Relationship Between Service Quality And Customer Satisfaction In Hotels In Nairobi County

BY

Obiero Martha Akinyi

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SPRING 2018
RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION IN HOTELS IN NAIROBI COUNTY

BY

OBIERO MARTHA AKINYI

A Research Project Submitted to Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SPRING 2018
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University, Africa for academic credit.

Signed: ___________________________  Date: ___________________________

Obiero Martha Akinyi, 635319

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________  Date: ___________________________

Dr. Joseph Ngugi Kamau

Signed: ___________________________  Date: ___________________________

Dean, Chandaria School of Business
COPYRIGHT

All rights reserved. No part of this research proposal may be photocopied, recorded or otherwise reproduced, stored in retrieval system or transmitted in any electronic or mechanical means without prior permission of USIU-A or the author.

© Copyright by Obiero Martha Akinyi, 2018
ABSTRACT

The general objective of the study was to examine the relationship between service quality and customer satisfaction in hotels in Nairobi County. The five key specific objectives based on the SERVQUAL model are: To establish the tangibility of service quality on customer satisfaction in hotels, to determine the reliability of service quality on customer satisfaction in hotels, to find out the responsiveness of service quality on customer satisfaction in hotels, to establish the assurance of service quality on customer satisfaction in hotels and lastly to determine the empathy of service quality on customer satisfaction in hotels. This study used descriptive research design. The study employed stratified random sampling technique with sample size of 173 respondents. Questionnaire was used as the main data collection tool while SEM was used to answer the objectives of study.

For objective one, the correlation on tangibility was found to be positive and significant related to customer satisfaction. The positive relationship means if, Tangibility increases by 1, Customer Satisfaction of the respondents will increase by 0.329. For objective two Reliability was found to be positive and significant related to customer satisfaction. The positive relationship means if, Reliability increases by 1, Customer Satisfaction of the respondents will increase by .249 indicating that reliability can account for 25% of service quality on customer satisfaction in hotels. On objective three, Responsiveness was insignificant related to customer satisfaction. The SEM output indicates responsiveness was found to have a non-statistically significant relationship with Consumer Satisfaction. Objective four assurance was found to be positive and significant related to customer satisfaction. The positive relationship means if, Assurance increases by 1, Customer Satisfaction of the respondents will increase by .216 indicating that assurance can account for 26% of service quality on customer satisfaction in hotels. The last objective empathy was found to be positive and significant related to customer satisfaction. The positive relationship means if, Empathy increases by 1, Customer Satisfaction of the respondents will increase by 0.244. The R^2 was found to be 0.44 indicating that empathy can account for 44% of service quality on customer satisfaction in hotels.

Therefore concluding that tangibility is an important factor that accounts for more than half of customer satisfaction in hotels. From this findings we conclude that reliability is an important factor that accounts for a quota of customer satisfaction in hotels. From this study it was concluded that responsiveness is not an important factor when it comes to
customer satisfaction. From this finding, we conclude that assurance is an important factor that accounts for quota of customer satisfaction in hotels. It is therefore concluded that empathy is an important factor that accounts for near half of customer satisfaction in hotels.

Recommendations made for the first objective Tangibility is that the managers in hotels should work to ensure quality tangible products in the hotel are included but not limited to convenient location, hotel facilities and equipment’s, hotel decorations and dressing of the staff. As for the second objective Reliability, the research recommends that the hotel managers and marketers should improve on hotel services, timely service provision, problem solving mechanisms, and privacy of records. For the third objective Responsiveness, There should be massive training of employees on responsiveness to services including but not limited to: serving guests on call, responding to guests’ requests, flexibility to support guests' demand among others. There is need for improvement of responsiveness of quality. On the fourth objective Assurance, it is recommended that managers needs to improve on assurance of customers to ensure the customers felt safe and secure during their stay at the hotel. The staff members should be knowledgeable and have ability to provide information about the surrounding. Lastly the last objective Empathy, Hotel managers and marketers should focus to ensure guests are provided with individual attention, special needs of the guests are well understood by the staff. The policy makers should have updated policy that guides hotels on quality that informs empathy.
ACKNOWLEDGEMENT

This project is as a result of learning and support of many throughout the entire process. I owe my success the array of the input of so many. Here is just a few who made this work possible. First and foremost, I thank GOD for the life and strength HE gave me to undergo every process of this project. My sincere appreciation goes to my Supervisor Dr. Joseph Ngugi Kamau for his guidance, encouragement and patience. My deepest gratitude goes to my parents and siblings for their unwavering support, encouragement and understanding during this study. Not forgetting my husband and son for allowing me to pursue my passion, purpose and always being by my side as I spent sleepless nights with the typing, research and analysis of the work.
DEDICATION

This project is dedicated to my parents who have held me through this study without failure.
# TABLE OF CONTENT

STUDENTS DECLARATION ........................................................................................................ ii
COPYRIGHT ............................................................................................................................... iii
ABSTRACT ................................................................................................................................ iv
ACKNOWLEDGEMENT ............................................................................................................ vi
DEDICATION ............................................................................................................................ vii
LIST OF TABLES ..................................................................................................................... xi
LIST OF FIGURES ................................................................................................................... xii
LIST OF ABBREVIATION ......................................................................................................... xiii

CHAPTER ONE ......................................................................................................................... 1

1.0 INTRODUCTION ................................................................................................................. 1

1.1 Background of the Study .................................................................................................... 1

1.2 Statement of the Problem .................................................................................................. 5

1.3 General Objectives ........................................................................................................... 6

1.4 Specific Objectives .......................................................................................................... 7

1.5 Significance of the Study .................................................................................................. 7

1.6 Scope of the Study ............................................................................................................ 8

1.7 Definition of Terms .......................................................................................................... 8

1.8 Chapter Summary ............................................................................................................. 9

CHAPTER TWO ......................................................................................................................... 10

2.0 LITERATURE REVIEW .................................................................................................... 10

2.1 Introduction ..................................................................................................................... 10

2.2 Service Quality Model on Customer Satisfaction ............................................................ 10

2.3 Tangibility of Service Quality on Customer Satisfaction ................................................ 12

2.4 Reliability of Service Quality on Customer Satisfaction in Hotels .................................. 17

2.5 Responsiveness of Service Quality on Customer Satisfaction in Hotels ......................... 23
2.6 Assurance of Service Quality on Customer Satisfaction in Hotels..........................28
2.7 Empathy of Service Quality on Customer Satisfaction in Hotels..........................33
2.8. Chapter Summary .................................................................................................38

CHAPTER THREE ....................................................................................................40
3.0 RESEARCH METHODOLOGY .............................................................................40
3.1 Introduction ...........................................................................................................40
3.2 Research Design ....................................................................................................40
3.3 Population and Sampling Design ...........................................................................41
3.4 Data Collection Methods .......................................................................................44
3.5 Research Procedure ...............................................................................................45
3.6 Data Analysis Method ............................................................................................48
3.7 Chapter Summary ...................................................................................................49

CHAPTER FOUR .......................................................................................................50
4.0. RESULTS AND FINDINGS ...............................................................................50
4.1 Introduction ...........................................................................................................50
4.2 Response Rate ......................................................................................................50
4.3 Demographic Characteristics ...............................................................................50
4.4. Descriptive Statistics of Variables .......................................................................54
4.4 Inferential Statistics ...............................................................................................58
4.5. Chapter Summary .................................................................................................67

CHAPTER FIVE ..........................................................................................................68
5.0 DICUSSION, CONCLUSIONS AND RECOMMENDATIONS. .........................68
5.1 Introduction ...........................................................................................................68
5.2 Summary ...............................................................................................................68
5.3. Discussion ............................................................................................................70
5.4. Conclusions .........................................................................................................78
5.5 Recommendations ........................................................................................................80

REFERENCE ..................................................................................................................82

Appendix I: Number of Star Rated Hotels in Nairobi and Respective Bed Capacity ....88

Appendix II: PERMISSION LETTER .............................................................................90

Appendix III: QUESTIONNAIRE ....................................................................................91
LIST OF TABLES

Table 3.1 Star Rated Hotels in Nairobi County ................................................................. 41
Table 3.2 Strata Groups .................................................................................................. 42
Table 3.3 Distribution of the Sample Size ...................................................................... 43
Table 4.1 Response Rate ............................................................................................... 49
Table 4.2 Measures of Tangibility ................................................................................ 53
Table 4.3 Measures of Reliability .................................................................................. 54
Table 4.4 Measures of Responsiveness ........................................................................ 54
Table 4.5 Measures of Assurance .................................................................................. 55
Table 4.6 Consumer Behaviour ..................................................................................... 56
Table 4.7 Measures of Customer Satisfaction ............................................................... 57
Table 4.8 Exploratory Factor Analysis .......................................................................... 59
Table 4.9 Model Fits For Measurement Generated by Stata 13.0 ......................... 61
Table 4.10 Normality Test .............................................................................................. 61
Table 4.11 Validity and Reliability Of Constructs ....................................................... 62
Table 4.12 Correlation Matrix ....................................................................................... 63
Table 4.13 Model Fits for Structural Model ................................................................. 64
Table 4.14 Path Coefficients ......................................................................................... 65
LIST OF FIGURES

Figure 4.1 Gender of Respondents......................................................................................... 49
Figure 4.2 Age of Respondent ............................................................................................. 50
Figure 4.3 Occupation of the Respondent ........................................................................... 50
Figure 4.4 Marital Status ....................................................................................................... 51
Figure 4.5 Type of the Family ............................................................................................... 51
Figure 4.6 Size of the Family ............................................................................................... 51
Figure 4.7 Vacations .............................................................................................................. 52
Figure 4.8 Visit Purpose ........................................................................................................ 52
Figure 4.9 Monthly Income ................................................................................................... 53
Figure 4.10 Confirmatory Factor Analysis for study variables .............................................. 60
Figure 4.11: Structural Model for Study Variables ................................................................. 63
LIST OF ABBREVIATION

ANOVA - Analysis of Variance
ATM - Automated Teller Machine
AVE - Average Variance Extracted
B2C - Business to Consumer
CASERV - Casino Service Quality Model
CFA - Confirmatory Factor Analysis
CFI - Comparative Fit Index
EFA - Exploratory Factor Analysis
HOLSERV - Hotel Service Quality Model
KMO - Kaiser Meyer Olin Measure
LQI - Lodging Quality Index
MSV - Maximum Shared Variance
RMSEA - Root Mean Square Error
SERVPERF - Service Performance Model
SERVQUAL - Service Quality Model
SPSS - Statistical Package for Social Science
SRMR - Standardized Root Mean Residual
TLI - Tucker-Lewis Index
UNWTO - United Nations World Tourism Organization
WHO - World Health Organization
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

According to Tabaku and Cerri (2016), stated that in the last decade, tourism has played an important role in the tourism industry and that many countries have considered it as a means of generating more travelers and tourists which has resulted to more business and profits in their home countries. In the same year of 2016, Tabaku and Cerri added that the developed countries engage in marketing for their destinations which has resulted to the continuous improvement of their services and are striving to offer excellent service experience for their guests. The developed and developing countries have taken the tourism industry very seriously since they noticed it to be generating great profits by attracting many tourists (Tabaku & Cerri, 2016).

In the year 2015, UNWTO stated that despite there being an economic crisis, the level of international tourists has increased over the years. Destinations worldwide have increased and opened doors for tourism making this be a key factor in socio-economic progress (UNWTO, 2015). From the year 1995, there has been an increase globally from 527 million to 1133 million in the year 2014 of international arrivals (UNWTO, 2015). In the year 2016, Mubiri stated that quality has attracted the attention of practitioners and academicians over the years but mostly in the manufacturing sector at the first stage. He says since 1980s, however, the importance of quality for business performance in service sector has been also widely recognized in the literature through the great impacts on different dimensions of business performance. According to Rao and Sahu (2013), there has been a change in trend of business from agricultural service to service markets.

Mubiri (2016) states to study service quality, several measurement frameworks were established such as Technique and functional quality model Gronroos (1984), SERVQUAL (Parasuraman et al., 1985, 1988), synthesized model of service quality; SERVPERF (Cronin & Taylor, 1992), According to Minh, Thu Ha, Chi Anh and Matsui (2015), to measure service quality in hotel, lodging, hospitality business, several frameworks have been developed such as LODGSERV, LQI and HOLSERV and many studies adopted these scales to evaluate perceived quality in hotel services such as Ladhari, (2008) and many other studies. These studies provided mixed results on the
impacts of different service quality dimensions on customer satisfaction and customer loyalty in various regions including Asian countries.

Minh et al... (2015), noted that hotel service is recently regarded as one of core businesses making up the tourism complex system which is one of the fastest growing industries in Vietnam during the past decade. The intensively competitive market requires hoteliers continuously renew and improve themselves to attract customers. In this context, the attention to service quality from the customer’s perspective is considered as one of the most important factors deciding the success of tourism and hotel businesses. Therefore, the measurement of service quality and the evaluation of its impact on the customer satisfaction have been a great concerned topic for academics and practitioners in many service industries including tourism and hotel industries (Minh et al..., 2015).

According to Minh et al... (2015), quality has attracted the attention of practitioners and academicians over the years but mostly in the manufacturing sector at the first stage. They say that since 1980s, the importance of quality for business performance in service sector has been also widely recognized in the literature through the great impacts on different dimensions of business performance. Watiki (2014), noted that service quality is dependent on two variables: expected service and perceived service. Expectations are beliefs about the level of service that will be delivered by a service provider and they are assumed to provide standards of reference against which the delivered service is compared (Watiki, 2014).

Based on those frameworks, researchers found the benefits of service quality include the improvement of customer satisfaction and customer retention, positive word of mouth, the decline in staff turnover and operating costs, the enlargement of market share, and the growth of profitability (Mubir, 2016). He states tourism is often viewed as a “smokeless industry” bringing tremendous values to the global economies. Mubir (2016) says that the Association of Southeast Asian nation (2014) states that Asia is one of amazing and most popular destinations for tourists which offer a wide range of attractions in terms of landscape, culture, and people. Especially, tourism in Asian countries has seen considerable development by attracting a huge and increasing number of arrivals with 73.7 million tourists in 2010, 81.2 million in 2011, and 89.2 million in 2012.

Watiki (2014) states that one of the most effective tools in hotel Industry success is service quality. It is crucial for hotels to continuously updating their understanding of
how an ever-evolving customer base perceives service quality. (Rauch, Collins, Nale & Barr, 2015). Watiki (2014) defines quality as fitness for use while in on the other hand Mitra (2000) views quality of a product or service as the fitness of that product or service for meeting or exceeding its intended use as required by the customer.

