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## An Analysis of Different Hotel Sizes and Hotel Service Quality in Sindhudurg District

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### **Abstract:**

*The tourism industry is one of the most rapidly growing service industries in the world, and it is largely driven by the hotel industry. Hotels provide a home away from home for travelers, offering them a comfortable and safe place to stay while they explore new places. The hotel industry has been instrumental in driving growth in the tourism sector, as it provides travelers with a range of services such as accommodation, food and beverage services, entertainment, and other amenities. As more people travel around the world for leisure or business purposes, hotels are becoming increasingly important to ensure that travelers have an enjoyable experience.*

*The hotel industry is highly dependent on customer satisfaction for its revenue. The quality of service provided by hotels plays a major role in determining the level of customer satisfaction. Customers expect to receive high-quality services from hotels, and if they are not satisfied with the services, they will not return to the hotel or recommend it to others. Therefore, it is important for hotels to ensure that their services meet the expectations of their customers in order to maximize their revenue.*

*This study aims to explore the relationship between hotel size and the perceived service quality by customers in Sindhudurg District. The research will focus on understanding how hotel size affects the hotel service quality and how this can be used to enhance customer satisfaction. The findings of this study will provide valuable insights into the factors that influence customer satisfaction in hotels, which can be used by hotel owners and managers to improve their services.*

**Keywords:** Hotel Service Quality, Customer Expectations, SERVQUAL, Customer Perception, Dimensions of Service Quality, Sindhudurg District, Hotel Size

### **1. Introduction:**

The hospitality industry is highly competitive and it is essential for hotels to attract new customers and retain existing ones. The hotel services are perishable, meaning that today's empty

room cannot be sold tomorrow. Therefore, hotels must find ways to maximize their occupancy rate and ensure that their services are not wasted. This can be done by utilizing various strategies such as offering discounts, providing excellent customer service, and using innovative marketing techniques. Hotel services are complex and difficult to manage due to their intangible and heterogeneous nature. The human factor involved in providing hotel services further complicates the process of achieving customer satisfaction. Providing quality service is essential for any business to keep their customers satisfied and coming back. Quality service means meeting the expectations of guests and providing them with an experience that exceeds their expectations. It is important to maintain the quality of service in order to ensure that guests are happy and satisfied with their experience. Quality service can be achieved by understanding the needs of guests, providing timely responses, and delivering services that meet or exceed expectations. By doing so, businesses can ensure that they are providing a high-quality experience for their customers and keeping them coming back for more.

Measuring service quality is a complex process that requires comparing expected service with perceived service (Gronroos 2000, Zeithaml et al. 2006). It is difficult to quantify expectations and perceptions, as they are subjective and can vary from person to person. However, it is important to measure the quality of services in order to ensure customer satisfaction and loyalty. By understanding the gap between expected and perceived service, businesses can identify areas for improvement and make necessary changes in order to provide better services.

The study aims to understand how different sizes of hotels affect the perceived service quality of customers.

## 2. Objective:

1. To explore the relationship between Hotel Size and Perceived Service Quality in Sindhudurg District.

## 3. Hypothesis:

This study aims to investigate whether the degree of perceived service quality for various sizes of hotels differs or not. To this, we formulated and tested the following hypothesis:

**H<sub>0</sub>: There is no significant difference in the Perceived Service Quality across various hotel sizes.**

**H<sub>1</sub>: There is a significant difference in the Perceived Service Quality across various hotel sizes.**

## 4. Research Methodology:

Sindhudurg District, situated on the western coast of India, has become the first-ever tourism district in India. It has become a popular tourist destination due to its beautiful beaches and rich cultural heritage. 600 hotel customers from 8 talukas in district were surveyed using a modified

SERVQUAL questionnaire. With the help of SPSS 20 software, data collected from the questionnaires was analyzed, and further statistical hypothesis testing was done using ANNOVA Test.

### 5. Hotel Size and Service Quality:

The sample hotels were classified into three distinct size categories, namely Small Size Hotels, Medium Size Hotels and Budget Hotels. Hotels that offer up to ten lettable rooms are classified as Small size hotels, while those with 11 to 20 lettable rooms are considered Medium size hotels. Hotels which have the capacity to offer accommodation in 21 to 30 rooms are considered to be Budget Hotels.

