



# Assessment of Consumers' Perception for Services offered by Hotels in Delhi-NCR

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## ABSTRACT

*Objective of the current study was to examine perception of visitors regarding services offered by hotels in NCR area. 200 regular hotel visitors in Delhi NCR were approached and their respective perception regarding services was assessed by servqual scale using stratified convenient sampling method. Statistical tools like factor analysis, t-test and one way ANOVA were used to analyze data with the help of SPSS. Affluent male consumers with higher level of income were found to be lesser satisfied with services offered by hotels. In a nutshell it can be said that demographic variables like age, gender, income, education and occupation brings significant variation in perception of hotel visitors for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability. It is apparent that visitors are not very much satisfied with the services offered by the hotels. So visitors may be left with great grievances with quality of services offered and may be prompted not to visit that particular area. So it is advised to marketers to look in to the matter and do a close introspection of services offered by them in order to improve service quality and provide greater degree of customer satisfaction.*

**Keywords:** Service Quality, Reliability, Empathy, Responsiveness, Hotels.

## 1. INTRODUCTION

Initial stages of the Indian hospitality industry was having slow growth, as time passed timely improvement in service quality deliberately introduced rapid growth, and hospitality industry becomes the major pillar for the Indian economy. The service quality research has gained largely focus because of the notion that high service quality results in customers' satisfaction and their behavioral intentions including positive word of mouth, recommendation to others, revisit the provider, etc., Padma *et al.*, (2009).

"ATITHI DEVO BHAVAH" has been introduced by ministry of tourism and government of India; this campaign is being heavily followed by both state and central government in order to make India a prominent tourist destination for visitors. This ancient maxim provides guest's importance as equivalent to gods. If it is implemented properly then it can deliver very high economic dividends in terms of large scale employment and economic prosperity for masses for economically backward areas. Visitors can be divided in two broad categories stopovers and day visitors. Stopovers stays at a particular place for more than twenty four hours and prefer to sought some kind accommodation, whereas day visitors are those tourists who stays at a particular place not more than twenty four hours. Stopovers are major target consumers for hospitality services providers (Source: <https://www.speakingtree.in/blog/atithi-devo-bhava-guests-are-gods>).

Brown and Swartz, (1989) have found that management and customers are two different and important parties according to marketing perceptives, and to improve service quality both parties should be entertained equally. Management (termed as provider) provides the service according to the perception of the clients (termed as customer).

Parasuraman, Berry and Zeithaml (1985), Parasuraman, Zeithaml and Berry (1988), presented the SERVQUAL scale, which is the ultimate instrument for measuring service quality. This model is being applied in various service industries. SERVQUAL model is the main device in service industries for measuring service quality. Parasuraman, *et al.*, (1988) developed SERVQUAL scale while having concept in mind, to suggest general instrument to measure service quality which is very broad in range. Gronroos (1990) concluded that the difference between customer expectation and customer perception resulted as service quality which can be measured by SERVQUAL model. Affirmed by Parasuraman *et al.*, (1988) SERVQUAL model is based on ten dimensions in 1985 but later it was sum up in five in 1988 namely tangibility, reliability, responsiveness, empathy and assurance.

Beyond SERVQUAL model author formulate 22 items which capture the customer expectation and customer perception separately. Wong *et al.*, (1999) examines the dimension of service quality in the hospitality industry including eight new items in SERVQUAL scale concerned with hospitality sector conduct a research with them and found that service quality in the hospitality industry represented by employees, tangibles and reliability.

## **2. LITERATURE REVIEW**

Hotel industry is highly competitive, and service plays a crucial role for gaining sustainable competitive advantage that's why researchers have concentrated towards perception of the customer for service quality. According to Parayani *et al.*, (2010) competition for high service quality and customer satisfaction in hospitality industry is increasing day by day. Customer satisfaction and customer loyalty largely depends on service quality.

Good service quality will increase the satisfied and loyal customers and this will increase the customer retention which eventually will increase the profit and growth of the company (Heskett *et al.*, 1994). According to Woodruff (1997) for gaining competitive advantage, customer value is being treated as another source.

