



The impact of service quality dimensions on customer satisfaction in the hospitality industry

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Abstract

The hospitality industry working in the most vulnerable in context of competitive environment where role of the product and service quality plays vital part to achieve certain goals of the industry that must be customer satisfaction, loyalty, and repeat business. This research objective is to find out various dimensions of service quality that may affect or influence customer satisfaction in particular hotel industry in context of services, with particular attention to tangibility, reliability, responsiveness, assurance, and empathy. To achieve this objective descriptive quantitative model of research was adopted, and primary data were collected through a structured questionnaire from 50 respondents due to limitation of time constraints. Descriptive statistics, Pearson correlation, and simple linear regression were used to analyse the relationship between service quality and customer satisfaction. The findings indicate that respondents reported relatively positive perceptions of both service quality and customer satisfaction, with mean scores of 3.49 and 3.57, respectively. The correlation analysis revealed a strong positive relationship between service quality and customer satisfaction ($r = .732, p < .01$) and the regression analysis shows that service quality significantly predicts customer satisfaction, explaining approximately 53.5% of the variance in customer satisfaction ($R^2 = .535, p < .001$). The standardized regression coefficient ($\beta = .732$) this research demonstrates a strong positive effect of service quality on customer satisfaction. These results suggest that improvements in the quality and consistency of hospitality services can contribute to higher customer satisfaction.

Keywords: Service quality, customer satisfaction, hospitality industry, hotel services, tangibility, reliability, responsiveness, assurance, empathy

Introduction

Today hospitality firms have faced severe rivals for many years, and things appear to be growing worse in the years to come (Abdullah & Othman, 2019) ^[4]. These days, the hospitality sectors are interested in whether or not the services are perceived as meeting expectations, which is actually the basis for repeat business (Anwar & Abdullah, 2021) ^[1]. Since they are currently, regarded as a vital source of revenue for the nation, the tourism and hospitality sectors are extremely important. So, a lot of nations are trying to attract visitors to their locations so, they might develop and improve their country's quality of life (Gardi *et al.* 2020) ^[5]. As, a result they provide hospitality which is one of the most important demands of customers, hotels are seen as a crucial part of the hospitality industry (Prabhu *et al.* 2020) ^[7]. Further, customers use hotels for more than just hospitality; they may also take advantage of their various services, such as the tennis court, playground, dining options, sauna, bar, swimming pool, and more. Since hotel personnel are the ones that supply and give services to clients, they are a crucial component of business success (Anwar & Shukur, 2015). For instance, if hotel employees fail to provide visitors with the proper service, it will have a bad impact and they may decide not to return to the same hotel. Quality management is crucial to the hotel industry since it has a direct impact on visitor perceptions, loyalty, and repeat business. In a generation where customer experience is crucial offering exceptional service and experiences is critical for attracting and retaining clients. Quality management also helps organizations stand out and stay competitive, since consumers are more likely to choose companies known for their exceptional service and careful attention to detail. Effective quality management improves

business performance and customer satisfaction in a number of ways. First of all, consistently delivering exceptional service that beyond expectations enhance the whole visitor experience and promotes loyalty and repeat business. Also, a reputation for quality and excellence attracts new customers and encourages positive word-of-mouth promotion. Quality management strategies improve operational effectiveness, which reduces expenses and raises profitability.

On the other hand, if hotel employees can provide their customers with the proper service, they will have a good experience, hospitality is a certain kind of relationship of a host and a guest.

The hospitality sector in the Kurdistan area is currently growing quickly with each year that goes by, especially in Erbil, its capital. As more new and improved hotels are built, the investment in the hotel industry has grown, providing guests with higher-quality services (Ismael *et al.* 2021) ^[1]. As a result, so many visitors from around world have visited the Kurdistan region, such as Erbil. In order to stay competitive in the market, hotel managers are focusing on improving service quality because the majority of them are aware of the intense competition among hotels (Anwar & Abd Zebari, 2015). In a competitive market, having excellent values and a means to improve service quality is crucial. The quality of a hotel's services is determined by how well they meet the expectations of its guests, and practically all hotels are able to increase customer satisfaction by offering high-quality services (Top & Ali, 2021) ^[1]. In general, when guests look at services, they are more concerned with quality than pricing. As a result, hotels should set a standard of quality that satisfies customer demands and show this standard in their operations (Othman