Three sub-hypotheses were formulated to study the changes in levels of expectation and perception and service quality across all five dimensions of service quality, throughout different hotel sizes in Sindhudurg District.

#### A) Sub-hypothesis: Hotel Size and Expectation Level

We formulated the following sub-hypothesis to assess the variation in the level of Expectation for different sizes of the hotels.

**Ha<sub>0</sub>: Expectation level of the customers is not significantly different for various hotel sizes.**

**Ha<sub>1</sub>: Expectation level of the customers is significantly different for various hotel sizes.**

The hypothesis was tested to compare the expectation levels of customers for three hotel sizes, it was found that expectation level for tangible (D1), reliability (D2), and assurance (D4) dimensions are significantly different, while for responsiveness (D3) and empathy (D5) dimensions, it was significantly not different. Ultimately, total expectation level does not show the statistically significant difference for different hotel sizes [ $F(2,597) = 1.770, p = .171$ ] Hence, we failed to reject the null hypothesis. In short, the customers' expectations have no significant variations according to the hotel sizes.

Chart 1

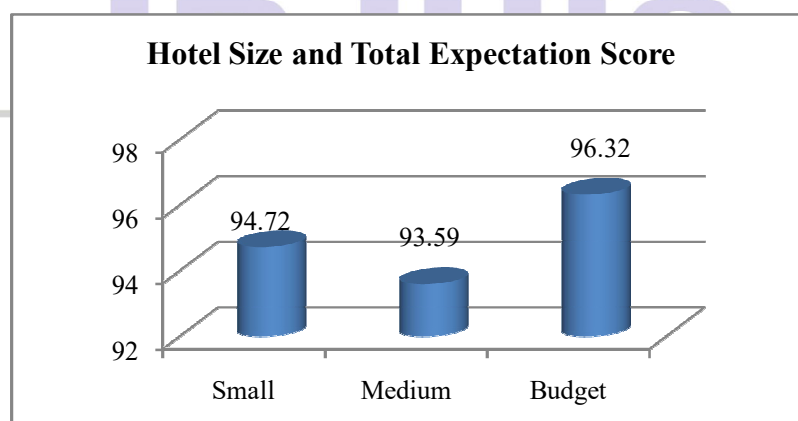


Chart 1 indicates that the customers have the highest expectations from the Budget hotels followed by the Small Size hotels.

### B) Sub-hypothesis: Hotel Size and Perception Level

To find out the changes in the level of customers' Perception according to the different sizes of the hotels, we formed the following hypothesis.

**H<sub>0</sub>: Perception level of the customers is not significantly different for various hotel sizes.**

**H<sub>1</sub>: Perception level of the customers is significantly different for various hotel sizes.**

The hypothesis was tested to compare the level of perception for the three hotel sizes across the five dimensions. We found that for responsiveness (D3) dimension, expectation level does not change significantly as per the hotel size, implying that the customers do not consider the hotel size while making perceptions about the responsiveness dimension. However, there are statistically significant variations in the perception level for the remaining four dimensions. Further, it has been identified that there is the statistically significant difference in perception level for various hotel sizes [ $F(2,597) = 7.927, p = .000$ ]. Therefore, we rejected the null hypothesis and accepted the alternative hypothesis. In short, the perceptions of the customers vary according to the hotel size.

Chart 2

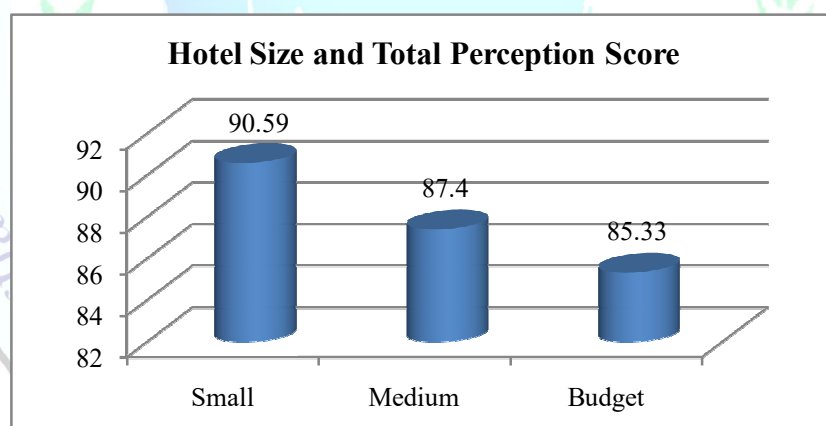


Chart 2 above demonstrates that the customers have given highest perception scores for the Small size hotels and lowest scores for the Budget hotels.

