



Uva Wellassa
University

**STUDY ON IMPACT OF SERVICE QUALITY ON
GUEST LOYALTY IN HOTEL INDUSTRY.
(WITH SPECIAL REFERENCE TO FIVE STAR
HOTELS IN
KANDY DISTRICT)**

*This dissertation is submitted as a partial fulfilment of the degree of
Bachelor of Business Management in Hospitality, Tourism and Events
Management.*

November, 2017

Name of the Candidate: M.M.G.K Marasinghe

Index Number: UWU/EX/13/0287

Department Of Public Administration

ABSTRACT

Sri Lankan tourism industry is rapidly growing at present. Therefore tourism was able to upgrade its rank to the third level as one of the largest source of Foreign Exchange Earner of the national economy. Based on this circumstance, mainly hotel sector contribute to GDP of the country significantly. 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 according to the 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 service quality. Descriptive statistics, correlation analysis and regression analysis were used to analyse the data with the support of SPSS 21.0 version. Existing level of service quality and guests' loyalty is analysed in this research by using descriptive statistics. According to the Correlation analysis, there is a strong positive relationship between service quality dimensions and guests' loyalty in hotel industry. In addition to that multiple linear regression analysis has confirmed the positive impact of service quality towards guests' loyalty. Since the study found that the service quality is a key driver of guests' loyalty in hotel industry, this study provide recommendations and suggestions for practical implementation for hotel management based on the research findings. It suggest that empathy, tangibility and reliability of a service is key consideration as these factors strongly influence on guests' loyalty. In addition to that all the five service quality dimensions should be consider due to the positive impact of them to guests' loyalty in hotel industry.

Key words: Guests' Loyalty, Service Quality, SERVQUAL model, five star hotels