

Servqual Model: An Analysis of Hospitality Sector in Goa

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Abstract - Brand Goa is known in every nook and corner of the global economy as a wonderful tourist destination. The tourism induced hype has equipped the hospital sector to emerge as one of the important contributors of state gross domestic product. In the era of competition, the very survival of the hospitality sector depends on the extent to which variables associated with quality dimensions / parameters can be enhanced against international benchmarks. The study uses the SERVQUAL model to understand how the domestic & foreign tourists rank the quality dimensions / parameters of the hospitality sector in Goa. Further the study also makes suggestions for improving the quality dimensions /parameters for making the hospitality sector more vibrant, dynamic & sustainable.

Keywords: Service Quality, Quality Dimensions/ Parameters, SERVQUAL model/ Perception

I. INTRODUCTION

The endeavor of the Department of Civil Supplies and Consumer Affairs, Government of Goa, and the inputs of civil society organizations - especially, the Goa Civic & Consumer Action Network (GOACAN) - has contributed towards the expansion in the public awareness about the Consumer Protection Act and the redressal mechanism in Goa. This has contributed towards the empowerment of the various stake-holders both in urban and rural Goa -about their consumer rights and duties. But there are many emerging concerns in optimizing the consumer welfare in the state.

The 'liberalization-privatization-globalization' (LPG) propelled 'market-economy model' & 'efficient market hypothesis' based on the neo-classical paradigm has opened the economy to the global market for goods and services which were previously unheard of.

The market-economy, guided by the profit margin, has induced manufacturers and service providers to introduce new products and services. On the other hand, the high rate of growth witnessed in the economy in mid 2000 along with the hefty rise in the pay scales of government staff & teachers - due to the implementation of the 6th pay scales & UGC revised scales has led to amoebic expansion of a middle class with a large disposable income. This class ignited the emergence of a consumerist society and the

demonstration effect acted as a catalyst in speeding up consumerism.

The regulating mechanism to ensure quality and standardization is either not in place or too many regulators are present with no actual regulating taking place. The consumerist spirit, middle- class status enhancing spending, influence of brand image, the band-wagon effect, etc. has empowered the consumer by discarding quality and various other standards. Similar concerns were expressed in the background paper outlining the consumer welfare strategy for the 11th five year plan. What is said about India in general is also very true of Goa.

Tourism is one of the dominant sectors with atleast 30% of the state domestic product emerging from it. Goa is preferred as an outstanding tourist destination nationally and internationally. This brand image ensures that, of late, the total tourist inflow is either equal to or more than the total population of Goa. Such tourist inflows have raised the question of Goa's optimum 'carrying capacity'.

The relatively inelastic demand for the different facets of Goa's tourism has prompted various economic participants in the tourism sector, especially the hospitality sector, to ignore the need for ensuring quality & universally accepted quality standards. The money power of the hospitality sector has also induced various regulating agencies to play hide and seek with quality and standards. Such an approach has put the tourist- the consumers of the hospitality sector- into difficulties thereby contributing towards the decline in consumer welfare.

II. OBJECTIVES

1. To understand how domestic and international tourists ranked the hotels in which they stayed on five different 'quality dimensions/ parameters'.
2. To suggest policy measures for reducing the gap in 'quality dimensions/parameters'.

III. REVIEW OF LITERATURE

Despite some recent studies in customer satisfaction and service quality, similar investigations into the star hotel segment for Goa has remained insignificant. In the research article 'Customer based Equity: Evidence from the Hotel Industry' (2007), Kayaman & Arasli argue that maintaining high quality standards can enhance the brand equity of the hospitality industry especially star hotels.

Jasmina Gržinić (2007), in his article has employed the SERVQUAL (Services Quality Model) (Parasuraman, Zeithaml & Berry(1985). The SERVQUAL model offers a suitable conceptual frame for the research and service quality measurement in the service sector. Jasmina has used this model to find the deviations between the expected and perceived quality standards of guests in 16 hotels and different measures to bridge the gap.

Manav Thadani (2009) in the article titled 'Critical Issues Facing Indian Hospitality: An HVS White Paper', lists the critical issues facing the hospitality industry. About 40 different agencies have to be approached for obtaining 70-110 quality standard licenses. The study also highlights the drawbacks of the present classification/ rating system in India.