Considering the hotel industry, bringing about quality has complication that differs from when tangible product is involved (Watiki, 2014). He goes on to state that that it was inappropriate to use a product based definition of quality when studying the service sector and therefore developed the expression, “service quality”. It is perceived as subjective since it relies on the judgment of the customer. However, it is an important concept in influencing the extent and nature of customer satisfaction experienced after service delivery (Watiki, 2014). If there is congruence between the performance and the expectations, then a customer is said to be satisfied (Watiki, 2014). Watiki (2014) goes on to say that there is a direct relationship between meeting customer expectations relative to service quality with the profitability of a service firm. This is because service quality drives customer satisfaction and satisfied customers are more likely to be retained as loyal customers of a firm. He added that there is a positive impact on profitability by offering when you increase the customer base of a firm. This allows a firm to charge premium prices of the services they are offering and because of increased employee retention and productivity a concept referred to as the service-profit chain.

In the year 2013, Rao and Sahu said that hotel operators now focus more on the quality standards in order to meet the basic needs and expectations of the customers. Once a service oriented company identifies the requirements of a customer, clearly defines and understands them, then hotel operators are most likely to anticipate and fulfill their customers’ needs and wants. The more satisfied the customers are, the more likely they are to return or prolong their hotel stay. According to Lu, Berchoux and Chen (2015) consumer motivation has often been scrutinized in terms of customer decision making, satisfaction, experiences, environment and interactions with others, and hotel management staff are taught that all decisions about management of the hotel should begin with understanding of the guest and determination of which option “favors success for the hotel as the policy most likely to produce a high measure of guest satisfaction. Satisfaction is understood to be predicted by service quality Sudin, (2011), concluded that the hotel sector should focus especially on providing quality service with respect to the factors of perceived quality that are the most important to customers.
Rao and Sahu (2013) noted that hotels have increased their competition and now instead of having only a nice room to draw customers in, they offer high quality staff as an amenity as well. They said guest satisfaction is the highest priority for owners and managers competing with hundreds of others, and personal service is at the top of the travelers’ list of the most important things when considering a hotel to stay in. Rao and Sahu (2013) stated that in the hotel industry, hotel staffs are ranging from top management staff to front line staff (i.e. housekeepers, receptionists, front cashiers). Front office staffs are considered a supporting factor in determining customer satisfaction when deciding to return, to recommend the hotel, or in demonstrating loyalty to a particular hotel.

Satisfaction is understood to be predicted by service quality, a conclusion was made that the hotel sector should focus especially on providing quality service with respect to the factors of perceived quality that are the most important to customers (Lu, Berchoux, Marek & Chen, 2015). Sudin (2011) said that when it comes to luxury, service quality and satisfaction, positive customer experiences are vitally important because a positive experience will cause the customer to wish to return or stay longer and to recommend the establishment to others. Ekiz, Khoo-Lattimore and Memarzadeh (2012) added that the Internet and social media make it easier than ever for customers to describe and share their satisfaction or dissatisfaction, thus influencing others. Therefore, Chang and Hong (2010) said this has resulted to hotel operators concentrating on the quality of every detail of service encountered by their guests and the customers’ emotional judgments about their hotel stays become the basis for the companies’ efforts to differentiate themselves from competitors and achieve competitive advantages.

According to Guzzo (2010) customer satisfaction is the starting point to build customer loyalty, therefore a long-term relationship. She adds that customer satisfaction creates a loyalty’s stock in the enterprise which improves corporate image. The consolidation of relations with guests leads to repeated patronage. On the other hand, an unsatisfied customer may represent a danger for the enterprise. Watiki (2014) states that in close connection with service quality is customer satisfaction. Customer satisfaction is defined as the consumer’s fulfillment response (Oliver, 1997).

The concept of customer satisfaction is a popular concept in the hospitality industry where it has a significant impact on the competitiveness of a firm. The increasing competition in the markets has led many companies to consider quality as a strategic tool.
Service quality has been becoming more important and service providers works to improve their service quality to gain sustainable competitive advantage, customer satisfaction, and customer loyalty (Yarimoglu, 2014).

Customers are satisfied when their judgment of the service they have received equals or exceed what they expected. Once performance matches a customers’ expectations then they are satisfied and if it exceeds expectations then they are delighted. If the performances fall short of expectations, the customer is dissatisfied. Proper understanding of the factors that influence customer satisfaction makes it easier for the service provider to design and deliver service offers that correspond to customer demands (Watiki, 2014). He states that service quality and customer satisfaction have been conceptualized similarly in the literature and therefore might be considered as one evaluative construct. According to Parasuraman, Zeithaml and Beryl (1994), service quality is a global judgment relating to the superiority of the service, whereas satisfaction is related to a specific transaction. They concluded that the two construct are related in that incidents of satisfaction over time results in perception of service quality and therefore the two constructs can be measured by the same attributes.

1.2 Statement of the Problem

For the hotel industry to achieve its objective of delivering quality service for its customers, it is imperative to study how the hotel can conceivably meet and even exceed customers’ service delivery expectations (Watiki, 2014). Management of organizations seeks to know the level at which the customers are satisfied with their services and the kind of service quality levels their customers would like in order to offer the exactly what would be taken positively. Parasuraman, Zeithaml and Beryl (1988) provided a list of five determinants of service quality as a result of their focus group studies with service providers and customers: Tangibles, Reliability, Assurance, Responsiveness and Empathy.

In a study to evaluate service quality dimensions that impact customer satisfaction, Harr (2008) concluded that assurance, empathy and tangibles are the most important to customers’ evaluation of service quality and thus, may have a positive influence on customer satisfaction. Krishna et al., (2010) after studying service quality and its effect on customer satisfaction in retailing in India concluded that customers have the highest expectations on promptness of service, accuracy of transactions and security issues.
Manyi (2011) while studying the relationship between customer satisfaction and service quality found out that all the five dimensions of service quality were significantly related to customer satisfaction. The outcome of the study suggested that to satisfy customers, organizations need to improve dimensions of service quality. These results were consistent with the findings by Akaka (2012). The researcher, however, pointed out that his research work targeted only a few service sectors due to time and money constraint and therefore the study results could not be generalized to other sectors such as the hotel industry.

Akaka (2012) studied service quality dimensions and customer satisfaction in Kenyan telecommunications industry and established that all the five service quality dimensions had positive impact on customer satisfaction. However, reliability dimension was considered to be having the highest impact while tangibility was considered to have the least impact. Similarly, the research work was limited to the telecommunication industry and therefore the results could not be generalized to the hotel industry. In a study carried out by Musyoka (2013) to establish whether there exists any relationship between service quality and library user satisfaction among universities in Kenya, it was established that service quality accounts for 73.9% of user satisfaction. He noted further that reliability dimension contributes most towards user satisfaction while empathy dimension contributes the least. The research was limited to libraries and therefore not all inclusive and the results could not be generalized to cover the hotel industry.

The studies by Harr (2008), Krishna, Bhargovigantasala and Gantasala (2010), Manyi (2011), Akoko (2012) and Musyoka (2013) were carried out across different technological and social-cultural contexts. The studies also gave conflicting results in regards to service quality dimensions impacting most on customer satisfaction. All the studies however had a consensus that there exists a relationship between service quality and customer satisfaction. The purpose of this study is to enhance this understanding in the Kenyan hotel industry by answering the question: Is there a relationship between customer service quality and customer satisfaction in the hotel industry?

1.3 General Objectives

The general objective of the study was to examine the relationship between service quality and customer satisfaction in hotels in Nairobi County.
1.4 Specific Objectives

1.4.1. To establish how tangibility as a dimension of service quality affect customer satisfaction in hotels.

1.4.2. To determine how reliability as a dimension of service quality affect customer satisfaction in hotels.

1.4.3. To find how responsiveness as a dimension of service quality affect customer satisfaction in hotels.

1.4.4 To establish how assurance as a dimension of service quality affect customer satisfaction in hotels.

1.4.5 To determine how empathy as a dimension of service quality affect customer satisfaction in hotels.

1.5 Significance of the Study

1.5.1 Directors

The directors of an organization will be beneficiaries of this study as it will serve as a source of information that will give clarity to the importance of having good service quality and its effect on customer satisfaction in hotels for them to increase their market share in the respective industry they are operating in.

1.5.2 Marketing Managers

The study will be of significance to the marketing managers of organizations so that they know the importance of the hotels offering quality services and how the quality services play a big role in increasing customer satisfaction. This information will assist the marketing managers in coming up with ways that will ensure the services they offer in the hotels will also improve the brand of the hotel and sales as well.

1.5.3 Employees

They need to know that they are the most important asset of a hotel and they determine whether the service being offered will be of high quality or not. This study will enable them understand their importance in hotels as well as how to interact with their customers to ensure there is high customer satisfaction achieved.
1.5.4 Kenya Tourism Board

The board will find ways of identifying the role they play in assisting hotels in Mombasa County to improve service quality and know the importance of customer satisfaction on the hotels which will in turn improve the number of tourists Kenya gets annually.

1.5.5 Students

The study will benefit students by increasing their knowledge on the relationship of service quality and customer satisfaction in hotels and gain more knowledge on ways of increasing service quality and improving customer satisfaction.

1.5.6 Research Institutions

They will be able to understand the effect of service quality and customer satisfaction for luxury hotels and be able to do more research which will improve the findings of this study and also improve the knowledge of the beneficiaries of this study.

1.6 Scope of the Study

The scope of the study covered consumers in Nairobi County. The targeted consumers were those that consume services offered by hotels in Nairobi County. The data was collected in the month of March 2018. The foreseeable limitations of the study were unwillingness of the respondents to give information which were overcame by assuring our target population of information confidentiality. Availability of data may was also a foreseeable limitation when conducting the study. This was overcame having appointments with the managers of the several of hotels where data was collected. Language barrier was another foreseeable limitation when conducting the research. This was eliminated by targeting respondents that had an average proficiency in English and ensured there was guidance in case they were not proficient enough in English.

1.7 Definition of Terms

1.7.1 Customer Satisfaction

Customer satisfaction is defined as the consumer being fulfilled after a service or product is consumed (Oliver, 1997).

1.7.2 Service Quality

Service quality is defined as what a customer’s opinion is on how well the service is (Watiki, 2014).
1.7.3 Hotel

A hotel is an establishment of a permanent nature, which consists of four or more bedrooms, and offers bed and breakfast on a short-term contract and provides certain minimum standards (Skripak, Parsons, Cortes & Walz, 2016).

1.8 Chapter Summary

This chapter presented the background to the study which gave some general information of the study. Background information to the problem statement of the general and specific objectives was provided. The scope of the study was outlined and the definition of specific terms used in the study defined. Chapter two presented literature review for each specific objective while chapter three looked at the methodology in which the study will be conducted. A quantitative research methodology was adopted and arguments justifying the choice of this approach presented. The Chapter will also present details of research design, target population, a sample of the study, sampling techniques, research instrument, and the data collection process. Chapter four was a presentation of findings and interpretation of result in tables, graph and charts. Chapter presented discussion, conclusion and recommendation of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

A review of existing literature focusing on the five dimensions of service quality and their impact on customer satisfaction is presented in this chapter. The objective of the study is to understand the connection between service quality and customer satisfaction, which explains the need to explore literature on the five dimensions of service quality and their impact on customer satisfaction.

2.2 Service Quality Model on Customer Satisfaction

The concept of customer satisfaction is a popular concept in the hospitality industry where it has a significant impact on the competitiveness of a firm. The increasing competition in the markets has led many companies to consider quality as a strategic tool. Service quality has been becoming more important and service providers work to improve their service quality to gain sustainable competitive advantage, customer satisfaction, and customer loyalty (Yarimoglu, 2014). As a feedback mechanism that informs quality, firms are eager to understand the impact of service quality on satisfaction of their internal and external customers (Al Ababneh, 2017). Additionally, the SERVQUAL model indicates that satisfaction is related to the size and direction of disconfirmation of a person’s experience when he/she faces his/her initial expectations (Al-Azzam, 2015).

The instrument to measure service quality has been studied by different researchers over time. Such includes SERVQUAL, SERVPERF, INTSERVQUAL, INSQPLUS, HOLSERV, DINESERV, CASERV and LODGSERV (Al Ababneh, 2017; Bharwana, Bashir, & Mohsin, 2013). Some measurement are specific such as DINESERV is used in restaurants; CASERV is used in the casino sector; while LODGSERV; HOLSERV are used in the accommodation sector; INTQUAL and INTERSERVQUAL are used to measure employees’ perceptions of service quality (Al Ababneh, 2017). However, the specific Model (SERVices QUALity) called SERVQUAL was introduced for measuring service quality and has become the most popular instrument for measuring service quality (Bharwana, Bashir, & Mohsin, 2013).

Developed by Parasuraman, Zeithaml, and Berry in 1985, SERVQUAL is a model that measure service quality with 22 items scale based on the satisfaction model proposed by
Oliver (1980) and approaches the customer satisfaction as a result of expectation and performance of service offered (Parasuraman, Zeithaml, & Berry, 1985). The conceptualization of service quality with the 22 items were grouped into five dimensions: tangibles, reliability, responsiveness, assurance, and empathy (Srinivasm & Padma, 2013). The SERVQUAL model has been evaluated and validated across a range of service industries. It does an evaluation of the gaps that may exist between customers’ perceptions of a firm’s performance (P) and their expectations (E) relating them to the five service quality dimensions (Rauch, Collins, Nale, & Barr, 2015). The researchers say that quality is a comparison between expectations and performance, i.e. how well the service that is delivered matches customers’ expectations (Oanda, 2015).

Other service quality model have modified the SERVQUAL model but retained the five dimensions. The Lodging Quality Index (LQI) has ten dimensions of quality: (1) tangibility; (2) reliability; (3) responsiveness; (4) competence; (5) courtesy; (6) credibility; (7) security (8) access; (9) communications; and (10) understanding. The LQI instrument, like LODGSERV is a 26-item index but align precisely with the five SERVQUAL dimensions: (1) tangibility; (2) reliability; (3) responsiveness; (4) assurances and (5) empathy (Rauch et al., 2015). Further to LQI model, Getty and Thompson (1994) developed LODGQUAL based on SERVQUAL dimensions which incorporated the dimensions of tangibles, contact and reliability, which include attributes associated with response capacity, safety and empathy (Wu & Ko, 2013). This shows all the model developed to measure service quality revolves around the five dimension of SERVQUAL model.

The five dimension were defined as follow (Pena, da Silva, Tronchin, & Melleiro, 2013): Assurance as employees being able to have knowledge and courtesy, them being able to inspire trust to the guests in the hotels; Empathy as consideration, individualized attention the hotel provides to its guests; Reliability as being dependable and accurate when performing the promised service; Responsiveness as providing guests with timely services with a sincere willingness and Tangibles as the ambience and general appearance of the physical facilities, rooms, restaurants, equipment, personnel, and communication materials (Eshetie, Seyoum, & Ali, 2016). Using this model, the average score of SERVQUAL dimensions depicts that respondents are less satisfied with dimension empathy whereas with tangibles, assurance, responsiveness and reliability are more satisfied (Bharwana, Bashir, & Mohsin, 2013). Similarly, Parasuraman, Zeithaml and
Berry (1985) presented the five dimensional SERVQUAL scale to measure the service quality (Saleem & Sarfraz Raja, 2014).