et al. 2019) ^[4]. Guests in the hotel sector are becoming richer and demanding these days. In order to determine the best ways for improving hotels' service quality, it is also vital to identify the location of visitors, such as where they are from and what their expectations are (Khan & Abdullah, 2019) ^[3]. Typically, guests have high expectations, but in the hospitality sector, the hotel's level of service is the most crucial factor. An effective service quality strategy must be put into place since satisfied guests will result from high-quality service (Othman *et al.* 2019) ^[4]. Poor hotel service will result in unhappy customers, which will lower demand and ultimately lower hotel performance depend almost entirely on the sales and marketing department to draw in new consumers (Demir *et al.* 2020) ^[6]. However, operations departments, which provide customer support, are directly responsible for keeping existing customers loyal (Anwar, 2017) ^[9]. By performance and service, service quality affects guests' satisfaction (Fick *et al.* 1995). There are so many advantages to guest satisfaction, including building a strong connection between the hotel and its customers and motivating customers to return (Anwar & Balcioglu, 2016). The study of service quality in the hospitality sector from the perspectives of providers and guests was examined by Coyle and Dale in 1993 (Agbola and Dehlor 2011:112). A strategy that boosts the hotel's efficiency, competitiveness, and adaptability is service quality. It is a way to ensure that guests are completely satisfied (Abdullah & Abdul Rahman, 2015). One of the key business operations that helps the hotel sector expand and draw in new customers is guest service (Ali, 2020) ^[5].

Review of literature

Abdullah and Rahman (2015), one of the main things that makes services different is that they are actions, not physical items. Services are don't sell actual products they offer experiences that involve interaction with customers. Because services cannot be touched or seen, it can be hard for both the business and the customer to judge how valuable they are. Ali *et al.* (2021) ^[1], People are always involved in delivering services in the hospitality industry, it's important to focus on managing staff and their interactions with customers these interactions are called service encounters. The overall success of a hospitality business depends on how well these individual interactions go, as customers are actively involved in them.

Abdullah and Othman (2021) ^[1], defining quality is more difficult than defining customer satisfaction because different researchers have different views on what quality means. This makes the idea of quality less clear and more open to interpretation. One reason for this is that quality is often looked at from the customer's point of view. In this case, quality is whatever the customer believes is good or valuable. This means that what one person sees as high quality might not be the same for someone else. People usually form their opinion of quality based on two main things: what they expect from the service and the general standards of quality that they are aware of. So, a customer's expectations what they think they will get from a product or service play a big role in how they judge it. If the service matches or goes beyond what they expected, they're likely to view it as good quality. On the other hand, if the service falls short of what they were hoping for, they may see it as poor quality. Therefore, understanding customer expectations is key to delivering high-quality services. Yu

Wang (2022) studied the problems related to hotel service quality by focusing on customer service and how satisfied guests are. The goal was to understand these issues better and suggest useful solutions. In this research, word vectors a way of turning words into numbers that computers can understand were used as input for the model. The study introduced a special model called a two-channel RNN triplet block. This model is designed to better understand emotional expressions in customer feedback. It has a structure that helps the system recognize how people naturally express emotions and makes sure the model can capture the relationship between emotional words more clearly. The model focuses on identifying emotional patterns in what customers say, which helps analyse their level of satisfaction more accurately. By doing this, the research aims to understand what aspects of service customers like or dislike. The findings from customer surveys and satisfaction analysis were used to suggest specific improvements for Guido Hotel. These recommendations are meant to help the hotel improve its service quality, address customer concerns more effectively, and increase overall guest satisfaction. Bandara and Dahanayake (2020) carried out a study to find out how the quality of food and beverage services affects customer satisfaction. The study used a primary research method, where information was collected using questionnaires. A total of 150 foreign tourists participated in the survey. To analyse the data and test the research hypotheses, statistical tools like multiple regression and Pearson correlation were used with the help of SPSS software. The results of the study showed that restaurants need to pay close attention to the physical or visible aspects of their service, also known as tangible elements. One key area of focus should be the appearance of their staff. This includes making sure that employees wear proper uniforms, and keep their shoes, hair, and beards neat and clean. These visible features create a strong impression on customers, especially since staff interact with them directly. A well-groomed and professional appearance helps customers feel more confident in the quality of service being provided. Therefore, hotels and restaurants are encouraged to maintain high standards of personal presentation for their employees to improve overall customer satisfaction. Singh Ramjit and Suhail Nika Abid (2019) ^[3] explored how service quality, brand image, and repeat customer support are connected in the hospitality industry. Their research used data from secondary sources. The study highlights that customer satisfaction should always be the top priority for restaurants and hotels. To build a strong brand image in the minds of guests, hotels need to improve the comfort and experience they provide. When guests feel comfortable and valued, they are more likely to return, which helps the business grow and become more profitable. This also contributes positively to the overall economy. The researchers emphasize that hotel managers should focus on making every interaction with a guest a positive one. Each contact between staff and visitors should leave a good impression. By doing so, hotels can reduce the difference between what customers expect and what they actually experience. This helps increase satisfaction and loyalty. Overall, the study suggests that improving service quality and creating a strong brand image through better guest experiences can lead to repeat business and long-term success for hospitality companies.

