

A service quality gap analysis: A case study of a small- sized hotel in

Bangkok, Thailand

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Abstract: the purpose of this research is aimed to identify the gaps or discrepancies between the hotel managers and the customer's perspectives of service importance and service performance satisfaction through the analysis of Service Quality Gap Model. The theory suggests that 5 gaps of service quality; the knowledge gap, the standards gap, the delivery gap, the communication gap and the service gap, should be identified to investigate the service inefficiency. The effort to close these gaps will enhance customer satisfaction and business profitability. However, this paper mentioned the first three gaps; the knowledge, the standards and the delivery as they are seen the basis of customer satisfaction. The questionnaires were distributed to three groups of respondent involved; management, hotel staff and customers to monitor the discrepancies. The result shows that a number of gaps occur between management and staff and between staff and customers while the gap between managers and customers are slightly found.

Keywords: Gap analysis, Gap Model of Service Quality, Hotel, Service, Service Quality

1. INTRODUCTION

Thailand is a standout destination amongst the travelers contributed by its landscapes and ethnic assets and tourism is assumed a striking share in Thailand's economic structure for many decades, considered as a key source of the nation's earnings and the employment it generated [1]. According to Thailand's Department of Tourism [2], the country was visited by more than 29 million international tourists generating a total tourism receipt of THB 1,687 billion in 2015 [3]. Thailand has predominantly invited more holidaymakers (9,458,000) than business travelers (1,545,000) due to its budget living rates and wide range of tourism assets [4].

The development of arrivals to Thailand makes more noteworthy needs of accommodation which is seen as a major feature of tourism structure. In year 2005 Tourism Authority of Thailand discovered that almost international tourists spent an average length of stay of 8.20 days in hotels or similar establishments and spent about 26.31 percent of their expenditure on accommodation per day [5]. In recent years, Low-cost hotels have been emerging tremendously across the city of Bangkok to serve the higher budget tourist demand, especially backpackers during the high season, Silom Village Inn is selected as a case study hotel as the inn characterizes old Bangkok heritage, Thai warm welcome and cultural

elegance. With 50 guestrooms and located in the most important business district in the heart of Bangkok, the inn has been providing services and hospitality to international guests since 1980s. The hotel is situated in spectacular Silom Village Trade Centre, consisting of a group of traditional Thai houses used as the residence of old Thai wealthy and high ranked people, consisting of restaurants, a Thai handicraft souvenir shop, a gallery and a classical dance performance hall. Moreover, Service provided by Thai employees is complimented by the best and highly satisfied by most of its visitors. Therefore, it is a great implication through the gap analysis to find out the service quality level and how the hotel can be developed in the future. In Thailand, there are more than 2,500 hotels with more than 300,000 rooms in main tourist areas in Thailand generating an intense competition in the sector. That comes to the importance of service quality as a strategic way to gain profitability and customer loyalty as well as adding value to its products. Practically, all businesses compete to some extent on the basis of service. Attention to service quality helps differentiate one provider from others. This is because of the fact that competitors usually offer the same services but patently different service. As suggested by Kevin W. [6], lodging businesses across Thailand have been predominated by three or four star hotels. In opposition to those branded international hotel chains which share higher market segments, small sized hotels in Bangkok are independently owned and managed by local businessman or families and now

facing another challenge of competition with mid and large sized hotels. In order to guarantee the steady position in the market, the ability to recognize customers' expectations and provider service performance is a strategic approach to close the possible service gaps by designing service products to meet those needs and ultimately lead to service goals; customer satisfaction and loyalty.