Different research has used SERVQUAL five dimensions to test customer satisfaction in different sectors. The SERVQUAL model has proven to be a useful tool in understanding the aspects of quality that should be tweaked to achieve the highest levels of customer satisfaction (Saghier, 2015). This study focus on hotel industry and the empirical reviews of past studies are outlined on the following sections based on the five dimension of SERVQUAL that also informs the objective of the study.

2.3 Tangibility of Service Quality on Customer Satisfaction

Developed as one of the five dimension of SERVQUAL, tangibility represents physical facilities, equipment and appearance staff (Al-Azzam, 2015). Also defined as the ambience and general appearance of the physical facilities, rooms, restaurants, equipment, personnel, and communication materials (Eshetie, Seyoum, & Ali, 2016). According to Pena, Da Silva, Tronchin and Melleiro (2013), tangibility of a service describes the way a client perceives physical facilities, equipment, personnel, and material. It includes anything that can be sensed by the five basic human senses. According to previous studies, tangibility is one of the factors that influence service quality and have a direct impact on customer expectations in the service industry.

One of the key differences between services and goods is that goods are tangible and services are intangible. The intangible nature of service can complicate the measurement of service to understand the factors that must be improved to achieve the highest standards of quality (Yarimoglu, 2014). The term ‘perceived service quality’ was developed to help in the development of basic dimensions that can be help in the measure of service quality. It is the outcome of comparison of different perceptions about the process of service delivery and final result of a service. Several methods have been developed to help in the measurement of perceived service quality. The study acknowledged SERVQUAL is the most tool to measure perceived service quality (Bharwana, Bashir & Mohsin, 2013) despite the limitations pointed in different studies.

The fact that perceived quality is highly subjective complicates the discussion on the connection between customer satisfaction and service quality. A tangibility that may be considered high quality by one customer can be viewed as low quality by another customer. It is a statement that acts a constant reminder that the attitude of the customer
towards a service is what entails perceived quality. One of the most important issues facing the service industry in the contemporary world is the pressure to achieve customer satisfaction (Sharma & Nitesh Goyal, 2010). The number of studies examining the impact of service quality on customer satisfaction are many but the studies examining the relationship between the dimensions of quality and customer satisfaction are not that many (Obambo, 2013).

Tangibility is key dimension of service quality that has a direct impact on customer satisfaction levels (Rauch et al., 2015). Examples of factors are significantly associated with banks including comfortable shop design, up-to-date equipment for customer use, and adequate staffing to provide service. These aspects are important for banks because there are a lot of face-to-face relationship between customers and employees. Therefore, maintaining a professional environment and convenient stores can improve customer satisfaction (Al-Azzam, 2015). Further, quality of equipment differentiate the level of customers (Oanda, 2015).

2.3.1. Tangibility as a Dimension of Service Quality on Customer Satisfaction.

Sharma (2010) conducted an exploratory study to understand the impact of service quality on customer satisfaction with the specific focus on the hospitality sector in India. The competitive nature of Indian hospitality industry and the high rates of switching inspired the exploratory study. Tangibility was one of the factor examined in the study. The factors examined under the tangibility dimension of service quality were: staff appearance, materials, equipment, working tools, and physical facilities. The results of the study had a higher mean of 4.03 for all the aspects of tangibility with the exception of working tools. This means the respondents of the study considered all the factors measured reliable. The punctuality of services rendered had the lowest score, which implies the hotel should work on punctuality to achieve customer satisfaction. The results of the study are a direct confirmation that tangibility has the potential to determine the level of customer satisfaction. Failure to manage the tangible aspect of service delivery increases the risk of losing key customers to competitors (Marković & Janković, 2013).

Naderian and Baharun (2015) believe the increased competition in the Malaysian hospitality industry justifies the switch to customer oriented strategies that focus on the delivery of services that can fill the gap between customers and firms. The study conducted by Naderian and Baharun (2015) focused on understanding the loyalty
exhibited at in-house restaurants found in hotels in Malaysia. The study examined the dimensions of service quality and their impact on customer satisfaction while taking into account the moderating role of dynamic costs. The study identified a clean dining area, presentable personnel, and use of disposable gloves, hair net, availability of parking, and availability of seats as part of tangibles that define the quality of a service. The emphasis of the study is on the role of switching cost because it informs the strategies that restaurants can apply to obtain loyal customers. Also, it implies the significant role of tangibles by demonstrating the impact they have on expectations of a potential client. The lack of proper hygiene, poor facilities and unkempt personnel are factors that would prevent potential customers from demanding any kind of service from a business entity. It justifies the inclusions of expectation and performance as key dimensions of service quality.

Panda and Das (2014) focused on the impact that tangibles have on external customer satisfaction. The type of tangibles varies with industries for example the information technology sector tends to use computers with sleek designs to improve the perceived quality of a service. In the same way, the hospitality industry spends resources to train personnel with the aim of improving empathy and the overall quality of service. Personnel are in direct contact with the clients, which makes their conduct and appearance a significant determinant of perceived quality. Panda and Das (2014) attempted to examine and measure the tangibles used in the hospitality sector and their impact on external customer satisfaction. Validity and reliability tests confirm that tangibility and reliability have a significant impact on external customer satisfaction in hospitals. Assurance is an additional influencer of external customer satisfaction when it comes to hotels. According to the study findings and analysis, physical appearance, facilities and presentation as significant influencers of external customer satisfaction. Equipment, tools, and other customer usage materials provide an insignificant explanation of the tangibility of a service. The relationship between tangibility and service quality was found to be significant in hotels and hospitals (Panda & Das, 2014).

A study that examined the hotel industry in Egypt with the aim of determining the quality of Alexandrian hotels also covered tangibility aspect in hotels. In hotels, the demand for high quality service is a norm that has emerged in the contemporary service industry. It has become the distinctive measure of excellence with the potential to determine industry leaders, which explains the massive effort placed in ensuring customers get value for their
money. The findings of the study confirmed that the dimensions of quality have a significant impact on customer satisfaction. Service quality should be treated as a continuous process in order to encourage hotels to focus on improving the overall quality of service at every turn. The findings confirm the importance of tangibility as a dimension of service quality. Hoteliers understand the impact of tangibility on the perceived quality, which explains the massive investment in personnel, equipment, and other materials that make it easy to deliver high quality service at all times (Saghier, 2015).

Homestay programmes have become increasingly popular in most countries as they offer affordable alternatives to five star hotels. In Malaysia, homestay programmes are popular among local and international tourists because if offers an opportunity to experience the culture and surroundings of a given community first hand. A study was conducted to determine how reliable and tangible dimensions of service quality affect customer satisfaction in homestay programmes. Tourism is a massive contributor to the economy of Malaysia as it is ranked second largest contributor to the economy after the manufacturing sector. It is a highly competitive sector due to an increased number of service providers. The study findings confirm that tangibility has a significant impact on customer satisfaction in homestay programmes. It can be used to predict customer satisfaction levels. It echoes previous studies that determined tangibility can influence the perception of the customer and help gain customer loyalty. The findings indicate that reliability is more influential than tangibility when it comes to determining customer satisfaction. Therefore, it is imperative for service providers to ensure all dimensions are tweaked to achieve maximum positive effect (Wahid, Dangi, Jabar, Muhamed, & Paino, 2017).

Analysis of Tangible and Intangible Hotel Service Quality Components in territory of Kragujevac, one of the five largest cities in Serbia outlines the importance of tangibility. The aim of this study was to identify the significance of individual quality components in hospitality industry. The questionnaire used for gathering data comprised 19 tangible and 14 intangible attributes of service quality, which the respondents rated on a five-degree scale. The analysis also identified the factorial structure of the tangible and intangible elements of hotel service. The EFA; values of the KMO test (KMO = 0.736 > 0.5), Bartlett’s test (p = 0.00 < 0.05) and accounted for 61.63% of the total variance. The 1st factor included statements regarding location, outside appearance and design of the reception desk and the lobby. The 2nd and 5th factor encompass the elements of the
additional contents offered by the hotels such as sports facilities, walking paths, swimming pool and sauna. The 4th and 6th factor contained aspect related to quality of rooms. The study concluded in hospitality and hotel industry, consumers generally tend to attach more importance to intangible attributes followed by the tangible attributes (Maric, Marinkovic, Maric, & Dimitrovski, 2016).

Further research on tangible and intangible hotel service quality components in Serbia found out the guests find it the most important for the hotel to have clean and comfortable rooms, while some additional elements, such as sports facilities, lawns, swimming pools or sauna do not make a decisive impact on their choice of a certain hotel. The research showed that clean and comfortable rooms as a tangible aspect of quality are an important factor in choosing a hotel. It recommended the hotel management to provide modern design of rooms and appealing furniture to convey an image of their hotel which directly influences this aspect of customer expectations. Further, the importance of tangible and intangible aspects were emphasized as client’s satisfaction with hotel offer can be provided with tangible or intangible attributes, but given that the hotel product is indivisible in the client’s mind, it must be formed as a compact whole without great difference in quality between its tangible and intangible components (Maric et al., 2016).

Another research that focused on customer perceptions and reactions to the tangible factors of e-service quality in the Business-to-Customer (B2C) area outlines the comparison of the tangible and intangible factors. This tangible e-service quality includes web design esthetics, ease of use, virtual tour, and visualization while intangible e-service quality involves information content, reliability, security, and customization. Data from 468 tourists, who have purchased hotel packages during the last three months from hotel Web sites, is used for testing the hypothesized model. The result shows that the significant effect of tangible e-service quality on the intangible e-service quality. The proposed model provides an adequate fit to the data, $\chi^2 (364) = 1478.20$, $p<.001$; CFI = .92; TLI = .91; RMSEA = .08. The expected relationship between tangible and intangible e-SERVQUAL (Hypothesis 1) is supported by the positive path coefficient ($\beta = .82$), statistically significant at the $p<.001$ level. Tangible e-SERVQUAL affects customer satisfaction ($\beta = .32$, $p<.001$), thus supporting Hypothesis 2. This clearly indicates the intangible factors have more weight on customer satisfaction than the tangible factors (Moon, 2013).
The Impact of Service Quality Dimensions on Customer Satisfaction: A Field Study of Arab Bank in Irbid City, Jordan. This study used SERVQUAL model with five dimensions to evaluate its effect on the customer satisfaction among Arab bank customers in the city of Irbid. On the tangibility aspect, convenience sampling technique was applied according to selected 400 respondents that participated in the study. The results indicate that the higher the service quality, the more the costumer’s satisfaction. The regression findings outlined; there is a statistically significant difference at the level of ($\alpha \leq 0.05$) between tangibles and customers satisfaction with services provided by the Arab Bank. The study concluded tangible factors on the bank statistically affects customer satisfaction (Al-Azzam, 2015).

Closer home, in Kenya, Sulieman (2013) examined the basic dimensions of quality and their impact on customer satisfaction within the banking industry. Tangibility is among the basic dimensions of quality that was examined in the study with the aim of understand the impact it has on the customer satisfaction. The notion behind service quality is the need to meet a specific set of standards or requirements, which might vary with the preference of customers or industry standards. The outcome of the study confirmed that tangibility as a basic dimension of service quality has a significant impact on customer satisfaction. Perception is a key factor when it comes to understanding how tangibility affects customer satisfaction. A customer is more likely to have a positive perception of a service if personnel seem to understand their responsibilities and maintain a high level of professional decorum. The lack of organization and use of low quality tools might send a message that the firm does not care about the quality of service. A study of customer behavior can help in understanding the most important dimensions of service quality that should be manipulated to increase the level of customer satisfaction under varying circumstances (Sulieman, 2013).

2.4 Reliability of Service Quality on Customer Satisfaction in Hotels.

Reliability is defined as a service provider performing a service with dependability, consistency and accuracy (Rauch, Collins, Nale & Barr, 2015). Reliability involves the ability of the organization to perform the promised service dependably and accurately (Tuan & Linh, 2012). In service provision, the reliability of a quality service refers to how the company are performing and completing their promised service, quality and accuracy within the given set requirements between the company and the customer (Delgado & Baluster, 2004) as cited by (Gunarathne, 2014). Lastly, reliability defines mechanism in
which service company offers accurate and flawless service to customers’ directly from the first time on and does that in the promised time (Al-Ababneh, 2016). As one of the five dimensions of SERVQUAL, reliability is discussed in detail on this chapter.

The reliability differentiates the quality of a service or product offered. High level of service consistency is decisive for reliability. Quality service that is reliable is render reliably and accurately, in accordance with promises made to the clients (Maric, Marinkovic, Maric & Dimitrovski, 2016). In simple terms, service quality can be described as the overall assessment done by the customer about the superiority of a service (Lau, Cheung, Lam, & Chu, 2013). The evaluation of a service is more complicated than that of a good because it entails evaluating the entire process of service delivery. The impression of a customer is a main determining factor when it comes to service quality (Lau, Cheung, Lam, & Chu, 2013). However, reliability is provided through employees’ courtesy and knowledge, conveying their confidence and self-confidence to client Empathy encompasses understanding the clients’ needs by means of individual approach (Juwaherr, 2004) as cited in ((Maric, Marinkovic, Maric & Dimitrovski, 2016).

Reliability depends on handling customer service issues, performs the services right the first time; offers services on time, and maintain a record of error-free. Reliability has been defined as the most significant factor in conventional service (Parasuraman, Zeithaml & Berry, 1988). Reliability also consists of the right order fulfillment; accurate records; accurate quote; right in the bill; Results are more accurate than commissions; keep the promise of service. Reliability has also been mentioned as the most significant factor in banking services (Yang et al., 2004).

Reliability can also refer to the ability to provide a service in dependable and accurate manner. It helps in building trust between the service provider and the customer. It is a critical component when it comes to gaining loyal customers. The lack of reliability erodes confidence and makes the customer to view the service provider in negatively. A service provider is bound by ethics to deliver services that meets all the promises made about service delivery, problem resolution, and pricing (Mamilla, Janardhana, & Babu, 2013). It is clear that the connection between reliability and customer satisfaction is direct because a customer who has been disappointed is not satisfied (Abu El Samen, Akroush, & Abu Lail, 2013; Wahid et al., 2017).
Research shows reliability is an important factor in customer satisfaction as because every customer wants to know if their supplier is reliable and fulfill the set requirements with satisfaction. Such satisfactions are achieved with the internal controls. Internal control is a process designed to provide reasonable assurance regarding the achievement of objectives related to the reliability (IAASB, 2011). To improve reliability in hotels, the internal control needs to be improved by special team to act as a quality management group of the hotel that is responsible for continuous service quality improvement in hotel. This team is responsible for research to understand customers’ needs and preferences and give detail strategies to enhance customer satisfaction (Tuan & Linh, 2012).

