A measurement of customer satisfaction towards service quality in a small sized hotel: A case of Silom Village Inn, Bangkok, Thailand

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Abstract— The purpose of this research is to investigate the customer satisfaction level towards the case study hotel of Silom Village Inn's service quality in Bangkok. The research provides insights through a review of 5 service quality dimensions, creating customer satisfaction, performed by the hotel (Tangibles, Reliability, Responsiveness, Assurance and Empathy and judged by the guests. A group of 120 hotel guests was selected for a questionnaire survey to measure what customers expect and perceive in hotel's service qualities. The research finds that overall satisfaction level is acceptably high and Assurance was considered the most important dimension by the hotel's customers.

Index Terms— Customer satisfaction, Hotel, Service, Service Quality, SERVQUAL.

I. INTRODUCTION

The phenomenon of tourism and hospitality industry growth in Thailand has been appeared significant. In recent years, it has achieved global recognition as one of the world's major industries that generates jobs and revenue to the host countries [1]. Thailand is one of the most well-known tourist destinations contributed by its natural and cultural resources and tourism plays a major role in Thailand's economic structure, considered as a key source of income of the country. 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]. When compared to some other countries in the same regions, Thailand welcomes more leisure tourists for recreation and holidays (9,458,000) than business travelers (1,545,00) [4]. This is because of low cost of living and high potential of tourism resources.

The growth of arrivals to Thailand creates greater demand of lodging which is viewed as part of tourism infrastructure. In year 2005 Tourism Authority of Thailand revealed that more than 98 per cent of international tourists spent an average length of stay of 8.20 days in hotels or similar establishments and lodging contributes 26.31 percent of tourist's total expenditure per day [5]. In recent years, Budget travelers for leisure purpose, especially backpackers, contribute greatly to Thailand's market. Economical hotels have been emerging at every corner of the tourist streets across the city of Bangkok to serve the higher tourist demand. Silom Village Inn with 50 guestrooms, located in the most important business district in the heart of Bangkok, has been providing services and hospitality to international guests since 1980s. The inn represents old Bangkok identity, Thai hospitality and warm welcome as well as promoting the elegance of Thai culture to the world. The hotel is situated in spectacular Silom Village Trade Centre, overlooking a group of classical Thai houses used as the residence of old Thai well-to-do and high ranked people, consisting of a restaurants, a Thai handicraft souvenir shop, a gallery and a classical dance performance hall. Therefore, it is worth studying the customer satisfaction level towards the hotel's service quality for future development. In Thailand, there are more than 2,500 hotels with more than 300,000 rooms in main tourist areas in Thailand building a maximum competition in the industry. In contrast to those mid-to-upper market hotels which are branded and managed by international hotel chains, small sized hotels in Bangkok, Thailand are independently owned and managed by small groups of local businessman or local families and now facing another challenge of competition with mid and large sized hotels [6]. In order to survive in the market, knowing customer satisfaction is a key strategy to achieve a higher market share, profitability, competitive advantage and long-term customer loyalty by knowing what customer needs, how customers perceive the quality of service and how customers receive the quality value for money.

II. LITERATURE REVIEW

The customer-oriented term, satisfaction, has gained attention for management for decades [7]. It is viewed as one of the most important outcomes of all service activities and increasingly considered as a key factor in differentiating a service provider from another to gain competitive advantage. Customer satisfaction is a complex human process which involves a cognitive process or and an emotion state, as well as other psychological and physiological influences [8]. A traditional definition of