2. LITERATURE REVIEW

Delivering excellent service quality is viewed as a main role of hotel business. Service quality is profit strategy. Lodging businesses that implement successful service quality strategy not only have greater customer satisfaction, they also enjoy greater, profit margins and lower operational costs than their competitors [7]. Service Quality is simply defined by Zeithaml, Berry and Parasuraman as excellence [8]. Service quality has been stated as how well a customer's needs are met, and how well the service meets the customer's expectations. Gronroos [9] points out that the perceived quality of service relies on a comparison between expected and perceived service, and is therefore a result of comparative assessment process. After the investigation by focus group interviews, Parasuraman [10] critically distinguish that "perceived service" is the gap between a customer's expectations and perceptions whereas "service quality" is the degree and direction of discrepancy. Parasuraman's idea is the most widely known and used in service quality research. On the other hand, [11] claim that service quality and perceived service quality are similar and used interchangeably with the assumption that the better perceptions, the higher the level of perceived service quality; the worse perceptions, the lower the level of perceived service quality. [12] points out that the gap between expectations and performance is the key factor to indicate overall service quality and argues that we should compare expectations against the combination of both the service process and the actual service outcome. Also, [13] sees service quality is the degree of excellence in meeting customer requirement. From his research of service quality in a restaurant and an airline company, the customers are willing to pay more if the service is better in value.

The Gap Model of Service Quality is developed by Parasuraman *et al.* [14] to conceptualize the definition of perceived service quality as the gap between what is expected (should-be provided service) and what is perceived (did-provided service). It is used to explore the discrepancies in service quality process

in order to identify the aspects a hospitality organization needs to improve. Any gap in service quality operation will lead to customer dissatisfaction. It provides the fact that the smaller the gap, the better the service quality delivered, and the higher the customer satisfaction. The gap model is also an important element of the disconfirmation theory to measuring both quality and satisfaction. It is noted that the existence of these gaps is a source of dissatisfaction [15]. Those gaps in service operations are understandability, service standards, service performance, communications and service quality performing as a basis of understanding and measuring service quality [16][17]. Gaps and image are also correlated. If a hotel has a good image, small service gap tends to be acceptable. On the other hand, if it has a poor image, even a small gap can lead to seriously negative customers' perceptions. The study of Brown and Swartz [18] points out that "gap analysis is a straightforward and appropriate way to identify inconsistencies between provider and customer perceptions of service performance. Addressing these gaps seems to be a logical basis for formulating strategies and tactics to ensure consistent expectations and experiences, thus increasing the likelihood of satisfaction and a positive quality evaluation". Parasuraman's gap model of service quality consists of 5 gaps; the knowledge gap, the standards gap, the delivery gap, the communication gap and the customer gap. However, this paper mentioned the first three gaps; the Knowledge, the standards and the delivery as considered the underpinning basis of customer satisfaction.