According to Hennig - Thurau *et al.*, (2002), Word of mouth is an excellent tool for hiring new customers which is necessary for the firm's long term growth. According to Reynolds and Beatty (1999), Social benefits resulted in the improved relationship of customers with the firm or with the employees. Customer satisfied with social benefits created by the firm will show positive feelings towards a particular firm and finally become helpful in developing customer's perceptions of quality.

(Brotherton and wood, 2000), analyzed that researches and practitioners have great chance to face the challenges of complacency and unquestioning mindsets, Many things can be identified by conducting research on the essential nature of the hospitality management.

Various researchers have proved the importance of different dimensions for expectations, perceptions and gap scores. Dimensions suggested by different researchers are one dimension, two dimension, three dimension, four dimension six dimension seven dimension and nine dimensions (Chi Cui *et al.*, 2003, Badri *et al.*, 2005).

According to Padma *et al.*, (2009) Satisfaction is dependent on the ability of the supplier to meet the customer's norms and expectations, and no matter how good the services are customers will continually expect better services. While customer satisfaction could be related to values and prices, service quality generally does not depend on prices. Service quality judgments are quite specific to the service delivered but satisfaction can be determined by a broader set of factors including those which are outside the immediate service delivery experience. (Ghobadian, Speller and Jones 1994), have found that expectation of the customers, process of service delivery and outcome of the service delivery are the key factors which is having impact on perceived service quality.

## **3. OBJECTIVES**

The objectives of current study were:

- To study the perception of tourists regarding quality of services offered by various service providers indulged in hospitality industry.
- To study perception of tourists for service quality across various demographic groups.
- To provide suitable suggestions to the marketers of hospitality industry.

## **Hypotheses of the current study**

H<sub>1</sub>: There is no significant difference in perception of tourists belonging to different age groups for quality of services offered.

H<sub>2</sub>: There is no significant difference in perception of tourists for quality of services offered among tourist possessing different education level.

H<sub>3</sub>: There is no significant difference in perception of tourists for quality of services offered among different income groups.

H<sub>4</sub>: There is no significant difference in perception of tourists for quality of services offered among tourist belonging to different occupation.

H<sub>5</sub>: There is no significant difference in perception of tourists for quality of services offered between male and female tourist.

## **4. RESEARCH METHODOLOGY**

### ***Sampling and Data Collection***

Delhi is divided into nine administrative divisions by Government NCR planning board. NCR also includes thirteen districts of Haryana and seven districts of Uttar Pradesh. Five zones from Delhi, two from Haryana and one from Uttar Pradesh was acted as sub strata for selecting respondents. Out of these sub groups respondents were approached via convenience sampling method thus making overall sampling method as multistage convenience method. Twenty five respondents from each sub area have been included in the current study, which led to final sample size of 200 for the current study. To achieve the desired target of 200 respondents 25 respondents from each cluster were targeted to obtain the satisfaction level of tourist in context of services offered by hotels in the targeted area. Due care was given while approaching respondents and it was emphasized that respondents from different backgrounds should be included in the final sample size to make the sample holistic in order to reflect true representation for the target population.

### ***Questionnaire formulation***

To measure the satisfaction level of consumers with respect to services offered by hotels in delhi NCR region a well defined, reliable and widely acknowledged scale to service quality SERVQUAL developed by Parasurman, Zeithaml and Berry (1988) was found fit on every parameters and objectives of the current study.

### ***Statistical Techniques***

Most widely and commonly used statistical method for evaluation of reliability of scale for the current study named cronbach alpha (Schmitt, 1996) was used. Value of cronbach alpha for current study came out at .785 indicating significant level of reliability for the scale in the current study. Besides the cronbach alpha test of internal consistency some other statistical tests like mean values

comparison, t-test and ANOVA have also been used to extract some meaningful information out of data collected regarding service quality offered.