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customer satisfaction follows a well-known conceptualization expectancy- disconfirmation of Richard Oliver based on the fact that consumers are likely to compare expectations to perceived performance in order to make a judgment [9]. It is explained that satisfaction comes up from discrepancies between pre-purchase expectations and perceptions of actual performance. These two variables jointly generate satisfaction or dissatisfaction. It is explained that satisfaction occurs of the service transaction is better than expected, while a service performance which is more poorly than expected will lead to dissatisfaction. It is also found that customer satisfaction is correlated with a customer's willingness to return [10]. In general, customers will be satisfied if the services they received are good as they expect. So, it is identified as a post-decision attitude regarding how much a person likes or dislikes a service after receiving it [11]. Some researchers describe satisfaction related to customer's expectations. They suggest that customer satisfaction is the outcome after comparing perceptions of the service received with expectations of the service desired [12]. [13] defines customer satisfaction as a guest's post consumption judgment of a product or service that can, in turn, be measured by assessing guest's evaluation of a performance on specific attributes. In hospitality context, most of the studies about customer satisfaction have focused on service attributes which are treated as customers' needs and wants and overall satisfaction can be evaluated as the of the satisfaction with various service attributes or dimensions. Many scholars have suggested service dimension frameworks to be used in hospitality industry. The most widely accepted service dimension model is developed by Parasuraman, Zeithaml and Berry [14] to measure the components of service that basically create satisfaction and it is known that customers use these criteria to evaluate service quality of a hotel. The model is composed of ten attributes (Tangibles, Reliability, Responsiveness, Competence, Courtesy, Credibility, Security, Access, Communication, and Understanding). However, Parasuraman's framework has been found the overlap in dimensions so it is reduced to five dimensions and adapted into the context of lodging industry. The five dimensions include 1) Tangibles which mean the general appearance and functionality of the property, appearance of physical facilities, equipment, personnel and communication materials; 2) Reliability which is defined as the ability to perform the promised service dependably and accurately, the extent to which the property and its employees perform services correctly and consistently ; 3) Responsiveness which means the willingness to help customers and to provide prompt service, the ability of employees to respond promptly and efficiently to guests' requests ; 4) Assurance which relates to the knowledge and courtesy of employees and their ability to convey trust and confidence, their ability to inspire trust and confidence; 5) Empathy corresponds to the provision of caring individualized attention to customers, a sense that management and its employees care about the guests. As mentioned above, it can be seen

that customer satisfaction and service quality correlate and there are a number of debates about the reverse relationship of customer satisfaction and service quality. It is commented by [9] that satisfaction is a consequence of perceived service quality (attributes). If quality of service attributes is improved, it will influence the feelings of broader satisfaction.
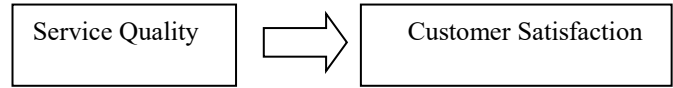

Figure 1: A simple relationship between service quality and Customer satisfaction

It is demonstrated by [15] how customers judge service quality and customer satisfaction. Service quality is assessed by using specific dimensions based on perceptions of excellence and is considered cognitive, whereas customer satisfaction is emotional and evaluated more holistic based on needs. [10]'s research exemplifies this by using customers' perceptions of performance on service dimensions to measure satisfaction. On the other hand, the research of [16] opposes most service organizations routinely measure customer satisfaction rather than service quality. Nonetheless, measurements of customer satisfaction and service quality share methodological issues because their conceptualizations overlap [8]. Several academics have attempted to apply the measuring instruments. The most recognized one is SERVQUAL which is the earliest framework for measuring service quality, developed by Parasuraman. It is well-known and widely used to measure customer satisfaction through discrepancy of customer expectation and perception. It is based on five dimensions of service attributes in which 22 items of service attribute question are used to measure expectations and perceptions of customers.

III. METHODOLOGY

The quantitative methodological approach is considered appropriated for this study because it is able to fulfill the investigation aim of a large population to compare the expectations and the perceptions of service quality at Silom Village Inn hotel. Its ability to reach a large number of people provides the advantage for this study since Silom Village Inn has 50 bedrooms with more than a hundred of guests a night. As this research is a one shot case study concerning measuring customer satisfaction towards service quality, a closed questionnaire survey was developed to collect information on customer expectations and perceptions of the hotel's service by using service attributes or dimensions as criteria. 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 and distributed to 120 respondents during the period of 20 days while they were waiting for check-out at the front desk and returned to the receptionists for