Objective

To identify the dimensions of service quality that lead to customer satisfaction

Research Methodology

The current research applied descriptive quantitative approach to examine the relationship between dependent variable customer satisfaction and independent variable in this study are contributing factors customer satisfaction that are service quality dimensions, tangible reliability assurance responsibility and empathy. These dimensions of service quality can effect on the customer satisfaction. The researcher visits the market and gathered information from the people in order to gather to trustworthy and accurate data. A questionnaire is the primary data collection tool. Coding and measuring the demographic variable were done as the following: Age was measured in range that is 15-20 ,21-25, 26-30, 31-Above. Gender was measured as male and female and other. And how often they do you stay at hotels was measured in frequently, occasionally and rarely.

Demographic variable

Variables	Categories	Frequency	Percentage
Gender	Male	30	60%
	Female	20	40%
Age Group (in Years)	15-20	4	8%
	21-25	35	70%
	26-30	7	14%
	31-Above	4	8%
How often do you stay at hotels	Frequently	6	12%
	Occasionally	17	34%
	Rarely	27	54%

We can interpret from the above demonstration that 60% of the respondent are male and 40% are female and 0% of others. The percentage of female visitor are low in comparisons with the male visitors which in concluding that the most of the visitors are male. 8% responses are from the age group of 15-20, 70% responses are from the age group of 21-25, 14% responses are from the age group of 21-25, and rest 8% responses are from the age group of 31-Above, the percentage of all group represent that the 70% response are high participation in the hotel Usages from these age groups 21-25. The frequency of their hotel stays, 54% respondent indicated they rarely stay in hotels, 34% respondent indicated they occasionally stay, and only 12% respondent are staying at hotels frequently. This shows that the most respondents use hospitality services on are staying rarely basis.

Descriptive statistics are used to summarize and describe the basic features of data in a study they provide simple summaries about the sample and the measures giving a quick overview

Descriptive Statistics Table

	Mean	SD	N
Customer Satisfaction	3.57	0.38	50
Service Quality	3.49	0.64	50

The dependent variable (customer satisfaction) had a mean score of 3.57 with a standard deviation of 0.38, indicating a generally high level of satisfaction among respondents, with relatively low variation in responses. The independent

variable service quality dimension (tangible assurance reliability responsiveness and empathy) had mean score of 3.49 and standard deviation of 0.64. This show that overall service quality was rated positively, it shows how participants perceived different service quality aspects.

Correlation Analysis

Correlation analysis was conducted to assess the strength and direction of the relationship between quality of services and customer satisfaction. The Pearson correlation coefficient (r) was calculated to determine the degree of association between the two variables

Correlation between Service Quality and Customer Satisfaction

		Independent variables	Dependent variables
Service Quality	Pearson correlation	1	0.732**
	Sig.(2-tailed)		.00
	N	50	50
Customer Satisfaction	Pearson correlation	0.732**	1
	Sig.(2-tailed)	.00	
	N	50	50

Correlation is significant at the 0.01 Level (2-tailed)

These finding indicates the correlation of coefficient ($r = 0.732$) indicates a strong positive relationship between service quality and customer satisfaction. The P-value is $0.000 < 0.01$, which indicating the correlation is statistically significant. These results suggest that as the increasing the quality of service the customer satisfaction is also increase. The finding suggests that there is a significant and positive relationship between the service quality and the customer satisfaction. This correlation supports the hypotheses that there is positive relationship between the service quality dimension and the customer satisfaction, and validating the key objective of the study.

