Impact of perceived Service Quality on Customers Satisfaction (A Survey on Hotel Industry of Pakistan)

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ABSTRACT
The purpose of this paper was to found out the impact of perceived service quality on customer satisfaction in hotel industry. We used qualitative method to gather the data. The questionnaire was distributed among 110 peoples.100 peoples respond the questionnaire. The statistics analysis SPSS showed that there is a strong relationship between service quality and customer satisfaction. There are few limitations in this research paper. Research was conducted only two cities Sahiwal and Okara but some other cities are not covered. The sample size was small and convenient sampling method was used.

Key words: perceived Services quality, customer satisfaction

INTRODUCTION
Hotel industry is growing with passage of time in Pakistan now days. The investment in local and international hotels has increased in a stable way. Hotel industry has grown with the construction of new hotels and improved service quality that tends the customers to get customer service. The competition is increase with every passing day; hotel managers improve the service quality to gain the competitive advantage (Min & Min, 1996). In this extreme competitive market, it is essential for local and international hotels to improve the service quality (Narangajavana and Hu, 2008). The capability in the world market among the hotels is very powerful (Chen, 2008). The hotel cannot survive in this competitive environment, until or unless it satisfied its clients with a good service quality (Narangajavana and Hu, 2008). The quality of the service is basically the expectations of the client to any hotel. Many organizations are seeking systems to improve the quality of competitive advantages (Hope & Wild, 1994). Besides this, with the new developments, the requirement and expectations of the clients are also changing quickly. In this work, our objective is to identify the service quality factors in Pakistan that affect the customer satisfaction in hostelling sector.

LITERATURE REVIEW
Houn-Gee Chen, (2012) tried to explore the customer satisfaction in the banking. The authors carry out a cross survey, including samples of 420 clients of the financial service industry in Taiwan. He explored that the just service does not only have a significant impact in the customer satisfaction, but also plays an equal role to the quality of the service in the decision of the confidence of the clients and the value perceived, that at the same time conduct to the customer satisfaction.

Pedro S. Coelho, (2012) tried to explore the service as an instrument of management, possibly, and its impact on the clients. Data collected through interviews. They provide that Personalization has directly effects the client loyalty and strongly impact on the customer satisfaction and customer loyalty

Mu-Chen Chen, (2011) tried to explore the classification of the elements of the service quality and its impact in the customer satisfaction. The statistical analysis of the questionnaires collected is calculated in base to the 476 efficient answers on the delivery service to residence. He explored that the there is a strong impact of service quality on customer satisfaction.

Ilias Santouridis, (2010) tried to explore the impact of service quality on customer satisfaction in the mobile phone sector in Greece. Quantitative technique used for data gathering and analysis. He explored that strong relationship exists between service quality and customer satisfaction in the mobile phone sector.

V. Kumar, (2008) tried to explore that the relations between the business processes management and the customer satisfaction. Methodology of the investigation was quantitative. He explored that the management of processes is a primary factor of the quality of technical service.

Simona Stan, (2007) tried to explore that the possible asymmetric negative effects in the impact of the quality of service in the satisfaction and preservation of the different segments of clients in a professional context of business of services. He explored that service is more important determinant factors of the satisfaction of the clients.
Linda C. Ueltschy, (2007) tried to explore that the service quality and customer satisfaction in a multicultural environment. He proved that the performance was low, the polled of low context (United States, and Germany) image of smaller quality that did the polled of the country of highly context (Japan).

Afshan Naseem (2011) tried to explore that service quality in the hotels that influence in the liking of the clients and its intention to visit again. The research was conduct in Pakistan. The quantitative methodology used for the collection of data. The size of the sample was 276. He explored that there is a strong impact of the service quality customer satisfaction.

THEATRICAL FRAME WORK

Afshan Naseem (2011) took service quality as independent variable and customer satisfaction as dependend variable. Houn-Gee Chen, (2012) took service quality as independent variable, service fairness as moderate variable and customer satisfaction as dependend variable. Pedro S. Coelho, (2012) took customer satisfaction as independent variable and perceived quality, customer loyalty and customer trust as dependend variable. After reviewed the literature in detail I also found the service quality as independent variable and customer satisfaction as dependend variable.