IV. METHODOLOGY

The study was based on primary and secondary data. Primary data was collected from the tourists. About 300 tourists each were personally interviewed from North and South Goa.

The term tourist included both the domestic as well as the international tourists visiting Goa with their immediate family members atleast for two days & two nights. The hospitality sector will be graded according to their rankings given by the tourism department. The sample population will have tourist staying in different segments with different rankings. Secondary data was collected from various published sources.

According to the study, service quality (Parasuraman, 1985) is the difference between the customers' expectations before the service is experienced and the perception about the service after it is rendered. The service quality is said to be high if the perceived quality is very close to the expected quality of the service.

The domestic and international tourists ranked the hotels in which they stayed, on five different 'quality dimensions/ parameters' (Parasuraman et. al. 1985 &1988) in on a seven point 'Likert scale'. Parasuraman et.al., initially in 1985 identified 10 service quality determinants like tangibles, reliability, responsiveness, competence, courtesy, access,

credibility, communication, security and knowledge of the customer. Subsequently in 1991, Parasuraman et.al., refined and modified the quality dimensions/parameters into assurance, reliability, tangibles, responsiveness and empathy. In the rating scale, 7 represented the highest rating and 1 the lowest.

The SERVQUAL model was used in the study as the conceptual framework for service quality measurement in the service sector. The service quality gap (SERVQUAL GAP) as developed by Parasuraman et.al.,(1991) was measured using the following parameters – 'reliability, assurance, tangibles, responsiveness and empathy'.

V. DATA ANALYSIS

The international tourists who were interviewed for the primary survey were mainly from USA, UK, Russia, Germany & Israel. The domestic tourists were from the states of Delhi, Maharashtra, Kerala, Tamil Nadu and Karnataka.

As far as international tourists were concerned, seventy nine percentage of them stayed in Goa for a period of two to three weeks whereas, 11% for one to two weeks and the remaining 10 % for less than one week. In the case of domestic tourists, 93% stayed in Goa for a maximum period of five to seven days and the balance 7% for three days & less.

There was a marked difference in the preference of the tourists with respect to the category of hotels chosen by them. Four star & above categories were preferred by two-third of the American, British & German tourists. Whereas two star, one star hotels & cottages were preferred by all the tourists from Russian & Israel. The difference in preference pattern reflects the divergence in the disposal incomes of the tourist.

More than 60% of the domestic tourists preferred 3, 2 & 1 star hotels. In the study , none of the domestic tourists preferred serviced rooms & cottages.

The number of family members of a tourist visiting Goa also reflected marked difference between domestic and international tourists. In the case of international tourists, 93% of them were two member contingent especially in the age group 25-35 years. Only 7% visited Goa with 3 or more family members. In the case of domestic tourists, 60% visited with a 4, 30% with 3, 8 % with 5 and 2% with 2 members respectively.

The domestic and international tourists ranked the hotels in which they stayed, on five different 'quality dimensions/ parameters' (Parasuraman et al. 1985 &1988) in on a seven point 'Likert scale'. In the rating scale, 7 represented the

highest rating and 1 the lowest. In the survey, the expectation (SERVEXP Scale) was assumed to be 7 for the entire sample population. The Table 1 shows the

SERVQUAL Gap for international tourists who were residing in four star hotels and above.

TABLE I SERVQUAL GAP (INTERNATIONAL TOURIST IN FOUR STAR HOTELS & ABOVE)

Quality Parameters/Dimensions	Expectation Quotient (SERVEXP Scale)	Perception Quotient (SERVPERC Scale)	SERVQUAL Gap (Perception-Expectation)
Assurance	7	6.6	-0.40
Reliability	7	6.57	-0.43
Tangibles	7	6.8	-0.20
Responsiveness	7	6.4	-0.60
Empathy	7	6.8	-0.20
Total SERVQUAL Gap	7	6.63	-0.37

The widest gaps were in the dimensions of responsiveness (-0.6), reliability (-0.43) and assurance (-0.4). The gap in the dimensions of empathy and tangibles was the minimum (-0.2).

The Table II shows the SERVQUAL Gap for domestic tourists who were residing in four star hotels and above.