**Table-1: Demographic Profile of the Respondents**

Demographic Variable	Categories	Frequency	Percentage
Gender	Male	130	65
	Female	70	35
Age	18-25	42	21
	26-35	50	25
	36-50	72	36
	Above 50	36	18
Education	upto matriculation	24	12
	upto 12 <sup>th</sup>	26	13
	Graduation	80	40
	Post-graduation	70	35
Occupation	Govt. service	44	22
	Private service	42	21
	Business	66	33
	Others	48	24
Income per month	≤5,00,000	26	13
	5,00,001-10,00,000	48	24
	10,00,001-15,00,000	68	34
	>15,00,000	58	29
	Total	200	

Source: Primary Data

## 5. DATA ANALYSIS AND RESULTS

Present study focuses on assessment of level of satisfaction of tourist in context of services offered by hotels. As respondents belonging to different demographics may perceive services offered by hotels in a different way. Data analysis in the current study was done to assess whether satisfaction level of respondents varies significantly belonging to diverse demographics.

**Table 2: Comparison of satisfaction level of customers for services on the basis of age of the respondents**

Age	Tangibility	Assurance	Empathy	Responsiveness	Reliability
18-25	3.5088	3.6177	3.5100	3.1695	3.6000
26-35	3.6169	3.7311	3.5422	3.3367	3.7222
36-50	3.7433	3.8696	3.6590	3.4315	3.8981
Above 50	3.8233	3.9386	3.7535	3.6754	3.9548
Total	3.8012	3.8573	3.6545	3.4893	3.8221
<b>F</b>	3.327	2.969	2.846	3.798	3.270
<b>Sig.</b>	.010	.019	.025	.005	.013

Source: Primary Data

Table 2 depicts mean values comparison of satisfaction level of hotel visitors across various age groups of respondents. Overall table depicts that assurance and empathy are the two dimensions for which respondents belonging to all age groups are least satisfied with services offered by hotels or it can be said that there is no satisfaction at all ( $\bar{x} = 2.96$  and  $\bar{x} = 2.84$ ). For rest of service quality dimensions namely tangibility, responsiveness and reliability respondents are moderately satisfied with services offered by hotels.

It can be observed from the table 2 that elder visitors are more satisfied with the services offered by hotels as compared to younger counterparts. As the age of respondents increases level of satisfaction also increases. It indicates that younger respondents are lesser satisfied than elder visitors with services offered by hotels for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability. ANOVA test statistics for significance of differences in mean values for satisfaction level has been applied. It indicates that difference in satisfaction level of respondents across various age groups is statistically significant with services offered by hotels for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability.

**Table 3: Comparison of satisfaction level of customers for services on the basis of education of the respondent**

<b>Educational Qualification</b>	<b>Tangibility</b>	<b>Assurance</b>	<b>Empathy</b>	<b>Responsiveness</b>	<b>Reliability</b>
upto matriculation	3.6833	3.8501	3.6801	3.3315	3.8481
upto 12 <sup>th</sup>	3.8100	3.9200	3.7843	3.7654	3.9548
Graduation	3.6469	3.7201	3.5302	3.2867	3.7043
Post graduation	3.5588	3.6708	3.5045	3.2395	3.6500
Total	3.8012	3.8573	3.6545	3.4893	3.8221
<b>F</b>	3.012	2.969	2.986	3.018	3.540
<b>Sig.</b>	.020	.039	.015	.035	.023

Source: Primary Data

Table 3 depicts mean values comparison of satisfaction level of hotel visitors across respondents possessing different education level. Overall table depicts that assurance and empathy are the two dimensions for which respondents belonging to all groups are least satisfied with services offered by hotels or it can be said that there is no satisfaction at all ( $\bar{x} = 2.96$  and  $\bar{x} = 2.84$ ). For rest of service quality dimensions namely tangibility, responsiveness and reliability respondents are moderately satisfied with services offered by hotels.