H0: There is a positive and significant relationship between perceived service quality and customer satisfaction.

H1: There is positive not a positive and significant relationship between perceived service quality and customer satisfaction.

RESEARCH METHDOLOGY

Research Design

The qualitative technique was used for data gathering. Took the sample of 100 from Sahiwal and Okara cities of Punjab province in Pakistan. 100 questionnaires were distributed among the participants and 87 were returned, 5 were uncompleted and 8 respondents did not give any response.

Methodology

For data analysis SPSS-20 software was used. First of all reliability has been checked by alpha reliability value. Pearson's correlation was used between at least two continuous variables. Multiple regressions: To estimate the coefficients of variable of a linear equation, linear regression analysis is used to determine the relationship of dependent and independent variable.

FINDINGS

Inferential Statistic

Reliability Independent variable table insert here

Independent variables are reliable. Because Cronbach's Alpha is .718 which is > 0.7. The value is positive, so the analysis of data is reliable.

Dependent variable table insert here

The Cronbach’s Alpha is .645 and also positive, this shows the significance of reliability.

Regression table insert here

In the table R is multiple correlation coefficient, the valued of R is .598. While the adjusted R square is .351 that's multiply by 100. That's means 35.1% of the variance so DV predict from IV. The Durbin-Watson was 1.605. It proves that there is no auto correlation among the variables. ANOVA shows that the combination of variables significantly predicts the DV.

Correlation table insert here

The table of correlations represent two variables service quality and customer satisfaction are correlated positively (r = .598, p = .000). There is moderate relation among two variables.
Coefficient of Regression table insert here

The purpose of the regression is to find out the impact of predictors on dependent variable. The specified regression equation takes the following form

\[ S = \alpha_0 + \beta_1 (CS) \]

CS=Customer Satisfaction

Customer satisfaction =1.111 + 0.623(cs) + \varepsilon

The significant level is 0.000. The test proves that the coefficients of the predictor are statistically significant at less than five percent level of significance. So we will reject H0 and accept H1.

CONCLUSION

Our research paper contributed in the market and gave a chance to the hospitality management in understanding how to gain the comparative advantage in term of perceived service quality. The finding of the study showed that the hypothesis H0 that there was positive and significant relationship between perceived service quality and customer satisfaction is accepted because there is moderate positive correlation among both variables. The results of regressions and ANOVA showed that positive relationship between perceived service quality and customer satisfaction. But the conclusion of the study showed that there are some other factors too which influence customer satisfaction like customer loyalty and customer trust.

LIMITATIONS

There are few limitations in this research paper. Research was conducted only two cities Sahiwal and Okara but some other cities are not covered. The sample size was small.

REFERENCES


TABLES

<table>
<thead>
<tr>
<th>Independent Reliability Statistics table</th>
<th>Dependent Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach's Alpha</td>
<td>N of Items</td>
</tr>
<tr>
<td>.718</td>
<td>7</td>
</tr>
</tbody>
</table>
### Regression tables

#### Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adj. R Square</th>
<th>Std. Error of Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.598*</td>
<td>.358</td>
<td>.351</td>
<td>.51592</td>
<td>1.605</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), SERVICE_QUALITY  
b. Dependent Variable: CUSTOMER_SATISFACTION

#### ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1</td>
<td>14.543</td>
<td>54.638</td>
<td>.000*</td>
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<tr>
<td></td>
<td>Residual</td>
<td>98</td>
<td>.266</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>40.629</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: CUSTOMER_SATISFACTION  
b. Predictors: (Constant), SERVICE_QUALITY

#### Correlations table

<table>
<thead>
<tr>
<th></th>
<th>CUSTOMER_SATISFACTION</th>
<th>SERVICE_QUALITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMER_SATISFACTION</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>SERVICE_QUALITY</td>
<td>Pearson Correlation</td>
<td>.598*</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

#### Coefficients table

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.111</td>
<td>.295</td>
<td>3.762</td>
</tr>
<tr>
<td></td>
<td>SERVICE_QUALITY</td>
<td>.623</td>
<td>.084</td>
<td>.598</td>
</tr>
</tbody>
</table>

a. Dependent Variable: CUSTOMER_SATISFACTION