2.4.1. Reliability as a Dimension of Service Quality on Customer Satisfaction.

More specifically, in a study by Parasuraman, Zeithaml and Berry (1985), SERVQUAL was applied to gather data in four different companies, including banks, credit card companies, the company's maintenance services, and long-distance Phone Company. The result showed high reliability in all four of these companies, with the possible exception of some of the values associated with significant dimensions of internal operations (Parasuraman, Zeithaml & Berry, 1985).

Mamilia, Janardhana and Babu (2013) carried out a study to analyze the students’ satisfaction with the performance of a university with a specific focus on reliability as a dimension of service quality. The study was based on the idea that students compared the quality of service with prior expectations about performance and service delivery. The findings of the study show that reliability has a significant on the satisfaction levels of students. The university performance should be improved to be considered reliable by most of the study participants. The moderate correlation between satisfaction and reliability as a dimension of service quality supports the first hypothesis for the study; the university should consider introducing innovative approaches and hiring qualified personnel to increase confidence in the course content and teachings methods. Most students do not find the current performance levels attractive and reliability as a dimension of service quality is lacking. The management of the system to ensure the process of service delivery and problem resolution meets the expectations of the students can help improve satisfaction levels. It is pertinent to understand that empathy, assurance, and tangibility help improve the reliability of the service delivery process, which in turn improves the attitude of the client towards the service vendor (Sulieman, 2013). The study recommended training of staff on selective topics to ensure they are abreast with the
latest development in the curriculum for a positive effect on reliability as a dimension of perceived quality of service.

Omar, Saadan, Bin and Seman (2015) conducted a study to investigate the influence of reliability as a dimension of e-commerce on the satisfaction of Libyan customers. The basic factor for measuring the quality of service is customer satisfaction because happy customers are more likely to come back. The common knowledge is that the quality of service is the outcome of the comparison between the expectations of a customer and the perceived quality of a service. It is very subjective because it depends on personal preferences and expectations. It is the baseline measurement of performance for any business because of the direct impact it has on profitability and competitiveness. The findings show that there is a strong relationship between reliability and the customer satisfaction. The reliability of the e-commerce model was characterized by the ability of the website to fulfill orders, secure personal information and deliver promptly. These aspects improve the confidence that the customer has on the website. The prompt delivery of all ordered items at the right time and place makes the website a reliable shopping place for many consumers. Therefore, a successful online business should find ways to keep private information safe, deliver orders in a timely manner, and ensure the website is optimized to handle large traffic. It helps avoid lagging, which might disappoint consumers. Reliability as a dimension of service quality is not limited to e-commerce business models. It applies to all businesses that deal with service delivery. For example, hotels can be considered reliable if the pricing is standardized, bookings are managed well, and the expectations of customers about amenities and personnel are met (Omar, Saadan, & Seman, 2015).

Research on the Effect of Tangibility and Reliability Service Quality towards Homestay Customer Satisfaction was conducted in Malaysia. The selected sample consisted of local and international customers of homestay programme that gives local and international tourists an opportunity to stay with a chosen family, interact and experience their daily life. The purpose of the study was to determine the effect of these two dimensions on customer satisfaction. In total, 102 customers were selected and they stated that on the average, the tangible quality was rated as 4.95 out of 10 points which indicated that the overall tangible quality provided did not meet the customers' needs; the reliability quality was rated higher than tangible quality (M = 6.95). The regression model showed tangible has significant direct effect towards customer satisfaction (β1 = .676, p = .000). Similarly
reliability significant direct effect towards customer satisfaction ($\beta_2 = .466$, $p = .000$). Furthermore, 58.30% of customer satisfaction was influenced by tangible and reliability quality itself. The study findings indicates tangibility had higher loading than reliability on how it affected service quality (Wahid, Dangi, Jabar, Muhamed & Paino, 2017).

Another research on Arab Bank in Irbid City, Jordan looked at the Impact of Service Quality Dimensions on Customer Satisfaction. With the changes in banking systems due to technology such as internet banking, automated teller machine (ATM), and telephone banking and banks researchers were exploring the impact of this to customer satisfaction. Using SERVQUAL model, Al-Azzam (2015) used convenience sampling technique to collect data from 400 respondents. The research findings indicated there is a statistically significant difference at the level of ($\alpha \leq 0.05$) between reliability and customer satisfaction with services provided by the Arab Bank. Therefore reliability is an important factor on customer satisfaction in Arab Bank (Al-Azzam, 2015). Another research in Egypt hospitality industry titled ‘Managing Service Quality: Dimensions of service quality’ outlined the importance of reliability in hospitality industry. The reliability questions output had Chi-square = 68.773 (DF=12, sig. =0.000). This shows a significant relation between Reliability and Customer Satisfaction. Reliability variable had higher impact with Coefficient = 0.344. The research illustrate the impact of the responsiveness on the Customer satisfaction, where an increase in reliability by 0.344 will cause an increase in the customer satisfaction in hotel (Saghier, 2015).

To further illustrate the importance of reliability on customer satisfaction in hotel industry, a research that focused on investigating the impact of service quality performance on customer satisfaction is presented. The sample was Vietnam’s five star hotels, with a case study of Hotel X, where service quality is considered as the key to success. This study chose the SERVPERF model as a conceptual framework. Analysis of results shows that RELIABILITY Result shows - RELIABILITY component and customer satisfaction have a positive relationship. Therefore, the higher/lower value of RELIABILITY component will lead to higher/lower level in customer satisfaction. These component play important roles in service quality measurement and thus it is suggested that five star hotels generally and Hotel X in particular needs to have specific strategies to enhance these components as well as customer satisfaction (Tuan & Linh, 2012).

With an objective to show the gap between provided services and expected services, research was conducted in Case of Selected Hotels in Jimma Town, Ethiopia. The title
was ‘Service Quality and Customer Satisfaction in Hospitality Industry’ and Data was collected from 172 respondents in four selected hotels. The reliability output indicated a significant relationship between the dimension reliability of service quality and customer satisfaction; beta value of 0.270 and the p-value was less than one percent (1%) level of significance. This means that the variable Reliability was the significant contributor to customer satisfaction. The data analysis also found that Reliability was strongly correlated to customer satisfaction with a significant Pearson coefficient of 0.419. The study concluded Reliability had a significant and positive relationship with the customer satisfaction in hotel services. And also the studied hotels failed in fulfilling in customers’ expectations in all elements of reliability dimensions (Eshetie, Seyoum & Ali, 2016).

Research titled ‘Impact of Service Quality on Customer Satisfaction in Hotel Industry’ with main objective of assessing customers’ expectation and perception level towards service quality of the front office staff in five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. Of the sample size of 100, only 60 customers returned the duly filled in questionnaire. On the reliability as variable of interest, the satisfaction of expectation concerning reliability dimension is high (3.93). This rating is supported by comments by a frequent guest at the hotel who wrote “The room is ready on time upon check in and get the late check out until 2 p.m. every time of customers’ stay at this hotel.” Overall satisfaction of perception towards reliability dimension is also at the highest level (4.30), with “The staffs provide service as promised” receiving the highest score (4.38). This may be because the front office staff provide service correctly the first time and keep their promises to customers. Consequently, customers feel satisfied with the reliability of service (Srinivasm & Padma, 2013).

However, different research by Karunaratne and Jayawardena (2010) which examined the level of customer satisfaction and major factors contributing to customer satisfaction in a five star hotel in Kandy district, Sri Lanka showed a different result. The descriptive showed majority of the customers expressed their satisfaction with the overall service they received from the hotel. Further, regression analysis indicated Tangibility, Responsiveness and Assurance as factors that influenced customer satisfaction but the hotel had not fulfilled the customers’ satisfaction with regard to Reliability and Empathy (Tuan & Linh, 2012).
2.5 Responsiveness of Service Quality on Customer Satisfaction in Hotels

Responsiveness is defined as providing prompt services and being willing to help customers (Parasuraman, Zeithaml & Beryl, 1988). Furthermore, Johnston (1997) defines responsiveness such as speed and timeliness of service delivery. This consists of processing speed and service capabilities to respond promptly to customer service requests, and wait a short and queuing time. More specifically, responsiveness is defined as the willingness or readiness of employees to provide services. It contains the timeliness of service (Parasuraman, Zeithaml & Beryl, 1985). It also contains understanding the needs and requirements of the customer, easy operation time, individual attention provided by the staff, attention to the problem and customers' safety in their dealings (Kumar, 2014).

Other researchers have defined responsiveness as “the degree to which service providers are willing to help customers and provide prompt service” (Al-Azzam, 2015). Responsiveness can be measured differently in a study but the common indicators or questions includes: Gives individual attention to guests, Provides prompt services, Willingness of staffs to help guests, and Availability of employees when needed (Saghier, 2015). Further, Peoples’ behavior and conviviality including: timeliness, speed, communication, warmth, friendliness, attitude, tone of voice, dress, neatness, politeness, anticipation, handling complaints, solving problems can be classified as items under responsiveness and some as reliability based on how the question was formed (Yarimoglu, 2014).

From the WHO, the concept of ‘responsiveness’ has been incorporated to complement ‘user satisfaction’, which it had used since the 1960s. ‘Satisfaction’ contemplates the various dimensions involved in health care, from the doctor-patient relationship to quality of clinical care and of health personnel. In contrast, ‘responsiveness’ is a concept that relates to non-medical aspects of care. The concept relates to how health systems recognize and respond to individuals’ expectations regarding non-medical aspects of care (Comes, Trindade, Shimizu, Hamann, Bargioni & Santos, 2016). The responsiveness Service Quality refers to the willingness of the company to help its customers in providing them with a good, quality and fast service (Gunarathne, 2014).

While Vaitsman and Andrade operationalized the concept of responsiveness with the following variables: quality of installations; access to patient social support networks;
freedom to choose the health service; and respect for people, compromising respect for
dignity, confidentiality of user health information, autonomy to participate in health-
related decisions and client guidance, including prompt care, with the possibility to
choose according to needs (Comes, Trindade, Shimizu, Hamann, Bargioni & Santos,
2016). Banking sector looks at the responsiveness as the readiness of banking service
providers at a specific headquarters to provide punctual services as perceived by a
specific bank customers (Al-Azzam, 2015). This shows diversification of responsiveness
term based on the industry. However, this research looks at responsiveness in summary
as, the willingness or readiness of employees to provide service, timeliness of service
such as mailing a transaction slip immediately, calling the customer back quickly, giving
prompt service (Yarimoglu, 2014). The presentation of past research on responsiveness
on customer satisfaction is as follow.

2.5.1. Responsiveness as a Dimension of Service Quality on Customer Satisfaction.
The Mais Médicos (More Doctors) Program (PMM) addresses shortages of doctors, one
of whose objectives is to reduce regional inequalities in access to health care. This
descriptive cross-sectional study evaluated service responsiveness and user satisfaction
with PMM doctors among 263 users of the public health system in 32 municipalities with
20% or more of extreme poverty. Users were satisfied with patient doctor relationships,
information about diseases and treatment and the clarity and comprehensibility of medical
indications. The doctors’ technical and humanized conduct helped ensure satisfaction
among users, who stressed the importance of the program’s continuance. As regards
responsiveness, most users were pleased with the non-medical aspects of care: prompt
scheduling of appointments, waiting times of less than one hour and privacy. Users
suggested improving infrastructure and making more medicines and more doctors
available, which should be considered by SUS managers to help ensure access to the right
to health guaranteed in Brazil’s constitution (Comes, Trindade, Shimizu, Hamann,
Bargioni & Santos, 2016).

Previous research explored customer satisfaction of hotels for them to assess the customer
perception by looking at all areas of service quality. This study identified five factors of
service quality by focusing on the front office staff only, and explored the customers’
expectations and perception levels of these services. The 60 respondents were asked to
rate each statement concerning their expectation and perception of service quality of front
office staff of May Fair Hotel. Overall expectation towards responsiveness dimension was
at the high level (3.98). “The staffs respond to your request quickly” received the highest ranking of expectation at 4.12. It is highly possible that customers are satisfied when they receive a quick response from the hotel staff. This is supported by a first time customer at the hotel who commented that, “The front office staffs are willing to help me when the customer is looking for the hotel direction. It makes me feel that the staffs are full of service mind in heart”. Overall satisfaction of perception towards the five dimensions was at the highest level (4.35). Most customers perceived tangibility as the most important dimension at (4.45), followed by assurance (4.37), responsiveness (4.33), reliability (4.30), and empathy (4.28) (Srinivasm & Padma, 2013).

Research on the relationship between Service Quality and Customer Satisfaction in Sri Lankan Hotel Industry was guided by the research question “What is the relationship between services quality and customer satisfaction in hotel Industry?” Data were collected from foreigners who visited Sri Lanka for holidays. A total sample of 150 participants was involved in this study but only 134 completed and returned the questionnaires. EFA indicated (KMO) coefficient for 28-item questionnaire was 0.893, indicating the sample adequacy with Chi Square value 2057.156, Degree of Freedom 378 and Also Bartlett value at 0.000 indicating that factors' separation was appropriately done. The test on the responsiveness indicated a positively correlation with the Customer Satisfaction. The hypothesis supported by the data; value of Responsiveness contribution to the Customer Satisfaction is (+ 0.440). The study concluded a positive relationship between Responsiveness and Customer satisfaction (Gunarathne, 2014).

Another study sought to examine the current level of ATMs service quality at one of the main ATM service points of a Malaysian bank. The objective of the study was to investigate the relationship between the reliability and responsiveness of ATM services with customer satisfaction and verify the determinants for service enhancement. Data was collected through questionnaire survey of 271 respondents and observations at the service point. A multiple regression analysis was done to test the hypothesis that responsiveness does not affect service quality of ATM services. The model depicted statistical significant with value of R square of 0.873 or 87.3%. This indicates that dependent variable customer satisfaction can be explained by the four independent variables in this study (consistency, dependability, timeliness, and technology). The adjusted R square shows that 87.1% of the variance in customer satisfaction has significantly explained by 1% changes in the four independent variables. This is almost the same value between R
square and adjusted r square that indicates high model fit with the remaining 12.9 % variation in customer satisfaction explained by other variable rather than responsiveness and reliability included in the model (Iberahim, Mohd Taufik, Mohd Adzmir, & Saharuddin, 2016).

Another study on banks that relates on responsiveness as variable of interest was conducted in Arab. The purpose of the study was to identify the impact of Service Quality Dimensions on Customer Satisfaction based on the changing status of the banking system and financial market dynamics. The results indicate that the higher the service quality, the more the customer’s satisfaction. Further, responsiveness contributes to how service quality affects customer satisfaction. The regression output shows statistically significant difference at the level of ($\alpha \leq 0.05$) between responsiveness and customer satisfaction with services provided by the Arab Bank (Al-Azzam, 2015). In Egypt, similar study revealed significant relation between Responsiveness and Customer Satisfaction; the highest impact is shown to be for Responsiveness (Coefficient = 0.397). this shows an increase in responsiveness by 0.397 will cause an increase in the customer satisfaction in hotel (Saghier, 2015).

