SERVICE QUALITY AND GUESTS BEHAVIOURAL INTENTIONS: A STUDY IN THE KODAIKANAL STAR HOTELS

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ABSTRACT

The purpose of this paper is to identify the best predictor among the dimensions of service quality in the Kodaikanal Star Hotels as perceived by the guests in terms of perceived value, guest’s overall satisfaction and behavioural intention. The study reviews a proposed model of service quality and its relationship with perceived value, guest’s satisfaction and behavioural intention. Service quality is positively related to perceived value and guest’s overall satisfaction. Similarly, Guest’s overall satisfaction works as mediator between service quality and behavioural intentions of the guests who stayed in hotels. The model is tested empirically with the data from a survey conducted among 300 guests who stayed in Kodaikanal star hotels during the study period. Dis-proportionate stratified random sampling is used for the study. Guest’s perceived value, overall satisfaction and behavioural intentions are evaluated in respect of six service quality dimensions namely tangibles, responsiveness, reliability, assurance, empathy and convenience. The three hypotheses establish the fact that service quality and behavioural intentions of the guests in the hotel industry are positively associated. Reliability service is found to be the best predictor in respect of perceived value; Assurance service is proved to be the best predictor in respect of Guests overall satisfaction and Empathy service is inferred to be the best predictor in respect of behavioural intentions.
INTRODUCTION

The development of Indian economy purely depends upon the growth of its various sectors especially the contribution of service sector (64.8) is tremendous in recent years. Among the service sector, share of trade, hotel, restaurant, transport and communication as a group is the largest contributor to GDP with 35%. Availability of good quality and affordable hotel resort rooms plays an important role in boosting up the growth of tourism in the country. Revenues of hotel and restaurant industry poised to reach 826.76 billion. There were 2,895 classified hotels having a capacity of 1,29,606 rooms in the country.

The GDP of Tamil Nadu is 14.22 percent in 2013-14 with 45 percent of service sector. The tourism industry of Tamil Nadu is the second largest with an annual growth rate of 16 per cent in 2013 and also stands second in total employment at 9.97 per cent. Tamil Nadu is rich in attracting both domestic and foreign tourists through its natural resources, monuments, architecture, hill stations and etc. Kodaikanal, Ooty, Yercaud, are popular Hill stations.

Kodaikanal "Switzerland of the East" is predominantly run by tourism and allied industries. The number of tourists increased from two million in 1999 to 9.7 million in 2013 which include both foreign and domestic tourists. According to international access: June 2013, there are 15 Budget hotels and 18 Star hotels in kodaikanal.

To satisfy the need of the tourist, government initiates to improve and develop infrastructure facilities such as travels, hotels and restaurants and etc., in Kodaikanal. The features offered to the visitors will create good perception towards the service provider.

THE FEATURES OF STAR HOTEL RESORTS

Safe deposit box in front desk, Guestrooms, Cafes and Complimentary breakfast, Restaurant with the Multi-Cuisine, Housekeeping, Irons/Ironing boards, Doctor-On-Call, Accommodations provide desks and phones, Mini-bar / lounge, Business amenities including a meeting room and limo/town car service, Complimentary wireless high-speed Internet access and 32-inch LCD TVs with cable, Complimentary toiletries, Health Club (fitness/Massage center), Tour/Ticket assistance, Gift shops/Newsstands and Guest parking is complimentary.

These facilities are offered to the guests who stayed in any one of the star hotels of Kodaikanal.

LITERATURE REVIEW

SERVICE QUALITY, CUSTOMER SATISFACTION AND BEHAVIOURAL INTENTION

Service quality has a positive influence on customer satisfaction. The service of Gronros (1984) covers both functional and technical quality which measures respectively the tangibility and intangibility from actual service performance. Parasuraman et al. (1988) show the relationship between service quality and customer satisfaction by using five cues of quality i.e. tangibility, reliability, responsiveness, confidence and communication. Dagger & Sweeney (2006) identifies service quality cues into two dimensions which include technical service quality and functional
service quality. Similarly, Mei et al. (1999) identifies three cues of hotel service quality which include employees, tangibles and reliability in the Australian hotel industry.

Olurunniwo et al. (2006) identifies four cues of service quality which includes tangibles, recovery, responsiveness and knowledge in the hotel industry. seven cues of service quality which include courtesy and competence, communication and transactions, tangibles, knowing and understanding the customer, accuracy and speed of server, solution to the problems, and accuracy of hotel reservations. Saha (2009) shows service quality is the significant determinant of customer satisfaction, and quality of service satisfaction affects such behavioural intentions of the customer.

Behavioural intention includes price sensitivity, spoken word, repurchase visit, willingness to recommend the organisation to others & loyalty (Ryu & Han, 2010; Zeithmal, 1996; Swonson & Davis, 2003). Zineldin’s (2006) Low service quality leads to unfavorable behavioural intentions (Burton et al. (2003). The greater the customers' experience, the better the customer is willing to reuse the services. Positive behavioural reduces the cost of marketing, and it may increase revenue if new customers are attracted (Riechheld & Sesser, 1990). Kandampully & Hu (2007) argue that customer satisfaction has direct relationship with customer loyalty. Customer loyalty is the major component of behavioural intentions. Both service quality and satisfaction increase hotel’s image.