### C) Sub-hypothesis: Hotel Size and Service Quality:

To check whether the degree of perceived service quality for various sizes of the hotels differs or not, we formulated the following hypothesis.

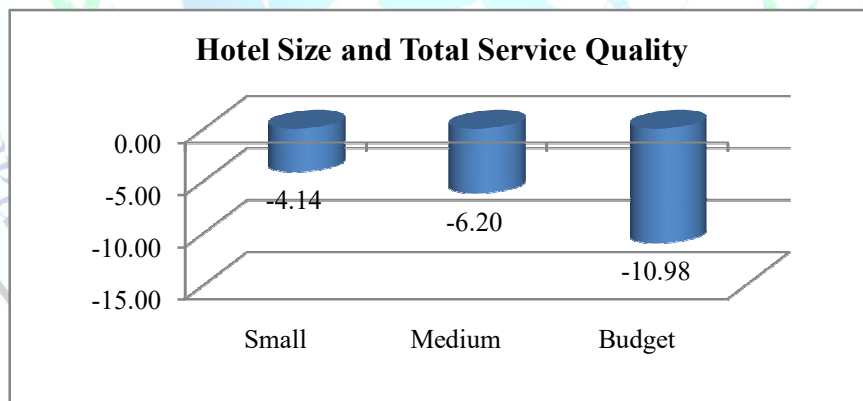
**H<sub>0</sub>: There is no significant difference in the Perceived Service Quality across various hotel sizes.**

**H<sub>1</sub>: There is a significant difference in the Perceived Service Quality across various hotel sizes.**

The null hypothesis was tested to find out the mean difference in service quality for all the five dimensions: Tangible, Reliability, Responsiveness, Assurance and Empathy, across three categories of hotels: small size hotels, Medium size hotels and budget hotels. The difference between the perception level and expectation level is taken as the service quality gap. The formula used to calculate service quality gap is  $P-E= SQ$  (P =Perceptions, E= Expectations, SQ= Service Quality Gap).

It was found that in case of reliability (D2) dimension, the service quality gap is not varied significantly for different hotel sizes, implying that the customers are not influenced by the hotel size while perceiving service quality for the reliability of the services. As against this, we found a statistically significant gap in the remaining four dimensions. Moreover, we identified that there is the statistically significant difference in overall service quality gap for various hotel sizes [ $F(2,597) = 6.661, p =.001$ ]. Hence, the null hypothesis is rejected, and the alternative hypothesis is accepted. It means that the service quality gap is significantly different for the three hotel sizes. Chart 3 below reveals that the service quality gap is the lowest in the Small size hotels and it is largest in the Budget hotels. It implies that the gap between expectations and perceptions is smallest in the Small Size Hotels and it is largest in Budget Hotels.

**Chart 3**



**6. Result Summary:**

Table 1 below provides a summary of hypotheses testing and the results derived.

**Table 1 Hotel Size and Service Quality (Results Summary)**

Hotel Size	Test applied	D1	D2	D3	D4	D5	Total
Expectation	ANOVA	S	S	NS	S	NS	NS
Perception		S	S	NS	S	S	S
Service Quality		S	NS	S	S	S	S

NS = Non-significant when  $p \not\leq .05$ , S= Significant when  $p \leq .05$

D1-Tangible, D2- Reliability, D3- Responsiveness, D4- Assurance, D5-Empathy

The table 1 above indicates the influence of Hotel Size on the customer expectations in three dimensions: Tangible, Reliability and Assurance. It further shows that there is significant relationship of hotel size on customer perception for Tangible, Reliability, Assurance and Empathy dimensions of service quality. In the end, Tangible, Assurance, Responsiveness and Empathy dimensions of perceived service quality are significantly related with the hotel size.

## 7. Conclusion:

Based on the analysis, it is evident that different hotel sizes have a notable influence on the quality of service that is perceived by customers. It is concluded that different hotel sizes has significant relationships with the perceived service quality. It is inferred that the perceived service quality of hotels is differently related with various sizes of the hotels. Taking into account this fact, the hoteliers should consider the expectations of their customers in order to effectively manage their perceptions, further to improve service quality and customer satisfaction.

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