The techniques of measuring service quality and service quality dimensions have become a major area in marketing literature during the past few decades. The methodology of this study was to review the existing service quality models in chronologic order which were; physical environment, people, and process. The model measures the service quality of internal customers such as front-line staff and support staff in airline industry. As a result of the study, it was found that internal service quality was mostly affected by responsiveness. However, reliability was found as the most important influencer in SERVQUAL (Yarimoglu, 2014).

In another research, conducted on five start hotels in Hanoi revealed the importance of responsiveness on customer satisfaction. From the test of EFA, reliability and responsiveness loaded into one factor hence new factor named ‘RES-EM’ was formed. The KMO and Bartlett’s Test shows, it is adequate for exploring factor analysis because value of sampling adequacy is 0.870 and Sig. is .000. Sampling adequacy value was above 0.8 hence good with the components extracted presenting greater than 1 Eigen values and cumulative of variance of 56.5%. The research concluded Information about customers should be saved and acted upon as it will make customer think that they are cared for and respected. Also, five star hotels in Hanoi might consider adopting
enhancing their Responsiveness abilities into their own operation and service delivery package. It is necessary to invest in human resource and create a good system of working condition (Tuan & Linh, 2012).

From Ethiopia, Eshetie, Seyoum and Ali, (2016) conducted research to investigate service quality and customers’ satisfactions in hospitality industry on selected hotels in Jimma town. They used a modified version of the LODGING QUALITY INDEX model. Data was collected from a sample of 172 respondents and correlation and regression analysis were used to see the cause and effect relationships. The key finding showed that there was a negative gap between actual service and expected service in all dimensions of lodging quality index and significant and positive relationships of five service quality dimensions and customers satisfactions. On responsiveness variable, the dimension of customers’ perceptions range from (mean 2.85 to 3.05) and expectations (mean 3.85 to 3.99) results -0.92. In all items of responsiveness such as employee’s willingness to promptly respond the customers’ request, availability of informative literature about the hotel, employee’s willingness to solve the guest problem quick availability of room service, fast check-in check-out procedure are a negative results to customers satisfactions. Regression shows the responsiveness on customer satisfaction in hotel industry had a beta value of 0.308, which was the highest of all the variables and p-value less than 1% sig. level. The finding concludes that there is a significant and positive relationship between Responsiveness and Customer satisfaction. However where performance is deemed worse than standard, it results in dissatisfaction of customers to the studied hotels (Eshetie, Seyoum & Ali, 2016).

In Kenya, a research project on Service Quality and Customer Satisfaction among Mobile Telephony Subscribers in Nairobi was conducted by Obambo (2013) as graduate project. This study explored the level of service quality and its relationship with customer satisfaction in the mobile telephony industry in Kenya and sought to determine the extent to which the service quality dimension affects the level of customer satisfaction. The population was mobile service subscribers and a sample of 402 with 100% response rate. The mean comparison of the responsiveness as variable of interest showed a higher mean of 4.74. The regression analysis revealed a positive relationship (R =0.872). The study also revealed service quality based on SERVQUAL contributed to 76% of customer satisfaction. The F value being 178.646 changes are significant implying that the model is fit and robust. However, the responsiveness variable of interest was highly correlated to
empathy and reliability and was thus eliminated as a measure of service quality. The final conceptual framework therefore had six dimensions with 25 items spread across the dimension (Obambo, 2013).

Another research in Nairobi that sought to determine Service Quality Dimensions and Customer Satisfaction in Barclays Bank of Kenya is presented. The specific objectives were to determine levels of service quality and levels of customer satisfaction using the SERVQUAL dimensions. Data collection was limited to 50 respondents as the products offered within the segments were quite homogenous. On responsiveness, the variables of study were; employees are always willing to help customers, employees make information easily obtainable by customers, employees are never too busy to respond to customers and employees give prompt survive to customers. The study found that service quality levels were perceived to be quite high with superior service in the affluent segment this being a resultant of segmentation, as the mass segment service was inferior. Also, the ranking of SERVQUAL dimensions descending manner was: empathy, assurance, tangibles, responsiveness and lastly reliability. Responsiveness on customer satisfaction indicated attribute of employees willing to help customers was satisfactory. Improvement was needed on all other attributes as stated in a decreasing order (from least-most) on, obtain ability of information, responsiveness to customers and prompt service to customers. The correlation on customer satisfaction was positive and the segment significance in a decreasing order was mass, affluent and business respectively (Oanda, 2015).

2.6 Assurance of Service Quality on Customer Satisfaction in Hotels

According to Saghier (2015), assurance is the extent to which service providers are able to inspire trust and confidence by being knowledgeable and courteous when performing a service. Assurance is also described as hotel’s ability to build trust in customers about hotel services, hotel staff’s knowledge and skills (Minh, Thu Ha, Chi Anh, & Matsui, 2015). Further, in hospitality industry, assurance entails instilling confidence in guests, convenience of service availability, occupational knowledge of employees and lastly, provision of a safe and secure place for guests (Tuan & Linh, 2012).

The dimensions used to measure assurance are comfortable, polite, confident, no complaint and believe (Ismail & Yunan, 2016). It’s because of such that guarantee is also used as a term that defines assurances; guarantee - an expressed or implied assurance of
the quality of goods offered for sale or the length of satisfactory use to be expected from a product (Naung, Aung, & Supinit, 2016). Though there are different terms and definition, assurances is majorly defined as knowledge and courtesy of the employees and their ability to use such knowledge to convey trust and confidence to its customer (Tuan & Linh, 2012). Customers compare their expectations towards services with actual performance outcome. However, in some industries such as hospitality and tourism industry, customers will always expect a high quality service before experiencing them hence the personnel plays an important role that affects customers perception in service settings (Suki, 2013).

Although the importance of service quality and service quality measurement has been recognized, there has been limited research that has addressed the structure and antecedents of the concept for the hotel industry. The clarification of the dimensions is important for managers in the hotel industry as it identifies the bundles of service attributes consumers find important (Al Khattab & Aldehayyat, 2011). The importance of assurance as one of the five dimension of SERVQUAL model on customer satisfaction is also outlined as follow from previous researches.

2.6.1. Assurance as a Dimension of Service Quality on Customer Satisfaction.

Research on Managing Service Quality: Dimensions of service quality conducted in Egypt covered the effect of assurance on customer satisfaction. Questionnaire was used to collect data from the sample group which is international tourists visiting Alexandria and staying at hotels as tourists. The variable of interest presenting assurance were: Instilling confidence in guests, Convenience of service availability, Occupational knowledge of employees, and provides a safe and secure place for guests. The chi-square test between the assurance and customer satisfaction was significant at $X^2 = 48.262$ (DF=12, sig. =0.000). This shows a significant relation between Assurance and Customer Satisfaction. However, on the step wise regression analysis model, assurance was not statistically significant hence dropped from the regression equation. This indicates if using the SERVQUAL model, assurance does not contribute to the five dimensions. However, assurance as an independent variable affects customer satisfaction (Saghier, 2015).

To exist in highly competitive market, companies need to pay more attention in improving quality of products and services. A research was conducted on Vietnam to investigating the impact of service quality performance on customer satisfaction in five
star hotels, with a case study of Hotel X. This study chose the SERVPERF model as a conceptual framework. The regression output on how assurance affect customer satisfaction had coefficients with the value of adjusted R-square from Model summary of 0.560 therefore it accounts for 56%. This means there is a positive relationship between ASSURANCE component and customer satisfaction. Therefore, the higher/lower value of ASSURANCE component leads to higher/lower level in customer satisfaction. The study recommends the hotel to form a special team to act as a quality management group that is responsible for continuous service quality improvement. This team is responsible for research to understand customers’ needs and preferences and give detail strategies to enhance customer satisfaction (Tuan & Linh, 2012).

Another research with the purpose to enhance an understanding of service quality in the hotel industry was conducted in Taipei City of Taiwan between 1 August and 1 October, 2009 on five starts hotels. A multi-dimensional and hierarchical model of service quality for the hotel industry was proposed. A total of 622 customers were involved in the study. From the EFA, the assurance measurement were combined to indicate the environmental quality; atmosphere, room quality, facility, and hotel location. The CFA was adequate: The chi-square/df ratios of 2.86 less than 3.0; the root mean square error of approximation (RMSEA) value (0.06) and standardized root mean residual (SRMR) value (0.05) were lower than 0.08, indicating adequate fit. Similarly, other indices (i.e., TLI and CFI estimates) were greater than the recommended 0.90. The results of the structural model test indicating an adequate fit to the data (RMSEA=0.06, SRMR=0.07, TLI=0.90, CFI=0.90). The chi-square (x2/df) ratio of 2.96 was lower than the suggested criterion (x2/df < 3). The SEM clearly indicated assurance of the environmental quality; atmosphere, room quality, facility, and hotel location was key to inform customer satisfaction (Wu & Ko, 2013).

A Study of Guest Satisfaction toward Service Quality of Hotel Industry in Yangon, Myanmar sought to assess and describe the perception of service quality of the hotel. Using survey method, total of 590 survey questionnaires were used in the study. Descriptive statistics (frequency, means, and standard deviations) and ANOVA (Analysis of Variance) was used to gain an understanding of the nature of responses. The result on assurance variable were: item 9 (Trust them) received 25% of the respondent agree hotel staff were confident, and item 10 (Feel safe during stay) got 87.2% that agree to feel safe and 9.6% of respondents did not feel safe. Item 11 (Consistently courteous) got 41.5%
strongly agree, 88.4% agree and 2.1 were omits. In addition, in item 12 (Knowledge about hotel), item 13 (Trained and experienced), item 14 (Answer question completely), most of respondent tended to agree strongly that hotel staff were well trained and had knowledge about hotel to answer their requests completely. This meant guests thought that hotel service met their expectation, 82% were satisfied with staying at hotel and 81.8% were willing to stay at the hotel again. Hotel ranking did not do well on reliability, responsiveness and empathy compared with attitude and assurance (Naung, Aung & Supinit 2016).

Different study on education sector that illustrates impact of assurance on customer satisfaction was also reviewed. Titled ‘Impact of Service Quality on Customers’ Satisfaction’ the study was conducted from Service Sector especially Private Colleges of Faisalabad, Punjab, and Pakistan. Random sampling was used to sample 185 respondents from all level of study; lower level and master level of education from different colleges. The response rate was 150 questionnaires (81.08%). The result indicated that service quality is found to be very important factor for satisfaction of customers. Average score of SERVQUAL dimensions depicts that respondents are less satisfied with dimension empathy whereas with tangibles, assurance, responsiveness and reliability are more satisfied. Assurance, the dimension of service quality represent a significant and positive relationship with customers’ satisfaction (r=0.599, p˂0.01). This peculiar result confirms that assurance has significant and positive relation with satisfaction of customers. Generally, the Assurance and tangible value had greater than other perspectives of SERVQUAL while empathy has lowest score (Bharwana, Bashir & Mohsin, 2013).

Moving to an auto-motive insurance sector, research was conducted to assess the Relationship between Service Quality and Customer Satisfaction in the Malaysian Automotive Insurance Industry. The purpose of the study was to assess the relationship between service quality and customer satisfaction in the Malaysian Automotive Insurance industry. A total of 650 online structured questionnaires were mailed to respondents from five car insurance directories and 380 respondents replied to the questionnaire. Data collected were analyzed using Pearson Correlation and Multiple Regression Analysis. The mean output for assurance among customers are 3.61 indicating they are satisfied with the assurance of service provided. The relationship between assurance and customers’ satisfaction was investigated using Pearson correlation coefficients for the respondents. A moderate and positive relationship between assurance and customer
satisfaction ($R^2 = .256$, $n=380$, $p< 0.05$). This means 26% of their satisfaction is determined by assurance. The research concluded assurance as an important factor that determines customer satisfaction in the Malaysian Automotive Insurance Industry (Raj, Arokiasamy, & Tat, 2014).

Another research conducted on customer loyalty in Malaysia is reviewed. The purpose of the research was to examine the correlation between service quality and customer satisfaction as well as the correlation between service quality and customer loyalty. Using cross-sectional design, the self-report questionnaires was used to gather information from patients at army medical centers in West Malaysia. The target population of this study was patients who are receiving medical treatment service at Malaysia army medical center. A purposive sampling was utilized to distribute 400 survey questionnaires to patients who received treatments at the organizations; 128 respondents giving 32% response rate. The dimensions used to measure assurance were comfortable, polite, confident, no complaint and believe assurance was significantly correlated with customers' satisfaction ($B=0.346$; $t=4.176$) hence a positive relationship between assurance and customer satisfaction. Also assurance was significantly correlated with customers' loyalty ($B=0.246$; $t=3.578$), therefore a positive relationship between assurance and customer loyalty. This shows assurance as an important factor that determines both customer satisfaction and customer loyalty (Ismail & Yunan, 2016).

Going back to research in hotel industry, a case study of hotel industry in Vietnam sought to find out effect of Service Quality and Customer Satisfaction. The purpose of this study was to empirically examine the relationship between service quality and customer satisfaction in Vietnamese hotels, survey questionnaire was constructed with 23 service quality items covering 5 service quality dimensions based on SERVQUAL model. Data were collected from 432 guests of 33 three-star hotels in Da Nang city, one of the most favorite places for tourists in Vietnam. The questions on assurance were; Guests feel safe and secure in their stay, Staff with knowledge to provide guests information about surrounding areas (shopping, museum, place of interest), Staff with occupational skills and Staff are courteous and polite. The correlation was positive and regression on Assurance and customer satisfaction had a smaller impact with coefficient values of 0.121. Assurance express positively significant influence on Customer satisfaction (Minh, Thu Ha & Chi Anh, 2015).
Research in Jordanian hotels was conducted to determine the Perceptions of Service Quality. The main objective of the study was to measure hotels' service quality performance from the customer perspective. A performance-only measurement scale (SERVPERF) tool was used to collect data to customers who stayed in three, four and five star hotels in Aqaba and Petra. A total of 350 questionnaires were distributed and of these, 280 questionnaires were valid for analysis presenting 80% response rate. The results of the study statements relating to the assurance dimension range from (mean 2.67 to mean 4.11), these questions on assurance were: the behavior of employees of the hotel installs confidence in customers, employees of the hotel are consistently courteous with you, employees of the hotel have the knowledge to answer your questions, and the hotel has operating hours convenient to all its customers. There was positive correlation between assurance and customer perception of the hotel (Al Khattab & Aldehayyat, 2011).

A study on examining the correlations of hotel service quality with tourists’ satisfaction with hypothesis; H1: Assurance of hotel service delivery significantly correlated with tourists’ satisfaction was conducted in Federal Territory of Labuan. The study aims was to examine the correlation of hotel service quality (i.e. assurance, reliability, responsiveness, tangibles and empathy) with tourists’ satisfaction. Data was collected from among 200 respondents who have already experienced the tourism product and services in Federal Territory of Labuan, Malaysia which presents 87% response rate. The study found that service quality is significantly correlated with empathy, reliability, responsiveness and tangibles but no assurance. Correlation between customer satisfaction and assurance was not significant (r=0.092, p>0.05). The findings imply the need for hotel providers to strategically leverage on these factors in its pursuit of tourists satisfaction with more focus on assurance (Suki, 2013).