It can be observed from the table 3 that lesser educated respondents are more satisfied with the services offered by hotels as compared to higher educated counterparts. As the education level of respondents increases, their satisfaction decreases with services offered by hotels for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability. It indicates that higher educated respondents are more satisfied than lesser educated respondents with services offered by hotels for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability. ANOVA test statistics for significance of differences in mean values for satisfaction level has been applied. It indicates that difference in satisfaction level of respondents possessing different education level is statistically significant with services offered by hotels for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability.

**Table 4: Comparison of satisfaction level of customers for services on the basis of occupation of the respondents**

<b>Occupation</b>	<b>Tangibility</b>	<b>Assurance</b>	<b>Empathy</b>	<b>Responsiveness</b>	<b>Reliability</b>
Govt. service	4.3038	4.4357	3.8701	3.6315	4.1081
Private service	3.7937	3.8813	3.4543	3.4754	3.6948
Business	3.6642	3.7886	3.5302	3.2867	3.5943
Others	3.9278	4.3163	3.7545	3.5595	3.8845
Total	3.9238	4.1057	3.6545	3.4893	3.8221
<b>F</b>	3.005	3.378	2.986	3.018	3.540
<b>Sig.</b>	.020	.000	.015	.035	.013

Source: Primary Data

Table 4 exhibits mean values comparison of satisfaction level of respondents across various groups. Overall table depicts that assurance and empathy are the two dimensions for which respondents belonging to all occupation groups are least satisfied with services offered by hotels or it can be said that there is no satisfaction at all ( $\bar{x} = 2.96$  and  $\bar{x} = 2.84$ ). For rest of service quality dimensions namely tangibility, responsiveness and reliability respondents are moderately satisfied with services offered by hotels.

It can be observed from the table 4 that government employees are most satisfied with the services offered by hotels, followed by others and private employees. Businessmen are the least satisfied with the services offered by hotels for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability. ANOVA test statistics for significance of differences in mean values for satisfaction level has been applied. It indicates that difference in satisfaction level of respondents belonging to different groups is statistically significant in case of services offered by hotels for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability.

**Table 5: Comparison of satisfaction level of customers for services on the basis of income of the respondents**

Annual household income	Tangibility	Assurance	Empathy	Responsiveness	Reliability
≤5,00,000	4.3234	4.6834	3.9034	3.8034	4.1234
5,00,001-10,00,000	3.9232	4.1132	3.7032	3.6132	3.8232
10,00,001-15,00,000	3.8213	3.8513	3.5813	3.3013	3.7513
>15,00,000	3.6185	3.7685	3.4185	3.2185	3.6185
Total	3.9238	4.1057	3.6545	3.4893	3.8221
<b>F</b>	4.125	4.342	8.654	5.270	3.210
<b>Sig.</b>	.0150	.0170	.000	.005	.023

Source: Primary Data

Table 5 depicts mean values comparison of satisfaction level of respondents across various income groups. Overall table depicts that assurance and empathy are the two dimensions for which respondents belonging to all income groups are least satisfied with services offered by hotels or it can be said that there is no satisfaction at all ( $\bar{x} = 2.96$  and  $\bar{x} = 2.84$ ). For rest of service quality dimensions namely tangibility, responsiveness and reliability respondents are moderately satisfied with services offered by hotels.

It can be observed from the table 2 that lesser the income of the respondent more is the level of satisfaction with the services offered by hotels. As the income of respondent increases, level of satisfaction with the services offered by hotels decreases. It indicates that lower income respondents are more satisfied than higher income respondents with services offered by hotels for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability. ANOVA test statistics for significance of differences in mean values for satisfaction level has been applied. It indicates that difference in satisfaction level of respondents across various income groups is statistically significant with services offered by hotels for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability.