SIGNIFICANCE OF THE STUDY

Service Quality Management has become the prime issue in Kodaikanal business along with the growth of the tourism and its allied sectors since 2000s. The reason for growing awareness in service quality is directly related to organization’s short and long term financial goals, increased market share and sustainable competitive advantage. Service quality management practices have a significant and positive relationship with behavioural intention.

The expected result of service quality is to create emotional experience to satisfy customer by providing superior service quality make organization distinct from its competitors and gain a sustainability and service quality induce long lasting effects in their behaviour, i.e. willingness to stay in the same hotel, recommendations by the customers to their friends, associates with the same hotel and readiness to pay high price. (Kandampully, 2000, Ladhari, (2009).

There is still lack of sufficient research in the field of service quality, perceived value, guest’s satisfaction and behavioural intentions in the hotel industry. Therefore, this research is mainly focused to examine the direct relationship between the perception on service quality and behavioural intentions of guests stayed in Kodaikanal star hotels.

OPERATIONAL DEFINITION

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>DEFINITIONS</th>
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<tr>
<td>Hotel</td>
<td>An establishment providing lodging, meals and other guest services.</td>
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<tr>
<td>Star Hotel</td>
<td>Amenities to the guests stayed with standard features.</td>
</tr>
<tr>
<td>Tourists</td>
<td>Traveller, visitor who travel with a purpose, i.e pilgrimage, leisure.</td>
</tr>
<tr>
<td>Guest’s</td>
<td>Tourists who stay in a hotel for a while</td>
</tr>
<tr>
<td>Service quality dimensions</td>
<td>Various dimensions such as tangibles, responsiveness, reliability, assurance, empathy and convenience.</td>
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<tr>
<td>Perceived value</td>
<td>Attitude on worthiness of service offered.</td>
</tr>
<tr>
<td>Guest’s overall satisfaction</td>
<td>Determination of quality of service actually delivered and level of happiness experienced towards the service.</td>
</tr>
<tr>
<td>Behavioural intention</td>
<td>Revisit, good word of mouth and repurchase intention – based on satisfaction level.</td>
</tr>
</tbody>
</table>
RESEARCH METHODOLOGY

SAMPLE
The target population of this study consisted of the guests who visited Kodaikanal for the purpose of leisure and stay at least one time as guest in any one of the select star hotels. There are 18 listed star hotels in Kodaikanal, out of them six hotels are selected for the study. The study adopted dis-proportionate stratified random sampling, sample size was determined as 300 with confidence level of 95% and confidence interval of ±4%.

DATA COLLECTION AND INTERVIEW SCHEDULE

The study used both primary and secondary data. Primary data were collected through the structured questionnaire and secondary data were gathered from referral journals, articles, publications, magazines and Websites. An interview schedule probing the demographic and profile characteristics of the guests such as, gender, native place, age, educational qualification, occupation, income and marital status and dimensions of service quality which includes tangibles, responsiveness, reliability, assurance, empathy and convenience, perceived value of the guests, overall guests satisfaction and behavioural intention of the guests. Perceptions of respondents were measured on the five point Likert’s scale from strongly disagree (1) to strongly agree (5). The interview schedule consisting of 46 items (7 demographic and 39 perception information) were distributed to 300 guests stayed in Kodaikanal star hotels. The sample respondents are selected on the basis of dis-proportionate stratified random sampling method.

TOOLS USED

Percentage analysis, descriptive analysis and multiple regression analysis are used to examine the results of the study.

RESULTS AND DISCUSSION

PROFILE CHARACTERISTICS OF GUESTS

An empirical study was conducted by using a interview schedule to know the profile characteristics of guests who stayed in Kodaikanal star hotels.

| Table I. Profile characteristics of guests |
|-----------------|-----------|---------|
| Variables       | Frequency | Percent |
| Gender          |           |         |
| Male            | 195       | 65      |
| Female          | 105       | 35      |
| Nativity        |           |         |
| Salem           | 56        | 19      |
| Coimbatore      | 45        | 15      |
| Tiruchirappalli | 38        | 13      |
The guests characteristics of the respondents are summarized in Table I. It reveals that a majority (65 per cent) of the respondents were males. 19 per cent of respondents were Salem, 15 per cent were Coimbatore, and 12 per cent were Chennai. 35 per cent respondents were belonging to 35-45 years of age group. Majority (39 per cent) of the respondents were graduates. 40 per cent of respondents were private sector employees and only 8 per cent were professional. 35 per cent respondents were belonging to the category of ₹25000 - ₹35000 monthly earners. A majority (80 per cent) of the respondents were married. 47 per cent respondents visited for 2-3 times, 24 per cent respondents visited for only one time.
The table II describes the perceptions on service quality (29 items), perceived value (1 item), their overall satisfaction level (4 items) and behavioural intention (4 items) of the guests. Regarding the service quality, mean value of Convenience is the highest (M=4.12) and empathy is the lowest (M=4.10). But lowest standard deviation correspondences to empathy is only 0.80. This indicates that consistency in empathy is higher than other service quality. But Convenience is more essential for guest’s satisfaction and behavioral intention. The mean value of all service cues ranges between 4.10 to 4.22 in the rating of agree and strongly agree level. It means service quality in the hotel industry in Kodaikanal is good. Mean value of overall guest’s satisfaction and behavioral intentions is 4.19 and 3.97 respectively. This indicates that the guest’s have high rate of word of mouth (recommendation to their family and friends to stay in the hotel) and that’s really influential to promote the willingness to stay in the same hotels when they visit Kodaikanal.