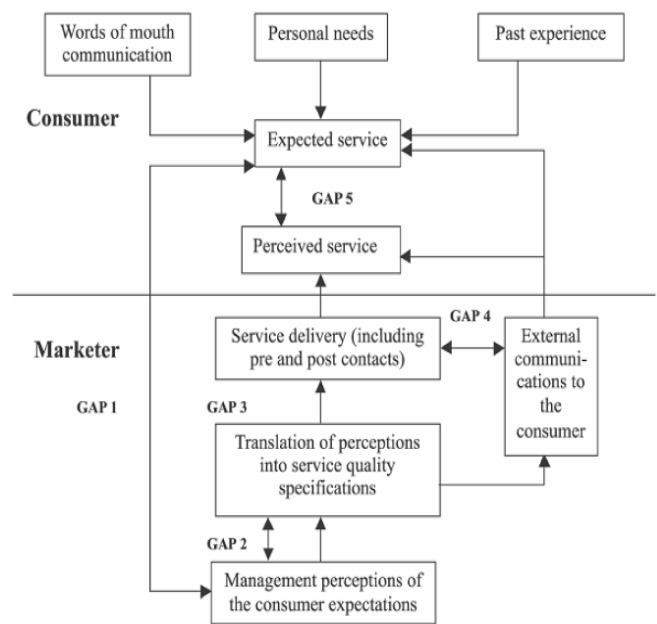


Figure 1: Conceptual gap model of service quality

Gap 1 is between Customer expectation and management perception. The first gap, defined in a different way as the knowledge gap, the understandability gap and the perceptual gap, can occur when management's perception of what customers expect differs from their actual expectations. This perceptual gap is a failure in understanding customer needs. Gap 2 is between management perception and service quality specification gap. The second gap is referred differently as the standards gap, the procedural gap. It occurs when there is a difference between management's perceptions of what customers expect and how the service delivery is specified to meet those needs. In the other word, management mistranslates customer expectation into appropriate design and fails to establish service quality specifications. Gap 3 is between service quality specification and service delivery. The delivery gap occurs when the service delivery specifications and the actual service delivery are not compatible. Front-line employees play an important role to deliver service appropriately, meeting the specifications and expectations. If they fail to do so, the delivery gap can occur and it potentially leads to the discrepancy between customer's expectation and perception. The overall service quality gap can be appeared by one or more specific gap. The study of these service quality gaps gives managerial implications for hotel executives to (1) know what customer want; (2) select appropriate service designs and standards; (3) deliver to these standards; and (4) match performance to promises. Customer satisfaction of service quality is directly affected by all these gaps, the conceptual model of gap analysis enables hotel's managers the ability to explore critical and key service variables that affect service quality. Also, they can look for ways to close or narrow those gaps to ensure customer satisfaction with the service delivered.

3. METHODOLOGY

The data is collected and presented by mean score. The popularity of mean score used in hospitality literature results from the fact that it can demonstrate the average score of each attribute derived from overall score of the whole response. This can facilitate the analysis. The results of three groups involved; management, staff and customers, will be compared to investigate the discrepancy between importance and satisfaction as well as the difference of these gaps between the three stakeholders. The importance priority is viewed as an

implication of expectation degree that three groups of respondent have on each dimension of service quality; reliability, responsiveness, assurance, empathy and tangibles. Similarly, satisfaction measurement indicates how each group sees their service performance. Consequently, the grid of importance and performance is utilized to analyze and illustrate the findings. A particular population sample of 3 managements (1 business owner and 2 managers), 9 hotel staff and 120 customers is involved in this research to learn their service attitudes as found from a number of studies that management perceptions of service quality often differed from the customers' and staff's. These discrepancies in perception or, in other words, gaps are the key to providing high quality service. By comparing the two scores of importance (expectation) and performance satisfaction (perception), the hotel manager will know whether the hotel is exceeding or meeting or falling below standards. The questionnaires were distributed to all three groups of respondents. The identification of the gaps between guests' satisfaction and the management as well as the hotel staff's is expected. A closed questionnaire survey was developed to collect all needed information for the benchmarks. The questionnaires were anonymously distributed to the hotel's guests by receptionists to avoid any sensitivity and randomly distributed to any guest with any nationality at any age to gain diversity of respondents. The questionnaires were self-completed over the period of 20 days at the point of front-desk service. The on-site survey helps customers to recall their feelings about the service and produces higher accuracy. The Silom Village Inn receptionists will encourage the guests to complete questionnaires during the bill process. In this research, the questions selected from three measuring tools; SERVQUAL, LODGSERV, LQI has been used as an instrument to measure service importance and satisfaction through a set of 26 questions grouped into five dimensions; reliability, responsiveness, assurance, empathy and tangibles. It is viewed by the researcher that these selected questions from each dimension are seen as unique and reliable and specifically designed for lodging industry and can cover most aspects of service quality needed to be measured in the lodging business. The questionnaires use the Likert's scale consisting of two set of responses: Importance (expectation) and Performance Satisfaction (perception) scales.

Importance		Performance	
Scale	Meaning	Scale	Meaning
1	Very unimportant		Very dissatisfied

		1		another
2	Quite unimportant	2	Quite dissatisfied	management with some work experience in an international hotel. So, it can be assumed that they
3	So-so	3	So-so	have board perspectives of what customers expect from a hotel and how to satisfy them. Besides, with
4	Quite important	4	Quite satisfied	the fact from profile that the managers have been working in the hotel for more than five years, they are
5	Very important	5	Very satisfied	quite well-experienced in delivering tailor-made services to international guests. Generally,

Figure 2: The use of Likert's scale for this study

All of the results are calculated as a mean score and presented in tables, graphs and cross-tabulation method and gap analysis. The analysis is conducted item by item consisting of 26 grids of service questions (5 dimensions). The preceding number shows the rating of actual performance satisfaction and the latter one demonstrates the rating of service importance.