**Table 6: t-test statistics for satisfaction level of customers for services on the basis of gender of the respondent**

	t-test for Equality of Means		Mean values		Mean Difference
	T	Sig. (2-tailed)	Male	Female	
<b>Tangibility</b>	-3.539.	.008*	3.5685	4.2834	-0.7149
<b>Assurance</b>	-4.529	.002*	3.5385	4.6834	-1.1449
<b>Empathy</b>	-2.334	.032*	3.4185	3.8834	-0.4649
<b>Responsiveness</b>	-2.450	.021*	3.2185	3.7434	-0.5249
<b>Reliability</b>	-2.529	.012*	3.5185	4.1234	-0.6049

Source: Primary data

\*significant at .05 level of significance

Table 5 depicts mean values comparison of satisfaction level of respondents between male and female respondents. Overall table depicts that assurance and empathy are the two dimensions for which both male and female respondents are least satisfied with services offered by hotels or it can be said that there is no satisfaction at all ( $\bar{x} = 2.96$  and  $\bar{x} = 2.84$ ). For rest of service quality dimensions namely tangibility, responsiveness and reliability all respondents are moderately satisfied with services offered by hotels.

Above table also indicates that female respondents are more satisfied than male respondents when it comes to services offered by hotels for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability. In addition to this t-test for significance of differences between male and female respondents provides significant results. It indicates that male and female respondents exhibit statistically significant different opinions for all the dimensions of service quality offered by hotels namely tangibility, assurance, empathy, responsiveness and reliability.

## 6. CONCLUSION AND DISCUSSION

Current study depicts that hotel visitors in Delhi-NCR are moderately satisfied with services offered by hotels. Consumers have exhibited that hotel services providers does not offer satisfactory services. When it comes to making comparative examination across different consumers it was found that younger consumers are least satisfied with services offered by hotels. In a similar manner higher educated businessman exhibited lesser level of satisfaction with services offered by hotels. Affluent male consumers with higher level of income were found to be lesser satisfied with services offered by hotels. Elder age female government employees possessing higher level of education are less satisfied with the services offered by hotels as compared young age male private employees and businessman having lesser level of education.

In a nutshell it can be said that demographic variables like age, gender, income, education and occupation brings significant variation in perception of hotel visitors for all the dimensions of service quality namely tangibility, assurance, empathy, responsiveness and reliability.

## 7. MANAGERIAL IMPLICATIONS

Tourism has been always a matter for livelihood for large chunk of population all over the globe. It has been noticed that tourism can help to alleviate the millions of people out of the clutches of poverty. The areas which attract larger number of tourists on a regular basis are more prosperous as compared to remaining ones. Accommodation is one of the prime requirements for tourists and has been a great matter of concern. Services offered by hotels plays a significant role to make the overall trip satisfying. Current study is an endeavor in this context, which examined satisfaction level of visitors with the services offered by hotels in Delhi NCR area. Study found that visitors are not very much satisfied with the services offered by the hotels. So visitors may be left with great grievances with quality of services offered and may be prompted not to visit that particular area. So it is advised to marketers to look in to the matter and do a close introspection of services offered by them in order to improve service quality and provide greater degree of customer satisfaction. Here are some suggestions which marketers can adopt to improve quality of services

- Service providers should emphasize on improving empathy and responsiveness dimensions of service quality as these two dimensions have emerged where visitors have indicated least satisfaction.
- More effective training programs can be carried out for employees, so that they can better understand needs of consumers and provide a delightful service experience.

## 8. SCOPE FOR FUTURE RESEARCH

The current study is basic in nature measuring consumers' satisfaction level with services offered by hotels in NCR area. It focuses only on few selected hotels on national capital region and measures only satisfaction level with services offered by using service quality scale. One important aspect regarding consumers expectation and perception mismatch can be undertaken in the future, thus indentifying gap in service quality offered by hotels can be of great help to service providers. It would provide glimpse regarding what visitors actually expects form service providers and what they actually experience. This gap if any would immensely help marketers to identify problematic areas and to formulate strategies accordingly to improve service offerings. In addition to this a comparative study can be carried between public sector and private sector service providers. Furthermore current study has utilized service quality scale developed in 1988 by parsuraman, in future studies can be carried out by developing service quality scale dedicated to measure service quality in tourism sector like as developed for retail stores, banks, internet and hospitals.

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