The table also reveals that, Cronbach alpha coefficient values of all cues are above 0.60 which is good in general and very good in particular which shows strength of association and consistency of a question. Empathy services are the highest (0.90) and Convenience (0.72) has lowest. The Hotelling's T-Squared was utilized to find the difference in the means of the six dimensions of service quality, guest’s overall satisfaction and behavioural intention. The result confirms it at 1 percent level.

**MULTIPLE REGRESSION ANALYSIS**

Multiple regression analysis was used to determine the relationship between Service Quality dimensions and perceived value, Service Quality dimensions and Overall Guest Satisfaction and Service Quality dimensions and Behavioural Intention.
HYPOTHESES

Based on the research purpose the following hypotheses were framed:

1. Service quality dimensions have no significant relationship with perceived value.
2. Service quality dimensions have no significant relationship with guest’s overall satisfaction.
3. Service quality dimensions have no significant relationship with behavioural intentions.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Perceived Value</th>
<th>Guest’s Overall Satisfaction</th>
<th>Behavioural Intentions</th>
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<tbody>
<tr>
<td></td>
<td>B</td>
<td>t</td>
<td>Sig.</td>
</tr>
<tr>
<td>(constant)</td>
<td>2.247</td>
<td>11.460</td>
<td>0.000</td>
</tr>
<tr>
<td>Tangible</td>
<td>-0.012</td>
<td>-0.155</td>
<td>0.017*</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>-0.045</td>
<td>-0.626</td>
<td>0.032*</td>
</tr>
<tr>
<td>Reliability</td>
<td>0.049</td>
<td>0.743</td>
<td>0.000**</td>
</tr>
<tr>
<td>Assurance</td>
<td>0.042</td>
<td>0.537</td>
<td>0.002**</td>
</tr>
<tr>
<td>Empathy</td>
<td>-0.159</td>
<td>-1.982</td>
<td>0.048*</td>
</tr>
<tr>
<td>Convenience</td>
<td>-0.026</td>
<td>-0.338</td>
<td>0.036*</td>
</tr>
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</table>

** Significant at the 0.05 level (2-tailed), p<0.05;
* Significant at the 0.01 level (2-tailed), p<0.01

Dependent Variable: Perceived Value, Guest’s Overall Satisfaction and Behavioural Intention

** Perceived Value: \( R^2 = 0.746, F \text{ Value} = 1.357 \)

** Guest’s overall Satisfaction: \( R^2 = 0.509, F \text{ Value} = 10.078 \)

** Behavioural Intention: \( R^2 = 0.307, F \text{ Value} = 21.624 \)

In all the cases, independent variables are Service Quality Dimensions and the Dependent Variables are Perceived Value, Guest’s overall Satisfaction and Behavioural Intention.

SERVICE QUALITY DIMENSIONS AND PERCEIVED VALUE

It is found that “Reliability service” is the best predictor, since it exerts maximum contribution \( t=0.743, p<0.01 \) to perceived value. The R square \( (0.746) \), which indicates all the independent variables together explain 74.6 percent of the variance in perceived value, which is highly significant \( (F \text{ Value}=1.357, p<0.05) \).

SERVICE QUALITY DIMENSIONS AND GUEST’S OVERALL SATISFACTION

“Assurance service” is proved to be the best predictor, since it exerts maximum contribution \( t=2.548, p<0.01 \) to guest’s overall satisfaction. The R square \( (0.509) \), which indicates all the independent variables together explain 51 percent of the variance in guest’s overall satisfaction, which is highly significant \( (F \text{ Value}=10.078, p<0.05) \).
SERVICE QUALITY DIMENSIONS AND BEHAVIOURAL INTENTIONS

“Empathy service” is inferred to be the best predictor, since it exerts maximum contribution (t=3.560, p<0.01) to behavioural intentions. The R square (0.307), which indicates all the independent variables together explain 31 percent of the variance in behavioural intentions, which is highly significant (F Value=21.624, p<0.05).

CONCLUSION

Therefore, service quality dimensions have exerted significant influence on the perceived value, guest’s overall satisfaction and behavioural intentions of guests stayed in the Kodaikanal star hotels. It is also observed that Reliability service, Assurance service and Empathy service are inferred to be the best predictors. Hence, it is recommended that the star hotels of Kodaikanal should offer all the service quality dimensions in an effective manner with special emphasis on the above three best predictors, in order to sustain and develop their business.

REFERENCES