2.7 Empathy of Service Quality on Customer Satisfaction in Hotels.

Parasuraman, Zeithaml and Beryl (1985) defined empathy as a caring and individual attention that the firm provides to its clients. It contains giving individual attention to employees who understand the needs of their customers and customer facilities during business hours. Empathy is the provision of caring, individualized attention to customers which entails informing the customers in a language they can understand, understanding customer's specific needs, and providing individualized attention (Obambo, 2013). Also, Johnston (1997) defined empathy as the ability to make customers feel welcome,
especially by staff contacts (Al-Azzam, 2015). These definitions have similarity on ‘caring’ and individualized attention the firm provides its customers’ (Tuan & Linh, 2012). Further this is application where the employees search for solution (Oanda, 2015).

Empathy is related to how the service providers are keen to care for customers’ personal attention and the level of understanding they demonstrate relative to customer needs (Rauch, Collins, Nale & Barr, 2015). Empathy (providing individualized attention to the customers): It means the employees’ ability to understand customers’ problems, acting towards their benefit and treating them as individuals. This informs the need for individualized cares and attentions that the firm provides to its customers (Tuan & Linh, 2012). Empathy includes also that the opening times of the company are suitable based on the client needs (Al-Ababneh, 2016).

When it comes to empathy and tangible tools, the empathy dimension represents the provision of caring and individualized attention to customers including access or approachability and ease of contact, effective communication, and understanding the customers (Parasuraman, et al., 1991) as cited by (Srinivasm & Padma, 2013). This informs the importance of empathy as studies have proven in hospitality and hotel industry, consumers generally tend to attach more importance to intangible attributes. The guests primarily find it important to feel confidence in the hotel’s staff, and be sure that no aspect of the provided service will lead to a mistake or misunderstanding. Precision, accuracy, security, speed of service, staff’s courtesy and personal attention are service quality elements important to hotel guests (Maric et al., 2016).

Though there are clear aspect that defines empathy informs the variable of interest when studying empathy, different variables have been used in different researches to inform empathy. According to (OluOjo 2008), the critical aspect of caring and customized responsiveness to customers contains communication, access and understanding the customer. In hotel industry, this is attributed to availability of tools or apparatuses, the location is easily findable and served food must be packed (Shafiq, Shafique, Din, & Cheema, 2013).

Ananth et al. (2011) demonstrates empathy in their research of private sector banks by the following variables: individual attention, easy operation time, give personal attention, and understand the specific needs of customers. Obambo (2013) used the following variables to attribute empathy: giving customers individual attention, dealing in a caring fashion,
having customers best interest at heart, convenient business/operating hours, understanding the needs of the customers (Obambo, 2013).

When it comes to quality of service, some researchers have argued the quality also informs empathy. Quality service based on empathy refers to how the company cares and gives individualized attention to their customers, to make the customers feeling extra valued and special. This affect customer satisfaction as studies have proved if the customers feel they get individualized and quality attention there is a very big chance that they will return to the company and do business there again (Delgado & Ballester, 2004) as cited by (Gunarathne, 2014). However, there is disagreement on how quality of service informs empathy. In a meta-analysis examining the relationship between different kinds of empathy and prosocial behaviors such as helping, sharing, and giving to others, researchers found significant positive relationships between the two, regardless of how empathy was measured (Konrath & Grynberg, 2013).

Empathy in psychology is a powerful communication skill that is learnable and has tangible benefits for both clinician and patient. Appropriate use of empathy as a communication tool facilitates the clinical interview, increases the efficiency of gathering information, and honors the patient (Ioannidou F, Konstantikaki, 2008). Similarly, this is applicable in hotel industry. Considering that empathizing makes people kinder and more cooperative, it is not surprising to find that empathy may have positive implications within close relationships (Konrath & Grynberg, 2013) while prosocial behavior acting generally to all. Empathy works well in professional settings that require expression of care such as teaching, medicine, and clinical psychology. Teachers, doctors, and therapists with high empathy may positively influence their students’ educational outcomes, and patients’ physical health and mental health (Konrath & Grynberg, 2013).

2.7.1 Empathy as a Dimension of Service Quality on Customer Satisfaction.

Research on impact of empathy on customer satisfaction has been done in many banks. A Field Study of Arab Bank used a SERVQUAL model of service quality. Convenient sampling was used to obtain 400 respondents that participated in the study. Empathy variable on the study were ease of contact, effective communication, understanding the customers and location of the hotels. The regression model depicted positive statistical significant at the level of ($\alpha \leq 0.05$) between empathy and customer satisfaction with services provided by the Arab Bank. The research concluded empathy as an important factor in determining customer satisfaction. On the other variables based on the
SERVQUAL model, the results indicate that the higher the service quality, the more the customer’s satisfaction; the five factors have positively affected the customer satisfaction with higher loading on the empathy and assurance (Al-Azzam, 2015).

Research on Service Quality Dimensions and Customer Satisfaction in Barclays Bank of Kenya had the following variables on empathy; bank has their customers’ best interest at heart, banks operating hours are convenient to all their customers, and service is personalized at the customers’ level. The research findings on empathy revealed that Barclays having customers interest ranked first, convenience of the banking hours attribute ranked second and personalization of services last. Further, customers were satisfied with Barclays bank having customers’ best interest at heart. Service personalization at customer level and convenience of banking operating hours were unsatisfactory in that order. On SERVQUAL dimension level, customers were dissatisfied with all dimensions with an exception of empathy that indicated the expectations just met the customer perceptions thus customers were satisfied (Oanda, 2015).

It is a common conception and understanding that if the customers are satisfied then the hotels are providing higher service quality. A research was conducted in Pakistan to test this hypothesis; the main purpose of this paper was to evaluate the hotels’ service quality through customer satisfaction. Using SERVPERF tool, data was collected from customers who stayed in the hotels of Faisalabad, Pakistan. The results revealed customers’ perception about the dimension empathy of SERVPERF was founded less positive if it compared with the results of other dimensions. On the correlation analysis, there was not any relationship founded with empathy and tangible dimensions of SERVPERF. The research recommended managers to be trained in order to improve their communication skills and by improving their friendly style of talking and being a courteous fellow. Also, there is need to consider all the customers are not same so their needs and expectations differs hence recommended future research to take into account demographic characteristics of the respondents including but not limited to age, gender, economic status, and family status among other factors (Shafiq, Shafique & Cheema, 2013).

Another study on the May Fair Hotel looked on the Impact of Service Quality on Customer Satisfaction. The 60 respondents were asked to rate each statement concerning their expectation and perception of service quality of front office staff of May Fair Hotel. The descriptive analysis shows effective communication was considered the most
important (4.17) expectation. The front office staffs represent the hotel and communication is vitally important. This shows the front office activities surround communication which is a component of empathy. It includes reservations, serves as the information centre and as the cashier, notifications to the housekeeping and kitchen divisions of guest information, and also received feedback. Effective communication among divisions in the hotel is one of the main factors that contribute to customer satisfaction. Generally, it was noted from the ranking that empathy was the weakest dimension of satisfaction hence it is important for management to arrange on special programs that could improve on effective communication and customer satisfaction (Srinivasm & Padma, 2013).

Research on Impact of Service Quality Performance on Customer Satisfaction: A Case Study of Vietnam’s Five Star Hotel revealed a weak ranking of empathy in hotels. EFA had a KMO and Bartlett’s Test shows of 0.870 which was adequate for exploring factor analysis because sampling adequacy is good (value is greater than 0.8). The extracted factors with Eigen value of greater than 1 was explained 56.542% of total variance explained. However, the questions relating to empathy were weak and loaded together with responsiveness hence the two were combined and named as RES-EM. The regression analysis concluded RES - EM component and customer satisfaction have a positive relationship. Thus, the higher/lower value of RES-EM component will lead to higher/lower level in customer satisfaction. However empathy as a factor was weak. The research recommended more effort to the kept on empathy through training to strengthen it as a component that informs customer satisfaction (Tuan & Linh, 2012).

On the relationship between Service Quality and Customer Satisfaction in Sri Lankan Hotel Industry, empathy had a different ranking compared to Pakistan. Data was collected from 150 foreigners who have visited Sri Lanka with 134 response rate. The questions that presented the variable empathy were: The employee quickly apologized when service mistakes are made; the employee listened carefully when you complain; and employees understand the customer’s requirements. Using EFA, the KMO for 30 items was 0.880, Chi Square value 2145.064, DF of 435 and p<.0001. Correlation output indicated positive relationship between Empathy and customer satisfaction; the value of Empathy contributes to the customer Satisfaction is (+ 0.140). Therefore the alternate hypothesis was accepted; there is a positive relationship between Empathy and Customer Satisfaction (Gunarathne, 2014).
Customers have expectations at every level of their interaction with a business whether face-to-face, over the phone, on the internet or by post. To meet and/or exceed these expectations, businesses need to know and understand what their customers expect from them so that they can deliver services to satisfy their customers. This study examined the dimensions of hotel guests’ expectations of service quality and the relative impact of the dimensions in influencing the overall level of service quality from hotels in Accra, Ghana. Proportional stratified random sampling technique was used to select 59 (24 and 35) from the 1-star and 2-star hotels and additional 23 3-star and 5-star. Sample population was 200 respondents with 172 responding. From EFA, four main factors; tangibles, empathy and assurance, reliability and other services influenced guests’ expectations of service quality in hotels in Accra. Empathy items like ‘politeness and friendliness’ (0.758) and ‘willingness to assist guests’ (0.762) had lower loadings compared to assurance items. This EFA loading is similar to other researches where empathy items were weak and loaded on other SERVQUAL dimensions (Tuan & Linh, 2012). The research concludes empathy needs to be emphasized on the hotel industry including competence of staff, training of staff, and improvement of skills and knowledge among the staffs (Amissah, 2015).

In Kenya, research on Service Quality and Customer Satisfaction among Mobile Telephony Subscribers in Nairobi was conducted by Obambo (2013). This study explored the level of service quality and its relationship with customer satisfaction in the mobile telephony industry in Kenya and sought to determine the extent to which the service quality dimension affects the level of customer satisfaction. The population was mobile service subscribers and a sample of 402 with 100% response rate. Following the SERVQUAL model higher expectation was recorded on reliability dimension (4.7562) followed by responsiveness (4.7425) while the least expectation was obtained from the image dimension (4.5413). The research revealed there was no correlation between empathy and customer satisfaction (Obambo, 2013). In most researches conducted, the literature concludes empathy was ranked low as a factor that determines customer satisfaction.

2.8. Chapter Summary

This chapter has covered in-depth literature review of the SERVQUAL model on customer satisfaction based on the research objectives. The generalized output from the literature indicates the five dimensions affect customer satisfaction differently based on
the industry. However, all the five dimensions have an impact on customer satisfaction differently. The next chapter presents the research methodology which outlines all the steps on how data will be obtained and analyzed to answer the research objectives.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The purpose of the study was to examine the relationship between service quality and customer satisfaction of hotels in Nairobi County. This chapter presents the research design, target population, sampling design, data collection methods, research procedures and data analysis methods that will be used in this study.

3.2 Research Design

In the year 2014, Cooper and Schindler defined research design as a comprehensive plan that has a strategy of collecting data with a goal of obtaining answers to various research questions. Research design entails what the study is about, the reasons for carrying out the study, the location of the study, the sample type of data required, the possible sources of data, the time periods of the study, the sample design, data collection techniques, data analysis methods and the style of preparing the final report.

According to Sekran and Bougie (2013), they noted that there are three types of research design namely; descriptive, explanatory, and exploratory research designs. Descriptive study looks at describing problems systematically or provide information about a situation with the aim of showing what is prevalent with respect to the issue. On the one hand, Kumar (2011) says an explanatory study does not only look at descriptive observations but makes a clarification of why and how there is a relationship between variables. On the other hand, in the year 2013 Zikmund, Babin, Carr & Griffin noted that exploratory research is a study undertaken to explore an area about which little is known for feasibility or pilot study in order to assess if it is worth carrying out a full detailed investigation.

This study used descriptive research design to examine the relationship between service quality and customer satisfaction of hotels in Nairobi County. A descriptive study aims to discover or establish the existence of relationships or independence between two or more aspects of situations (Kumar, 2011). A descriptive research design is fitted for this study because an independent variable causes change in a dependent variable. Leedy and Ormond (2015) added that descriptive design is fit for this study as it establishes a relationship and association between several variables in the same population.
3.3 Population and Sampling Design

3.3.1 Population

According to Saunders, Lewis and Thornhill (2016) defined target population as a larger group from which the sample is taken and which the researcher wants to generalize results from. Similarly, in the year 2013, Zikmund, Babin, Carr, and Griffin define target population as all elements or people that a researcher would like to study. Cooper and Schindler (2014) on the other hand said that a target population comprises of all individuals, events or objects that have common characteristics and from which the researcher wants to generalize results. This study focused on guests of star rated hotels in Nairobi Kenya. According to the Kenya gazette, 13th June, 2003, vol.cv-no.62, Nairobi has seven 5-star hotels, nine 3-star hotels, five 2-star hotels and five 1-star hotels with a total bed capacity of 6200 beds as indicated on See appendix 1. Saunders, Lewis & Thornhill (2016) recommend that where there is no suitable list existing, the researcher compiled their own sampling frame to ensure that is valid and reliable.
### Table 3.1 Star Rated Hotels in Nairobi County