TABLE II SERVQUAL GAP (DOMESTIC TOURIST IN FOUR STAR HOTELS & ABOVE)

Quality Parameters/Dimensions	Expectation (SERVEXP Scale)	Perception Quotient (SERVPERC Scale)	SERVQUAL Gap (Perception-Expectation)
Assurance	7	6.8	-0.20
Reliability	7	6.7	-0.3
Tangibles	7	6.8	-0.20
Responsiveness	7	6.6	-0.40
Empathy	7	6.8	-0.20
Total SERVQUAL Gap	7	6.74	-0.26

The widest gaps were in responsiveness (-0.4) and reliability (-0.3). The gap in the dimensions of assurance and empathy was at the minimum of -0.2 respectively.

The Table III shows the SERVQUAL Gap for international tourists who were residing in three star hotels and below.

TABLE III SERVQUAL GAP (INTERNATIONAL TOURIST IN THREE STAR HOTELS & BELOW)

Quality Dimensions	Expectation (SERVEXP Scale)	Perception (SERVPERC Scale)	SERVQUAL Gap (Perception- Expectation)
Reliability	7	6.4	-0.6
Assurance	7	6.3	-0.7
Tangibles	7	6.4	-0.6
Responsiveness	7	6.5	-0.5
Empathy	7	6.8	-0.2
Total SERVQUAL Gap	7	6.48	-0.52

The widest gaps were in the dimensions of assurance (-0.7), reliability (-0.6) and tangibles (0.6). The gap in the dimension of empathy was at the minimum of -0.2.

The widest gaps were in the dimensions of assurance (-0.7), reliability (-0.6) and tangibles (0.6). The gap in the dimension of empathy was minimum (-0.2).

The Table IV shows the SERVQUAL Gap for domestic tourists who were residing in three star hotels and below.

TABLE IV SERVQUAL GAP (DOMESTIC TOURIST IN THREE STAR HOTELS & BELOW)

Quality Parameters/ Dimensions	Expectation Quotient (SERVEXP Scale)	Perception Quotient (SERVPERC Scale)	SERVQUAL Gap (Perception- Expectation)
Assurance	7	6.3	-0.70
Reliability	7	6.4	-0.6
Tangibles	7	6.4	-0.6
Responsiveness	7	6.5	-0.5
Empathy	7	6.8	-0.2
Total SERVQUAL Gap	7	6.48	-0.52

VI. CONCLUSION

From the SERVQUAL gap analysis, it is clear that the hotels can improve their quality standards by concentrating on responsiveness & reliability dimensions. At the time of booking, the service provider can collect information on the individual needs & expectations of the customer. The data so collected can be used to provide personalized services according to customer expectations.

VII. SUGGESTIONS

More information should be disseminated to the customers on HRACC quality requirements for star rating and what a consumer can expect from each level of ratings. It should be made mandatory for all hotels to display in the lobby the quality requirements available to customers with the respective star ratings. The HRACC should have a monitoring mechanism to evaluate the quality claims of hospitality sector on the net. The HRACC should have a dedicated website for the customers to upload their reviews about a hotel. Every hotel should have a grievance redressal officer. His/ her name with contact mobile number & email id should be prominently displayed on the lobby of the hotel. The service of the officer should be available throughout the day during the peak seasons

Usually hotels are selected not always on the basis of quality standards and ratings', but on the basis of the availability especially on weekends and during peak seasons. Hence a code of quality standards to be offered to different segments should be published by the website of the State Tourism Department, Goa State Tourism Development Corporation, the hotel website. The hospitality sector in collaboration with their trade association should regularly update the criteria & code for the convenience of the customers.

Since the hotels located in the state are using the local resources & infrastructure, the Department of Civil Supplies, Government of Goa should become proactive and continuously check and monitor, and prescribe new quality standards especially for hotels in 3 star & lower categories. The star ratings given to a hotel should be reviewed every two years. The ratings should be reviewed at least 3 to 4

months before the peak tourist of the region. Every hotel should have an elaborate system for training its staff on different aspects of quality standards & on maintaining it. The trade associations can hold similar training for all those hotels in 1,2 & 3 star categories.

Most of the serviced cottages & rooms in which the tourists were staying were not listed, classified and ranked. Efforts should be made to bring them into mainstream by rating the quality standards. A separate set of quality standards needs to be worked for this category. They should be eligible for all local licenses and permits only on the basis of their rankings.

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