

# Evaluation of Service Quality in Luxury Hotels of Goa: A Cross Cultural Perspective



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*Rapid globalization has led to massive interaction between people belonging to different cultural backgrounds. This is significant in the hospitality industry. This paper aims to measure service quality with the help of service encounter variables across luxury hotel segments in Goa. Respondents are foreign tourists staying in luxury hotels since that justifies the "cross-cultural parameter". This study is based on SERVQUAL scale to demonstrate significance of service quality. Data is collected using dimensions of Service Quality- Tangibility, Reliability, Responsiveness, Assurance and Empathy. Finally, the findings provide an insight for luxury hotels in Mumbai by suggesting recommendations to improve service quality.*

**Keywords:** Service Encounter, Cross-Cultural, Service quality, Luxury Hotels, SERVQUAL Scale

## 1. Introduction

The foundation of the growing service economy is the service encounter, which is defined as the period of time when the consumer interacts directly with the service (Shostack,1985). In the service management literature, the term "service encounter" is widely established and indicates the contact between customer and service provider (Stauss and Mang, 1999). Service encounters in the hospitality industry are significant as they enable the promotion of hotel services, creating a positive impression on the customer thereby contributing to customer loyalty and also enhancing the overall brand image of the property and for sustaining the competitiveness of the property. The World Travel and Tourism Council, says that India ranks 18th in business travel and will be among the top five very soon. According to the world travel and tourism council, the growth in the hospitality industry is pegged at 15% every year, and with 2,00,000 rooms (both luxury and budget) needed in the country, the segment is poised for a stupendous growth.

**Luxury Hotel:** is a hotel that is upscale and typically costs more than the average accommodation. The luxury hotel not only costs more but also provides different type of accommodation too. But there are no set standards for "luxury hotels," and both four-star and five-star hotels generally describe themselves as "luxury." In this paper two five-star hotels in Mumbai- Vivanta by Taj, Hyatt Place and Ramada Caravela Beach Resort are included.

**Service Quality:** is considered as a critical parameter of competitiveness, customer satisfaction, customer loyalty and overall brand image of the service industry. Providing excellent service quality and high customer satisfaction is the important issue and challenge facing the contemporary service industry (Hung et al., 2003). Service Quality is an important subject in both public and private sectors, in business and service industries (Zahari et al., 2008).

**Cross-Cultural Service Encounters:** Service encounters in the hospitality industry are significant as they enable the promotion of hotel services, creating a positive impression on the customer thereby contributing to customer loyalty and also enhancing the overall brand image of the property and for sustaining the competitiveness of the property. A cross-cultural service encounter occurs when the service provider and the customer belong to different cultures. Culture represents the common values, norms and behaviors of a particular group and is often identified with nations or ethnicity. Culture also influences the way in which the hotel employees interact with the international customers. The employees have to accommodate different cultures to enhance service quality in the hotels.

## 2. Problem Statement

Several conceptual models have been developed by different researchers for measuring service quality. A gap exists between the consumers' expectations and perceived service. This research will bring about the discussions to help the luxury hotel industry in identifying and bridging the relevant gaps. SERVQUAL scale is proposed by Parasuraman (1988) for measuring such gaps.

### 2.1 Service Quality Dimensions

Parasuraman (1985) mentioned ten factors for evaluating service quality (including tangible, reliability, responsiveness, courtesy, credibility, security, accessibility, communication, empathy and understanding the customer). These ten factors are simplified and collapsed into five factors. These five dimensions are stated as follows (Van Iwaarden et al., 2003; Shahin, 2006)