<table>
<thead>
<tr>
<th>No</th>
<th>Hotel Category</th>
<th>Number of Beds</th>
<th>Number of Guests with Average Occupancy of 55%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Five Star Hotels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Hotel Intercontinental</td>
<td>770</td>
<td>424</td>
</tr>
<tr>
<td>2</td>
<td>Laico Regency Hotel</td>
<td>388</td>
<td>213</td>
</tr>
<tr>
<td>3</td>
<td>Hilton Hotel</td>
<td>353</td>
<td>194</td>
</tr>
<tr>
<td>4</td>
<td>The Norfolk Hotel</td>
<td>334</td>
<td>184</td>
</tr>
<tr>
<td>5</td>
<td>Nairobi Serena</td>
<td>283</td>
<td>156</td>
</tr>
<tr>
<td>6</td>
<td>The Stanley</td>
<td>434</td>
<td>239</td>
</tr>
<tr>
<td>7</td>
<td>Safari Park Hotel</td>
<td>285</td>
<td>157</td>
</tr>
<tr>
<td>1</td>
<td>Three Star Hotels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>The Bounty Hotel</td>
<td>100</td>
<td>55</td>
</tr>
<tr>
<td>2</td>
<td>Fair View Hotel</td>
<td>163</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>Marble Arch Hotel</td>
<td>77</td>
<td>42</td>
</tr>
<tr>
<td>4</td>
<td>Landmark Hotel</td>
<td>242</td>
<td>133</td>
</tr>
<tr>
<td>5</td>
<td>Holiday Inn</td>
<td>342</td>
<td>188</td>
</tr>
<tr>
<td>6</td>
<td>Windsor Golf Course Club</td>
<td>260</td>
<td>143</td>
</tr>
<tr>
<td>7</td>
<td>Nairobi Safari Club</td>
<td>282</td>
<td>155</td>
</tr>
<tr>
<td>8</td>
<td>Utalii Hotel</td>
<td>105</td>
<td>58</td>
</tr>
<tr>
<td>9</td>
<td>Ambassador Hotel</td>
<td>190</td>
<td>105</td>
</tr>
<tr>
<td>1</td>
<td>Two Star Hotels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Panafric Hotel</td>
<td>48</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>Silver Spring Hotel</td>
<td>188</td>
<td>103</td>
</tr>
<tr>
<td>3</td>
<td>Hotel Boulevard</td>
<td>140</td>
<td>77</td>
</tr>
<tr>
<td>4</td>
<td>Six Eighty Hotel</td>
<td>680</td>
<td>374</td>
</tr>
<tr>
<td>5</td>
<td>Sports View Hotel</td>
<td>104</td>
<td>57</td>
</tr>
<tr>
<td>1</td>
<td>One Star Hotels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Fig Tree Hotel</td>
<td>60</td>
<td>33</td>
</tr>
<tr>
<td>2</td>
<td>Milimani Hotel</td>
<td>90</td>
<td>50</td>
</tr>
<tr>
<td>3</td>
<td>Hotel Southern Blue</td>
<td>112</td>
<td>62</td>
</tr>
<tr>
<td>4</td>
<td>Blue Hut Hotel</td>
<td>100</td>
<td>55</td>
</tr>
<tr>
<td>5</td>
<td>Karibu Hotels</td>
<td>72</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td><strong>TOTALS</strong></td>
<td><strong>6200 Beds</strong></td>
<td><strong>3412 Guests</strong></td>
</tr>
</tbody>
</table>

Source: Kenya gazette

### 3.3.2 Sampling Design

Cooper and Schindler (2014) noted that sampling design is a procedure used by researchers when selecting items for study sample and a method used in identifying a sample from a specific population.
3.3.2.1 Sampling Frame

Sampling frame is defined as a whole list of individuals or entities in the population whereby a probability sample is drawn and to which study findings are to be generalized (Saunders, Lewis & Thornhill, 2016). This study focused on guests from star rated hotels in Nairobi County as provided by the Kenya gazette. The 5 star rated hotel that the study focused on was Safari Park Hotel while the 3 star rated hotel was Utalii Hotel. The 2 star rated hotel focused on was Sports View Hotel while the 1 star hotel was Fig Tree Hotel.

3.3.2.2 Sampling Technique

In the year 2016, Saunders, Lewis and Thornhill noted that sampling technique provides a way in which a researcher scientifically selects the elements to be studied. They said it is a process where you generalize results by selecting representative elements from the total population. Sampling techniques can be probability or non-probability sampling (Creswell, 2014). Probability sampling is a sampling technique where every member of the population has known, non-zero probability selection, whereas in non-probability sampling, units of the sample are selected on the basis of personal judgment or convenience (Zikmund, Babin, Carr & Griffin, 2013). This study used stratified random sampling technique. According to Saunders, Lewis and Thornhill (2016), stratified random sampling is a probability sampling technique in which the population is divided into two or more relevant strata and a random sample is drawn.

Table 3.2 Strata Groups

<table>
<thead>
<tr>
<th>Strata 1</th>
<th>Strata 2</th>
<th>Strata 3</th>
<th>Strata 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Star rated hotel</td>
<td>3 Star rated hotel</td>
<td>2 Star rated hotel</td>
<td>1 Star rated hotel</td>
</tr>
<tr>
<td>Groups (strata)</td>
<td>Guests from Safari Park Hotel</td>
<td>Guests from Utalii hotel</td>
<td>Guests from Sports View Hotel</td>
</tr>
</tbody>
</table>

3.3.2.3 Sample size

The sample size is a smaller group or number of items to be selected from the target population (Creswell, 2014). The sample size of a study is of major concern to the researcher as it aims to remove bias in the selection of the sample (Kumar, 2011). According to Zikmund, Babin, Carr and Griffin (2013), you may not achieve the study objectives from a small sample size and you may incur huge costs, waste resources and
errors from a large sample size. While choosing the sample size, scientific methods need to be used. Saunders, Lewis and Thornhill (2016) argue that when the sample size is large, then there is a lower likelihood of error in generalizing the population.

Using Yamane’s formula =

\[ n = \frac{N}{1 + N (e)^2} \]

Where \( n \) = sample size

\( N \) = population

\( P = 0.05 \)

\( CI = 95\% \)

Calculating the sample size:

\[ n = \frac{N}{1 + N (e)^2} \]

\[ = 305 \]

\[ 1 + 305 (0.05)^2 \]

\[ n = 173 \]

Therefore the sample size for this study was 173.

**Table 3.3 Distribution of the Sample Size**

<table>
<thead>
<tr>
<th>Hotel</th>
<th>Population</th>
<th>Target Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safari Park Hotel</td>
<td>157</td>
<td>40</td>
<td>25.48%</td>
</tr>
<tr>
<td>Utalii Hotel</td>
<td>58</td>
<td>20</td>
<td>34.48%</td>
</tr>
<tr>
<td>Sports View Hotel</td>
<td>57</td>
<td>30</td>
<td>52.63%</td>
</tr>
<tr>
<td>Fig Tree Hotel</td>
<td>33</td>
<td>30</td>
<td>90.91%</td>
</tr>
</tbody>
</table>

**3.4 Data Collection Methods**

The study used a questionnaire which was conducted to collect data from the 173 sample size in Nairobi County. Christensen, Johnson and Turner (2014) argued that questionnaires are commonly used by researchers when collecting data because it saves
time since it is possible to collect large amount of information when there is a large population. However, the authors cautions and emphasizes that questionnaires must be kept short and that they are subject to non-response to selective items as well as reactive effects. The data will be collected using a standardized questionnaire comprising of 22 statements derived from the works of Cronin and Taylor (1992) which involved the modification of SERVQUAL. The questionnaire will be modified to include a section that was used to measure factors influencing customer satisfaction. The questionnaire is divided into various sections and aim to first capture general information about the respondents, and then to solicit specific information arising from the research objectives/questions. The questionnaire will be self-administered to the respective respondents who will be asked to indicate their response on a five level likert scale ranging from 1 to 5 where 1 is Strongly Disagree, 2 being Disagree, 3 is Neutral, 4 reflecting Agree, and 5 being Strongly Agree.

3.5 Research Procedure

3.5.1 Permission

Permission to conduct this research was granted in stages: initially by the research supervisors and the Dean, Chandaria School of Business. In compliance with the Science and Technology Act, Cap 250 of the laws of Kenya, a research permit will be obtained from the National Commission for Sciences, Technology and Innovation.

3.5.2 Pilot Study

Pilot study, according to Zikmund and Quinlan (2013) define it as a way of collecting data from respondents similar to those that will be used in the study but in small scale. The purpose of piloting is especially to test the questionnaire and any weaknesses that may exist in it. In the year 2012, Bryman posits that pilot studies are particularly crucial in self-completion questionnaires since the respondent will not be present to clear up any confusion. Further, inappropriate questions and instructions can be identified and corrected. Bryman and Bell (2011) recommend that the pilot should be not carried out on the people who might be members of the sample employed in the full study as that may affect representativeness of any subsequent sample. Instead, it is best to find a small set of respondents who are comparable to members of the population from which the samples are taken. Saunders, Lewis and Thornhill (2016) indicate that the pilot sample size should
be sufficient to include any major variations in the population that are likely to affect responses, and recommend a minimum number of 10 respondents. Once data for pilot testing is collected, it was coded and entered in SPSS to test for reliability and validity of the research instrument.

3.5.3 Reliability of the Instruments

Testing for reliability of the research instrument is paramount in research. Reliability determines if the scores from the research instrument are internally consistent, stable and whether the test administration and scoring was consistent (Creswell, 2014). On the other hand, Zikmund, Babin, Carr and Griffin (2013) argue that pre-testing the research instruments reduces biases that may be caused by measurement errors. Zohrabi (2013) extensively categorizes reliability into two forms, that is, external and internal reliability. In the external reliability, focus is on the replication of the study. The internal reliability conversely constitutes the consistency in collection, analysis and interpretation of the data and it can be found when an independent researcher comes to similar findings as the original researcher after re-analyzing the information.

In the year 2014, Warren posits that Cronbach’s alpha is the most commonly used coefficient for approximation of reliability of test scores for structured questionnaires and for calculating internal consistency. According to Saunder, Lewis and Thornhill (2016), internal consistency involves correlating the responses to each question to other questions in the questionnaire and measuring the consistency of responses. Cronbach’s alpha values range between 0 and 1 where a value of 0 indicates reliability, while 1 indicates high reliability (Warren, 2014). However, the threshold for interpretation of reliability of the research instrument is Cronbach’s alpha value of 0.7. Thus Cronbach’s alpha values less than 0.7 indicate that the research instrument is reliable (Tavakol & Dennick, 2011).

3.5.4 Validity of the Instrument

According to Cooper and Schindler (2014) research validity is where results reflect the differences among the participants gotten from the population in a correct and truthful manner. Christensen, Burke and Turner (2014) say there are four major types of validity: Construct Validity is the extent to which a construct is adequately represented by the measures used; internal Validity is the correctness of inferences made about cause and effect in connection with independent and dependent variables; and external validity, which is the degree to which results can be generalized to other people, settings, and time.
According to Creswell (2013), the validity of a research instrument is improved by use of a pilot study.

3.5.5 Administration of the Instrument

This study made use of self-administered questionnaires. According to Bryman and Bell (2011), with a self-administered questionnaire, respondents answer questions by completing the questionnaire themselves. As there is no interviewer in the administration of the self-completion questionnaire, the research instrument has to be especially easy to follow and its questions have to be particularly easy to answer (Saunders, Lewis & Thornhill, 2016). In the year 2011, Bryman and Bell describe several advantages to using self-administered questionnaires over structured interviews: They are quicker to administer, there is absence of interviewer effects; no interviewer variability; and convenience for respondents. However, self-administered questionnaires have some shortcomings as well and these include: no one present to prompt if needed; cannot probe; have to ensure questions are silent to respondents; difficulties of asking questions in a different way; respondents can read all the questions before they start answering and this means they are not independent of each other; cannot ask a lot of questions; there is a risk of missing data and also poor response rates (Bryman & Bell, 2011; Cooper & Schindler, 2014).

3.5.6 Ethical Considerations

Ethics in research has to do with the researcher behaving an appropriate manner in relation to the right of those who become the subject of a research project. For there to be an advancement in knowledge and finding solutions to problems, it is often necessary to impinge on the rights of the target individuals and giving considerations to such ethical issues (Saunders Lewis & Thornhill, 2016; Zikmund, Carr & Griffin, 2013). Christensen, Burke and Turner (2014) stated that research ethics are a set of guidelines to assist the researcher in conducting ethical research and comprise three areas: relationship between society and science; professional issues; and treatment of research participants. Of particular concern in business research are professional ethics and misconduct. Research misconduct includes ‘fabrication, falsification or plagiarism in proposing, performing or reviewing research (Christensen Burke & Turner 2014).
3.6 Data Analysis Method

3.6.1 Data Preparation

The data collected was cleaned up of errors to remove inconsistencies, incompleteness, misclassification and gaps in the information obtained from the respondents (Kumar, 2011). Missing data is a common problem with questionnaires and can come in several forms: Invalid data is data with entry errors; Incomplete data is missing data needed to make a decision; inconsistent data could result from mistakes of aligning databases; while incorrect data occurs when data is falsified (Cooper & Schindler, 2014).

3.6.2 Descriptive Statistics

According to Cooper and Schindler (2014) and Peck and Devore (2012), descriptive statistics are measurements that show the center, spread, and shape of distributions and are helpful as preliminary tools for data description. They help to describe the basic features of the data, to organize and summarize it in a simple way. Descriptive statistics make it possible to discern patterns that are not clearly apparent in the raw data through use of graphs, pie charts, and tables for ease of visual explanation. Saunders Lewis and Thornhill (2016) say that descriptive statistics include measurement of central tendency and dispersion.

There are various measures of central tendency and the choice of which to use is based on certain criteria. According to Agarwal (2013), a measure of central tendency is good or satisfactory if it possess the following characteristics: It should be based on all observations; it should not be affected by extreme values; it should be close to the maximum number observed values as possible; it should have a definite value; it should be subjected to complicated calculations; it should be capable of further algebraic formulation; and it should be stable with regard to sampling.

3.6.3 Inferential Statistics

In the year 2013, Zikmund, Babin, Carr and Griffin stated that inferential statistics refer to statistical methods used to make inferences or to project from a sample to an entire population. Statistical analysis can be univariate when testing objective involving only one variable, bivariate when involving two variables, or multivariate when testing objectives and models involving three or more variables. There are several inferential tests including; Factor Analysis, Correlation, Analysis of Variance, Regression, Anova, and Structural Equation Modeling.
3.7 Chapter Summary

This chapter presents the introduction to research methodology which gives general information what it entails. It has provided research design where it was defined, the three types of research design mentioned and defined from different authors and also a decision of which research design of the study will be used was mentioned. The target population was also defined and talked of in depth. This chapter has also covered the sampling design where it was defined and sampling frame, sampling technique and sample size were explained and sample size formula derived. It has provided the data collection methods in which this study will use questionnaires. This chapter looked at the research procedure where it talks about permission, pilot study, reliability of the instruments, validity of the instruments, administration of the instrument and ethical considerations. Data analysis method was also explained where data preparation has been explained, descriptive statistics and inferential statistics also explained. The next chapter will present findings of the research study.
CHAPTER FOUR

4.0. RESULTS AND FINDINGS

4.1 Introduction

The purpose of this study was to examine the relationship between service quality and customer satisfaction in hotels in Nairobi County. This chapter presents the data analysis results, presentation and interpretation.

4.2 Response Rate

Table 4.1 shows the response rate. Out of 173 questionnaires, 121 were returned making the response rate be 70% which was above the expected response rate of 50-75% hence making it sufficient to perform data analysis.

Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>121</td>
<td>70</td>
</tr>
<tr>
<td>Not Responded</td>
<td>52</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>173</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3 Demographic Characteristics

4.3.1 Gender of the Respondents

Respondents were requested to indicate their gender and as shown in figure 4.1, 55% of the respondents were male while 45% were female hence majority of the sample participated in the study were male.

Figure 4.1 Gender of Respondents
4.3.2 Age of the Respondents

The results presented in table 4.2 indicates that 12% belonged to the 18-25 age bracket while 45% fell in the 26-35 age brackets. 30% were in the 36-45 age bracket, 5% were in the 46-55 age bracket and 7% of the respondents were above 55 years of age.