Regression Analysis

To further investigate the relationship between quality of services and customer satisfaction, a simple linear regression analysis was performed. This analysis aims to determine the extent to which service quality predicts customer satisfaction at Hospitality services.

Model Summary

Model	R	R ²	Adjusted R ²	Std Err. of the Estimate	R ² Change	F Change	Sig F Change
1	0.732	0.525	0.526	1.260	0.535	55.279	.000**

a. Predictors (Constant): Indtot

b. Dependent Variable: Depot

This table indicate-

In This table the $R = 0.732$ this correlation coefficient indicating a strong positive relationship between service quality and customer satisfaction. $R^2 = 0.535$ that means that 53.55% of the variation in customer satisfaction can be explained by the variation in service quality in other words service quality explains more than half of the change in customer satisfaction. In this table the Adjusted $R^2 = 0.526$

this is more accurate estimate for small sample it still shows a strong relationship. The Standard Error =1.26044 this tells us how much the actual data points deviate from the predicted values. A smaller number indicates more accurate predictions. F value =55.279 and Sig. (p value) = 0.000. This shows the overall regression model is statistically significant. The P- value is less than 0.01, meaning the result are highly reliable.

Conclusion

The finding from the regression analysis confirm that service quality has a strong and statistically significant impact on customer satisfaction in the hospitality services specifically, 53.5% of the variation in customer satisfaction can be attributed to differences in service quality. The model is statistically reliable with a high F-value and a P-value well below 0.01 indicating that the results are not due to chance. Overall improving service quality is likely to lead to higher levels of customer satisfaction

Regression coefficient table

Predictor	B	Std. Error	Beta	T
Customer Satisfaction	1.093	1.599	-	0.684
Service Quality	0.213	0.029	0.732	7.435

a. Dependent Variable: depot

In this table indicate: the value 1.093 is the constant term or customer satisfaction. It means that when service quality is zero the predicted customer satisfaction score would be 1.093, this value is not statistically significant (t=0.684), meaning it doesn't contribute much meaningful information. Service Quality (Independent Variable), in this the value of B= 0.213 that is the unstandardized coefficient, which means that for every 1-point increase in service quality, customer satisfaction increases by 0.213. Standard Error =0.029 this shows the level of uncertainty around the coefficient A small value indicates more confidence in the accuracy of the B value. Beta = 0.732 this is the standardized showing the strength of the relationship A beta of 0.732 indicates a strong positive effect of service quality on customer satisfaction. T=7.435 this is the t-statistic and its quite high indicating that the effect of service quality is statistically very significant.

Discussion

This result show that service quality has a strong and statistically significant positive impact on customer satisfaction. This study set out to explore how the quality of services provided by hospitality services influences customer satisfaction. The results indicate a clear and meaningful relationship between the two variables, aligning with existing literature in service quality and customer satisfaction. The correlation analysis indicates a strong and positive impact between service quality and customer satisfaction. This means that as customers perceive improvements in the services offered such as better staff behaviour, faster service, clean hotels, and other quality that they tend to express higher levels of satisfaction. This is consistent with the idea that customers and their experience with hospitality quality services, directly impact how satisfied they feel. The regression analysis further supports this conclusion by showing that service quality significantly predicts customer satisfaction. This implies that customer satisfaction is not random but is largely influenced by how

Hospitality services meet or exceeds customer expectations in terms of service quality. When customers receive better, and accurate service, their overall experience improves, leading to a greater likelihood of repeat visits and positive word-of-mouth referrals. These findings have important implications for management at Hospitality services. Focusing on service improvement initiatives, staff training, consistency in hospitality services, and overall customer experience could lead to a tangible increase in customer satisfaction. In a competitive market, such improvements could offer a strategic advantage. In conclusion, the results strongly support the hypothesis that better service quality leads to higher customer satisfaction. This emphasizes the importance of maintaining high service standards and continuously seeking ways to enhance the customer experience.

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