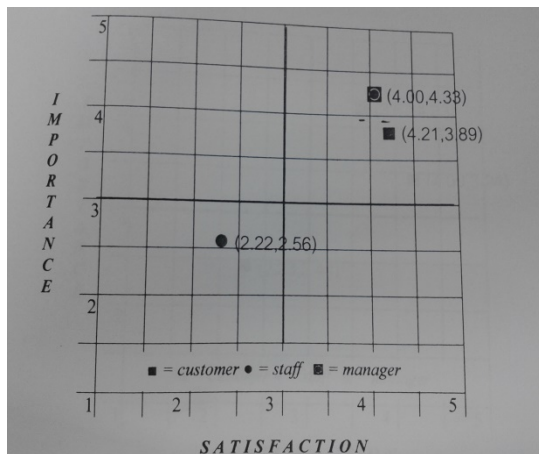
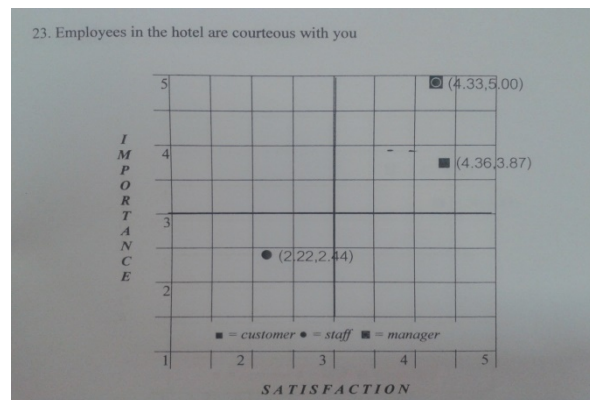


Figure 3: Importance-performance satisfaction survey result analysis

4. RESULTS OF DATA ANALYSIS

From the survey conducted, some gaps in service quality process at Silom Village Inn can be identified. However, only gap 1, 2 and 3 which are considered relevant and useful to this research will be analyzed. Gap 1: Customer expectation-Management perception of such expectations (The knowledge or understanding gap) has positive feedback. From figure 3, it can be concluded that Silom Village Inn managers understand customers' expectations as both comments from the managers and the customers fall in the same quadrant. The managers satisfactorily perceive what factors are important to customers. One of the managers specializes in Business operation and

managements set very high standards of service for the hotel. This is possibly because one of them is the owner of the hotel who needs to gain greater market share. According to the score, the management's ranking of importance is 1) Empathy, 2) Assurance, 3) Tangibles, 4) Responsiveness and 5) Reliability while the customers' ranking is 1) Assurance, 2) Reliability, 3) Responsiveness, 4) tangibles and 5) Empathy. It seems there is a misunderstanding about the hotel's reliability element. Among five dimensions of service quality, it is understood by management that reliability, in term of importance, is the least expected by customers. However, in reality, Reliability is the second most important dimension guests perceive important. As a result, their understandings mismatched and this gap should be placed as the first priority to find the solutions. Similarly, the finding reveals that Empathy is the most considered dimension by managers in performing service as shown in question 23. The management rated 5.00 for importance but by the customers 3.87.



Figures 4: Survey result grid for question 23. Employees in the hotel are courteous with you (Empathy dimension)

This might be overkill for the hotel in that the efforts because the resources are put too much, more than that would be necessary. As a result, these areas should be reviewed by management in order to functionally allocate appropriate resources. Gap 2 is analyzed the discrepancies between management perception of customers expectation and service quality specification (The standards or procedural

