dimensions and customer satisfaction.

Methodology

The population of this research was foreign visitors who visit selected five star hotels registered under the Sri Lanka Tourism development Board (SLTDA). In order to conduct this study, the sample was selected by simple random sampling method. The pre-determined sample size of 80 foreign visitors was selected by proportionate allocation according to the regional distribution of five star hotels in Sri Lanka. Self-administered five point Likert scale questionnaire was used to collect information from selected sample. Both descriptive and inferential techniques were used to analyze data. Descriptive statistics were used to discover and summarize the attributed of the sample. Furthermore, correlation coefficient analysis was used to measure the degree of linear association between two variables. Multiple regression analysis was used to combine contribution of each parts of the independent variable.

Results and Discussion

According to descriptive analysis, "mean" of five input variables fall under the range of $1<X<2.5$. This illustrates that almost all the participants almost agree with the existing situation of Tangibility, Reliability, Responsiveness, Assurance and Empathy in five star hotels' in Sri Lanka.

Furthermore, the correlation and regression analysis were conducted to determine the strength of relationship and relative contribution of independent variables. Service Quality has significance strong positive correlation on Customer Satisfaction. Apart from that, the adjusted R^2 between Service Quality and Customer Satisfaction was 61.17%. The fitted regression model can be expressed as follows; the customer satisfaction is a function of service quality dimensions that respectively Ttangibles, Reliability, Responsiveness, Assurance and Empathy.

CS = -0.301+ 0.453 TG + 0.099 RL + 0.274 RP + 0.034 AS+ 0.158 EM

The analyses demonstrates that five dimension of Service Quality practices are having a positive relationship with Customer Satisfaction. Further, multiple regression proved that Tangibles was the major predictor of the Customer Satisfaction in five star hotels' in Sri Lanka. Whether the correlation analyses has proven the positive relationship in between customer satisfaction and service quality, the insignificance of three dimensions of services quality has been proven by multiple linear regression analyses. According to the multiple linear regression analyses, null hypothesis were accepted in between Reliability, Assurance and Empathy with customer satisfaction. A new multiple regressions model has been constructed by using service quality dimensions of Tangibles and Responsiveness that is significantly affect to customer satisfaction by rejecting the null hypothesis in multiple regression models. The new regression equation can be elaborated as follows,

CS = -0.198+ 0.511 TG + 0.468 RP

The new model of service quality has been proven by the resulted new ß Coefficients that amplify the influence service quality on customer satisfaction to the extent of previous model has been described.

In addition, the adjusted R Square value (60.5%) of this new model has no any extensive difference when compared to the previous result adjusted R Square value (61.2%) of coefficient of determination from the model of included all fivefold dimensions of service quality. This result has

expressed that the significant two dimensions of Tangibles and Responsiveness has sound impact on customer satisfaction rather than the rest of the service quality dimensions that Reliability, Assurance and Empathy. The new model that included service quality dimensions of Tangibles and Responsiveness has influenced the customer satisfaction at the similar level of influence that affects all the fivefold dimensions of service quality

Conclusions

The findings of the research revealed that the customers are satisfied with the existing Service Quality in five star hotels' in Sri Lanka. Further, there is a strong positive relationship between Service Quality and Customer Satisfaction in five star hotels Sri Lanka. Moreover, regression analysis revealed that Tangibles and Responsiveness are significantly impact on Customer Satisfaction. Moreover, Reliability, Assurance and Empathy do not significantly influence on Customer Satisfaction in five star hotels' in Sri Lanka. The study suggested constructs provided adequate support for the Customer Satisfaction and Service Quality analysis. In addition, it is recommended to measure service quality by adding quality dimensions and to study the effect of customer satisfaction to the word of mouth and revisit intension which derived by service quality of the industry.

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