1. **Tangibles:** are defined as the appearance of physical facilities, equipment's, personnel and communication materials. Tangibles provide physical representations or images of the service that customers will use to evaluate quality. In the hospitality sector, tangibles are an important attribute as the physical infrastructure contributes a lot to the impression that the customer creates in his mind about a particular property.
2. **Reliability:** can be defined as the ability to perform the promised service dependably and accurately. In the broadest sense, reliability means the promises about delivery, service provision, problem resolution and pricing should be delivered dependably and accurately.
3. **Responsiveness:** can be defined as the willingness to help the international customers and provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints and problems. Responsiveness is communicated to the customers by the length of time they have to wait for assistance, answers to their questions or attention towards their problems.
4. **Assurance:** is defined as hotel employee's knowledge and courtesy and their ability to inspire trust and confidence amongst the customers (including competence, credibility and security). This dimension is likely to be important for those services that the customers perceive as high risk or for services of which they feel uncertain about their ability to evaluate the outcomes.
5. **Empathy:** can be defined as caring and individualized attention that the firm provides to its customers (including access, communication, understanding the customer). The essence of empathy is conveying through personalized or customized service that the customers are unique and special and that their needs are understood. The hotel employees should be aware of the customers' requirements and preferences.

### 3. Objectives

1. To evaluate service encounters through the various dimensions of Service Quality.
2. To assess the challenges encountered in achieving service quality.
3. To suggest recommendations to enhance service quality in the luxury hotels in Goa.

### 4. Research Methodology

This study is conducted through a questionnaire survey. A sample of 111 foreign tourists was taken from three luxury hotels across Goa. The sample was drawn using Convenience and Stratified Sampling. To measure the Service Quality in these luxury hotels, the SERVQUAL approach consisting of a twenty-two item scale related to service quality (adopted from Parasuraman (1988) has been used.

The SERVQUAL approach contains a questionnaire that evaluates five generic service dimensions -Tangibility, Reliability, Responsiveness, Assurance and Empathy. Each of these dimensions were rated using a five -point Likert-type response format anchored by 1 (strongly disagree) and 5 (strongly agree)

### 5. Data Analysis, Interpretation and Hypothesis Testing

1.  $H_0$  – There is no significant difference between all attributes of Tangibles  
 $H_1$  – There is significant difference between all attributes of Tangibles

**Table 1** Attributes of Tangibles

Dimension	Attribute	Mean	SD
Tangibles	AC	4.61	0.68
	Cleanliness	4.71	0.61
	Shower Experience	4.58	0.73
	Quiet & Restfulness	4.66	0.78
	Sleep Comfort	4.64	0.76
	Internet-Technical	4.12	1.48
	Internet-Value for money	3.71	1.73
	Cuisine-Breakfast	4.48	1.04
	Cuisine-In room dining	1.96	2.38
	Cuisine-Restaurant	3.68	2.01

Test for Equal Variances: Customer Satisfaction Index vs. AC, Cleanliness, Quiet & Rest

Levene's Test (Any Continuous Distribution)

Test statistic = 4.78, p-value = 0.02

Reject  $H_0$  and accept  $H_1$  = There is a significant difference between attributes of Tangibles

**Inference:** The above analysis clearly indicates that the “Tangibles” are not directly connected to each other and hence, they need to be investigated separately as they have impact on the service quality

- 2.  $H_0$  – There is no significant difference between all attributes of Reliability & Responsiveness
- $H_1$  – There is significant difference between all attributes of Reliability & Responsiveness

**Table 2 Attributes of Reliability & Responsiveness**

Dimension	Attribute	Mean	SD
RELIABILITY & RESPONSIVENESS	Service- Breakfast	4.26	1.34
	Service-In room dining	1.91	2.37
	Service-Restaurant	3.51	2.09
	Service-Laundry	3.22	2.29
	Service- Business Center	0.98	1.94
	Service-SPA	1.26	2.11
	Service-Health and Fitness Centre	1.82	2.26
	Checkout	4.55	0.90
	Reservation	4.36	1.36
	Check in	4.73	0.82
	Luggage	4.42	1.39

**Test for Equal Variances: Customer Satisfaction Index vs. AC, Cleanliness, Quiet & Rest**

Levene's Test (Any Continuous Distribution)

Test statistic = 0.24, p-value = 0.990

Accept  $H_0$  = There is No significant difference between Attributes of Reliability & Responsiveness