gap). This gap refers to how well managers can translate understanding into service specifications. Despite the fact that service cannot be standardized, it is argued that standardization enables effective translation of manager's perception as shown in the policy of other international hotel chains such as cleanliness, room comfort and decorations. The question "Your reservation is handled efficiently" reflects the gap. The management rated the performance of how well they response to the reservation with a score of 5.00 whereas the guests were moderately satisfied by their reservation response with a score of 4.20. According to some comments that it takes several days to receive confirmation and that the hotel fails to secure the booking when a guest arrives. Besides a guest complained that internet booking has to be followed up by telephone call and suggested that reply/confirmation of internet booking should be more standardized. Similarly, the questions "the hotel provides a safe environment and the facilities are conveniently located" also reflects this gap. Some customers comment that there is no access to stairs and emergency exits, only old and small lifts available. It should be taken into account that safety and convenience is seen very important and directly affect the degree of satisfaction. The hotel should perceive this as a strategic investment to give confidence in safety to customers. Although the hotel plans to cut operations costs, those facilities must be kept ready for customers at first priority. Gap 3 shows difference between service specifications and service delivery (the delivery or the behavioral gap). This gap is considered a service performance mismatch. It occurs when the service delivered by staff does not meet the specification set by the managers. So, staff plays a major role to close this gap. More than half of the comments complain about staff's poor skills of English language which obstruct the ability to provide prompt and quick response to customers. Language barrier must be taken into account as miscommunication can lead to dissatisfaction at the end. Unlike the management who set high standards and expect high performance of staff (Mean score of importance 4.21), staff rated the importance of all service features relatively low (Mean score 2.36). Moreover, according to the survey, staff's ranking of importance is 1) Empathy, 2) Tangibles, 3) Responsiveness, 4) Reliability and 5) Assurance. This creates a large gap among three groups of respondent as Assurance is the most important attribute rated by customers and the second most important issue for managers. This phenomenon may imply that they

focus on wrong importance of service and this can hinder the quality of service.

5. DISCUSSIONS & SUGGESTIONS

It is evident that there is an over-development in the hotel sector in Bangkok. Combined with unsteady demand due to unforeseen circumstances, the increased competition is stronger among hotel segments. The study found out the gaps between management, staff and guests perspectives through 5 service dimensions that are regarded key for small- sized hotels in Bangkok, Thailand. The quantitative approach of questionnaire survey was performed to explore the service gaps and the areas that need to be improved. The findings have fulfilled the primary objectives of this research in that it illustrates the perspectives of management and staff in terms of how they rate the importance of service dimensions and how they reflect their own performance. Surprisingly, the research found out that management understands customers more than staff that interacts directly to guests. This concurs with the research of [19] indicating that gaps in service quality are resulted from service providers putting more emphasis on efficiency than customer requirements and little effort has been made to recognize customer needs. They even put much effort in some criteria of which guests are not concerned. However, the difference score in each dimension is not statically significant. This implies that the hotel is performing satisfactorily in every aspect of service quality. From the results, guests perceive Assurance is the most important criteria expected at the hotel and perceived it is the hotel's best performance. This study allows management to gain first- hand data about the satisfaction level and unsatisfied service attributes that need to be improved. Besides, there is a significant difference between customers' perceptions and management's perceptions on Reliability performance. It is misunderstood by management that they perform best on Reliability while customers perceive it as the least satisfied performance. This gap implies a serious management misjudgment of the situation. A likely cause of the discrepancies between the three groups of Silom Village Inn is that the limitation of operations costs. Some areas of service are highly expected by customers but, as a budget hotel, those cannot be met because of high price in provision. According to the Gap analysis, it is illustrated that managers see what customers want but there is a shortage of resources in doing so. A key possible cause of discrepancies is the constraints imposed on management by market conditions,

organization policies and available resources. At the same time, staff attitude towards service job must be seriously concerned. As suggested by [20] that people factor is important for hotel's service management in those personal relationships may be formed with customers, resulting in greater customer satisfaction with services and develops returning customers. Some suggestions can be made to close those service gaps; for example, improvement in human element and service process which include training programs such as intensive English courses and Service skills courses, inter-cultural awareness enhancement, customization process can proficiently develop positive attitudes of staff towards service delivery. Recently, a well-known empowerment program has been introduced to empower front-line employees. The hotel can adopt this policy in order that staff can make their own decisions to solve any problem as quick as possible.

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