further collection. This helps the guests to recall of the services they have encountered easily and accurately as recommended by [17]. [18] also comment that the questions which ask respondents to recall feelings that occur long ago may produce a lesser of accuracy. So, the on-site survey, conducted at the point of service is valuable for service business such as hotels and restaurants. In an attempt to keep and more reliable response, the Silom Village Inn receptionists will encourage the guests to complete questionnaires while the bills are processed. After all the customer questionnaires are completed and collected, the results will show the discrepancy between their expectations and perceptions which lead to satisfaction measurement. In this research, the instrument of SERVQUAL has been used as a tool to measure customer expectations and perceptions through a set of 26 questions grouped into five dimensions. It is viewed by the researcher that these selected questions from each dimensions 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.

Question number	Service Dimensions
1-6	Tangibles
7-11	Reliability
12-15	Responsiveness
16-21	Assurance
22-26	Empathy

Figure 2: Questionnaire structure of this research

IV. RESULTS OF DATA ANALYSIS

A. Analysis of socio-demographic profile of respondents

A total of 120 questionnaires were distributed to respondents at the reception desk the check-out process but only 102 questionnaires were returned usable. Therefore, the response rate is 85%. The unusable questionnaires include those unreturned, uncompleted and written in foreign languages other than English. It can be noted more than half of the respondents are from Europe and America as well as Australians with the average age of 31- 50 year old. The result shows that the main reason to stay is for leisure purpose and it is their first visit to this hotel. The hotel should focus on these customers as they can produce word-of-mouth referral depending on the first service encounter they have experience. So, treating first-time guests is relatively critical and should be performed carefully to create positive first impression. Over 90 percent of respondents said they are satisfied with the service and will revisit. This can imply positive feeling of satisfaction to the hotel's service.

B. Service dimensions

The criteria used in assessing are based on the Five dimensions of service quality model; tangibles, reliability, responsiveness, assurance, empathy. [17] suggest that a

response rate above 50 per cent represents non-response bias. So, the result form this survey with 85% response rate can be assumed accurate. The research finding shows that overall performance of Silom Village Inn hotel is high as the service scores of satisfaction are positive indicating that guests experience satisfied service at Silom Village Inn with overall mean score of 4.21. The areas that customers perceive satisfied service attributes are Assurance, Responsiveness, Empathy, Reliability and Tangibles respectively. This can be seen from the highest score of the question "Employees in the hotel treat you with respect?" As suggested by [19] 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. As almost all of the mean scores of each dimensions are more than 3.7 (out of 5), it can be viewed that the customer satisfaction level at Silom Village inn is relatively high. While the lowest mean score belongs to "Tangibles" attribute as we can see from the lowest score of questions (0.10) regarding "The hotel has modern facilities" and "TV/Radio/Air conditioning/Lights and other mechanical equipment work properly"

V. DISCUSSIONS & SUGGESTIONS

The aim of this study is to investigate the level of customer satisfaction through service dimensions that is regarded to be the important key strategy for a small size hotel in Bangkok, Thailand. The quantitative approach of questionnaire survey was performed to explore the satisfaction level towards the case study hotel and discover the attributes that are needed to be improved. The research finds out the degree of expectation and perception of 26 attributes which is derived from a measuring instrument. Measuring hotel service quality and customer satisfaction is a way to study if it meets, exceeds or falls under its guests' expectations. Employing this approach the researcher has the opportunity to reach a large number of respondents from different nations as they express their perceptions. The findings have fulfilled the primary objectives of this research in that it illustrates the level of customer satisfaction towards Silom Village Inn hotel. Customers totally agree that the hotel service quality is of higher that expected and they are satisfied with the performance (4.36 mean score of performance). 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. The manager can recognize the factors that facilitate or hold back the delivery of service at the hotel. However, future research is required to explore benchmarking of Silom Village Inn and other key competitors in the same area in order to gain higher market share and profitability. Moreover, other techniques of interview and focus group can be introduced during the data collection process to gain

more in-depth qualitative data from respondents in order to increase reliability and validity of the future research.

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