**Inference:** The above analysis clearly indicates that there is possibility of overlap of the Service parameters.

- 3.  $H_0$  – There is no significant difference between two attributes of Assurance
- $H_1$  – There is significant difference between two attributes of Assurance

**Table 3 Assurance**

Dimension	Attribute	Mean	SD
ASSURANCE	Warm & Courteous	4.83	0.62
	Knowledgeable & Responsive	4.62	0.94

**Two-Sample T-Test and CI: Warm & Courteous & Knowledgeable & Responsive**

**Table 4 Attributes of Assurance**

	N	Mean	Standard deviation	Standard Error Mean
Warm and courteous	111	4.829	0.616	0.058
Knowledge and Responsive	111	4.622	0.944	0.090

Difference =  $\mu$  (Warm & Courteous) -  $\mu$  (Knowledgeable & Responsive)

Estimate for difference: 0.207

95% CI for difference: (-0.004, 0.418)

T-Test of difference = 0 (vs. not =): T-Value = 1.94 P-Value = 0.054 DF = 189

Accept  $H_0$  = There is no significant difference between two attributes of Assurance

- 4.  $H_{01}$  – There is no significant difference between two attributes of Empathy

**H<sub>1</sub> – There is significant difference between two attributes of Empathy****Table 4 Attributes of Empathy**

Dimension	Attribute	Mean	Standard Deviation
Empathy	Stay Customized	3.37	2.22
	Problem Resolution	3.21	2.27

Two-Sample T-Test and CI: Stay Customized & Problem Resolution

Two-sample T for Stay Customized vs. Problem Resolution

**Table 5 Further Distribution of Attributes of Empathy**

	N	Mean	Standard deviation	Standard Error Mean
Stay customized	111	3.37	2.22	0.21
Problem resolution	111	3.21	2.27	0.22

Difference =  $\mu$  (Stay Customized) -  $\mu$  (Problem Resolution)

Estimate for difference: 0.162

95% CI for difference: (-0.432, 0.756)

T-Test of difference = 0 (vs. not =): T-Value = 0.54 P-Value = 0.591 DF = 219

**Accept H<sub>0</sub> – There is no significant difference between 2 attributes of Empathy****6. Overall Conclusion**

Thus it can be inferred that all the parameters do not equally contribute to better service quality. It is strongly evident from the data that the tangibles aspect of Service quality which includes the appearance of physical facilities, equipment's, personnel and communication materials are rated more important as they provide physical representations or images of the service that customers will use to evaluate quality in the hospitality sector.

**7. Challenges and Recommendations to Enhance Service Quality**

- 1. Miscommunication:** The foreign tourists speak different foreign languages which are totally new for the domestic hotel employees. Thus the employees should have a working knowledge of at least two to three foreign languages. A study of the customer profile can be conducted to identify the countries from where the majority of international customers are being entertained. This can help in prioritizing and identifying a few crucial foreign languages in which training must be imparted to the hotel employees.
- 2. Customer Expectations:** There is a gap between expected service quality and managements perception of customers' expectations. This could exist because of too many levels of management and inadequate upward communication. Thus it is necessary to have a proper understanding of customer expectations.
- 3. Competence:** is the requirement of the relevant skill and knowledge to perform a given service. Competency is of utmost importance to perform the promised service accurately and on time.
- 4. Service delivery:** Sometimes there could be a delay in service delivery due to lack of team work, ambiguity, technology failure etc. These challenges can be eliminated through proper coordination and communication and by achieving clear focus and direction.
- 5. Attracting and retaining workforce:** The luxury hotel segment has maximum amount of attrition rate. The employees have ample opportunities since there is large number of hotels opening up and international brands are also mushrooming. The salary standards are also moving up owing to which, one of the major challenges for the hotels is to retain their workforce.
- 6. Security and Safety:** Nowadays Foreign tourists are very sensitive about the security issues especially after the Taj hotel scenario in Mumbai. Providing excellent service along with maximum safety and security of the foreign tourists is challenge for the hotel.

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