![Figure 4.2 Age of Respondent](image)

4.3.3 Occupation of the Respondent

Figure 4.3 indicates the occupation of the respondents. Majority of the respondents (48%) were employed followed by 35% who indicated that they were self-employed. 9% were students and 8% were professionals.

![Figure 4.3 Occupation of the Respondent](image)

4.3.4 Marital Status

The study sought to find out the marital status of the respondents and figure 4.4 presents the results. Majority of the respondents (79%) were married while 21% were single.
4.3.5 Family Category

Respondents were requested to indicate the type of family they belonged to and figure 4.5 shows that most of the respondents came from a nuclear family while 25% were from a joint family.

![Figure 4.5 Type of the Family](image)

4.3.6 Size of the Family

The study sought to find out the size of the respondent’s family, figure 4.6 presents the findings. From the findings, 23% of the respondent’s families consisted of 3 members, 55% families had 3-6 members and 21% of the families had more than 9 members.

![Figure 4.6 Size of the Family](image)
4.3.6 Vacations

The respondents were asked to indicate their rate of travelling on vacations. From the findings, majority of the respondents travelled for vacation annually, 29% travelled quarterly and 2% travelled monthly.

![Vacations Chart]

Figure 4.7 Vacations

4.3.7 Purpose of Visit

The respondents were asked to indicate the visit purpose and from the results, majority of them travelled for leisure, 12% travelled for business, 10% travelled for meetings and 2% travelled as airline crew.

![Visit Purpose Chart]

Figure 4.8 Visit Purpose

4.3.8 Monthly Income

The results are presented in figure 4.6 show the monthly income of the respondents. From the findings, majority 61% earned an income of above Kes 50000, 13% earned between Kes 41000 to 50000, 7% earned between Kes 31000 to 40000, 11% earned between Kes 21000 to 30000, 7% earned between Kes 11000 to 20000 and 2% had an income of below 10000.
4.4. Descriptive Statistics of Variables

4.4.1 Tangibility

The study sought to find out the respondents’ opinion on indicators measuring tangibility. The results indicated that 69% of the respondents agreed that the hotel they visited was in a convenient location. 68% were in agreement that the hotel was equipped with comfortable facilities and equipment. 72% of the respondents felt that the decoration was appealing. 76% agreed that the staff were neatly dressed. 77% of the respondents agreed that the brochures were visually presented. 76% of the respondents were in agreement that the environment was conducive to relax.

Table 4.2 Measures of Tangibility

<table>
<thead>
<tr>
<th>Code</th>
<th>TANGIBILITY</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1</td>
<td>Is the hotel in a convenient location?</td>
<td>2</td>
<td>8</td>
<td>21</td>
<td>61</td>
<td>8</td>
</tr>
<tr>
<td>T2</td>
<td>Does the hotel have comfortable facilities and equipment?</td>
<td>4</td>
<td>10</td>
<td>16</td>
<td>51</td>
<td>19</td>
</tr>
<tr>
<td>T3</td>
<td>Is the decoration appealing?</td>
<td>1</td>
<td>13</td>
<td>14</td>
<td>48</td>
<td>24</td>
</tr>
<tr>
<td>T4</td>
<td>Are the staffs neat in appearance?</td>
<td>2</td>
<td>12</td>
<td>10</td>
<td>52</td>
<td>24</td>
</tr>
<tr>
<td>T5</td>
<td>Are the brochures visually presented?</td>
<td>2</td>
<td>6</td>
<td>15</td>
<td>57</td>
<td>20</td>
</tr>
<tr>
<td>T6</td>
<td>Is the environment appropriate for taking a rest?</td>
<td>3</td>
<td>8</td>
<td>12</td>
<td>45</td>
<td>31</td>
</tr>
</tbody>
</table>

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree
4.4.2 Reliability

The study sought to find out the respondents opinion on indicators measuring reliability of service quality, the findings are as shown in table 4.3. The results indicate that 53% of the respondents agreed that the employees perform services accurately. 44% were of the opinion that the employees provide the services on time. 54% of the respondents agreed that the problems encountered are solved sincerely. 70% agreed that the records are kept in a confidential way.

Table 4.3 Measures of Reliability

<table>
<thead>
<tr>
<th>Code</th>
<th>RELIABILITY</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Do the employees perform services accurately?</td>
<td>16</td>
<td>14</td>
<td>17</td>
<td>44</td>
<td>9</td>
</tr>
<tr>
<td>R2</td>
<td>Do the employees provide services on time?</td>
<td>13</td>
<td>21</td>
<td>21</td>
<td>35</td>
<td>9</td>
</tr>
<tr>
<td>R3</td>
<td>Are the problems solved sincerely?</td>
<td>9</td>
<td>21</td>
<td>15</td>
<td>45</td>
<td>9</td>
</tr>
<tr>
<td>R4</td>
<td>Do they keep records confidential?</td>
<td>11</td>
<td>7</td>
<td>12</td>
<td>48</td>
<td>22</td>
</tr>
</tbody>
</table>

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree

4.4.3 Responsiveness

The study sought to find out the respondents opinion of indicators measuring the responsiveness of service quality, the findings are as presented in table 4.5. The results indicated that 49% of the respondents agreed that the employees willingly serves the guests. 59% agreed that the employees who are available responds to the guests' requests. 46 % agreed that flexibility exists to support guests' demand.

Table 4.4 Measures of Responsiveness

<table>
<thead>
<tr>
<th>Code</th>
<th>RESPONSIVENESS</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RE1</td>
<td>Are the employees willing to serve guests?</td>
<td>5</td>
<td>27</td>
<td>19</td>
<td>43</td>
<td>6</td>
</tr>
<tr>
<td>RE2</td>
<td>Are the employees available to respond to guests’ requests?</td>
<td>17</td>
<td>15</td>
<td>9</td>
<td>51</td>
<td>8</td>
</tr>
<tr>
<td>RE3</td>
<td>Is there flexibility according to guests' demand?</td>
<td>14</td>
<td>15</td>
<td>25</td>
<td>40</td>
<td>6</td>
</tr>
</tbody>
</table>

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree
4.4.4 Assurance

The study sought to find out the respondents opinion on indicators measuring assurance of service quality, the findings are as shown in table 4.5. The results indicated that 67% of the respondents agreed that the guest felt safe and secure during their stay at the hotel. 79% of the respondents agreed that the hotel staff were knowledgeable and had the ability to provide information about the surrounding areas to the guests. 66% were in agreement that the staff possessed occupation skills. 63% agreed that the staff were courteous and polite.

Table 4.5 Measures of Assurance

<table>
<thead>
<tr>
<th>Code</th>
<th>ASSURANCE</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Do the guests feel safe and secure in their stay?</td>
<td>2</td>
<td>15</td>
<td>16</td>
<td>44</td>
<td>23</td>
</tr>
<tr>
<td>A2</td>
<td>Do the staffs have knowledge to provide guests information about surroundings areas? (Shopping, museum, place of interest...)</td>
<td>5</td>
<td>10</td>
<td>6</td>
<td>55</td>
<td>24</td>
</tr>
<tr>
<td>A3</td>
<td>Do the staffs have occupational skills?</td>
<td>10</td>
<td>16</td>
<td>8</td>
<td>54</td>
<td>12</td>
</tr>
<tr>
<td>A4</td>
<td>Are the staffs courteous and polite?</td>
<td>9</td>
<td>20</td>
<td>7</td>
<td>50</td>
<td>13</td>
</tr>
</tbody>
</table>

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree

4.4.5 Empathy

The study sought to find out the respondents opinion on indicators measuring empathy of service quality, the findings are as shown in table 4.6. The results indicated that 56% of the respondents agreed that the guests were provided with individual attention. 67% agreed that the special needs of the guests were well understood by the staff and the managers of the hotels. 55% of the respondents were of the opinion that the staff had a positive attitude when they received feedback from the guests. 71% agreed that the hotel menu was healthful.
Table 4.6 Consumer Behavior

<table>
<thead>
<tr>
<th>code</th>
<th>EMPATHY</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Are the guests provided with individual attention?</td>
<td>15</td>
<td>18</td>
<td>11</td>
<td>37</td>
<td>19</td>
</tr>
<tr>
<td>E2</td>
<td>Do the staffs and managers understand guest specific needs?</td>
<td>12</td>
<td>12</td>
<td>10</td>
<td>45</td>
<td>22</td>
</tr>
<tr>
<td>E3</td>
<td>Do the staffs have a positive attitude when receiving feedback from guests?</td>
<td>13</td>
<td>16</td>
<td>16</td>
<td>43</td>
<td>12</td>
</tr>
<tr>
<td>E4</td>
<td>Does the hotel have a healthful menu?</td>
<td>8</td>
<td>10</td>
<td>11</td>
<td>54</td>
<td>17</td>
</tr>
</tbody>
</table>

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D-Disagree, SD-Strongly disagree

4.4.6 Customer Satisfaction

The results indicated in table 4.7 show that 80% of the respondents were satisfied with the communication material. 60% claimed that they were satisfied by the workers willingness to help. 75% of the respondents were satisfied with the appearance of employees. 54% of the employees were satisfied with the prompt attention they get upon request. 60% indicated that they were satisfied with the courtesy seen on employees. 42% were satisfied with the service consistency. 56% were satisfied with the competency of employees. 66% were satisfied with the convenient operating hours. 62% were satisfied with the behavior of employees. 71% were satisfied with the equipment’s available at the hotel. 71% of the respondents were satisfied with the assurance, safety and security guaranteed by the hotel. 62% of the respondents were satisfied with the concern given towards guest interest. 76% were satisfied with the accuracy of the records.
<table>
<thead>
<tr>
<th>code</th>
<th>CUSTOMER SATISFACTION</th>
<th>HDS (%)</th>
<th>DS (%)</th>
<th>N (%)</th>
<th>S (%)</th>
<th>HS (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS1</td>
<td>Communication materials</td>
<td>1</td>
<td>5</td>
<td>15</td>
<td>35</td>
<td>45</td>
</tr>
<tr>
<td>CS2</td>
<td>Willingness to help</td>
<td>5</td>
<td>27</td>
<td>7</td>
<td>37</td>
<td>23</td>
</tr>
<tr>
<td>CS3</td>
<td>Employee appearance</td>
<td>8</td>
<td>9</td>
<td>7</td>
<td>56</td>
<td>19</td>
</tr>
<tr>
<td>CS4</td>
<td>Prompt attention to request</td>
<td>17</td>
<td>17</td>
<td>12</td>
<td>36</td>
<td>18</td>
</tr>
<tr>
<td>CS5</td>
<td>Courtesy of employees</td>
<td>14</td>
<td>17</td>
<td>8</td>
<td>45</td>
<td>15</td>
</tr>
<tr>
<td>CS6</td>
<td>Consistency of service</td>
<td>18</td>
<td>21</td>
<td>19</td>
<td>31</td>
<td>11</td>
</tr>
<tr>
<td>CS7</td>
<td>Competence of employees</td>
<td>12</td>
<td>19</td>
<td>14</td>
<td>39</td>
<td>17</td>
</tr>
<tr>
<td>CS8</td>
<td>Convenient operating hours</td>
<td>12</td>
<td>12</td>
<td>9</td>
<td>43</td>
<td>23</td>
</tr>
<tr>
<td>CS9</td>
<td>Behavior of employees</td>
<td>7</td>
<td>22</td>
<td>8</td>
<td>49</td>
<td>13</td>
</tr>
<tr>
<td>CS10</td>
<td>Equipment’s</td>
<td>5</td>
<td>10</td>
<td>14</td>
<td>45</td>
<td>26</td>
</tr>
<tr>
<td>CS11</td>
<td>Assurance, Safety, and Security</td>
<td>6</td>
<td>6</td>
<td>17</td>
<td>46</td>
<td>25</td>
</tr>
<tr>
<td>CS12</td>
<td>Concern towards guest interest</td>
<td>11</td>
<td>17</td>
<td>10</td>
<td>42</td>
<td>20</td>
</tr>
<tr>
<td>CS13</td>
<td>Accuracy records</td>
<td>3</td>
<td>8</td>
<td>12</td>
<td>50</td>
<td>26</td>
</tr>
</tbody>
</table>

KEY: Highly Dissatisfied (HDS), Dissatisfied (DS), Neutral (N), Satisfied (S), Highly Satisfied (HS)

### 4.4 Inferential Statistics

The inferential statistics were computed to test the objectives of the study. STATA version 13.0 was used to generate the results. The analysis started with estimating the measurement model then followed by estimating the structural model to identify the relationships.

#### 4.4.1 Confirmatory Measurement Model

The measurement model involved the estimation of factor analysis both exploratory and confirmatory factor analysis. The model was used to test the reliability and the validity of the variables. The first step involved exploratory factor analysis (EFA) to identify the underlying data pattern afterwards the confirmatory factor analysis was done to validate the model.
4.4.1.1 Exploratory Factor Analysis

Exploratory factor analysis was used in the study and data was first run to assess its factorability using these indicators (Kaiser Meyer-Olin Measure of Sampling Adequacy, Bartlett’s Test of Sphericity and communalities). KMO Measures of Sampling Adequacy of manifest variables was above the threshold of 0.6 and p-values for Bartlett’s test of Sphericity was significant (below 0.05) as indicated in table 4.8. From the results shown below, six factors were extracted contributing a combined proportion of 57.2%. The factor loadings were above 0.5 and hence indicated that convergent validity for the constructs was achieved. In this study, the pattern matrix coefficients ranged from 0.519 to 0.910 thus showing variables are almost perfectly related to a factor pattern.
<table>
<thead>
<tr>
<th>Item</th>
<th>customer satisfaction</th>
<th>Empathy</th>
<th>Tangibility</th>
<th>Assurance</th>
<th>Reliability</th>
<th>Responsiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3</td>
<td></td>
<td></td>
<td>0.865</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T4</td>
<td></td>
<td></td>
<td>0.728</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T5</td>
<td></td>
<td></td>
<td>0.753</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T6</td>
<td></td>
<td></td>
<td>0.740</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.643</td>
<td></td>
</tr>
<tr>
<td>R2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.519</td>
<td></td>
</tr>
<tr>
<td>R3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.654</td>
<td></td>
</tr>
<tr>
<td>R4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.551</td>
<td></td>
</tr>
<tr>
<td>RE1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.511</td>
</tr>
<tr>
<td>RE2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.548</td>
</tr>
<tr>
<td>RE3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.694</td>
</tr>
<tr>
<td>A1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.566</td>
</tr>
<tr>
<td>A3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.713</td>
</tr>
<tr>
<td>A4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.733</td>
</tr>
<tr>
<td>E1</td>
<td></td>
<td></td>
<td>0.707</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E2</td>
<td></td>
<td></td>
<td>0.790</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E3</td>
<td></td>
<td></td>
<td>0.885</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E4</td>
<td></td>
<td></td>
<td>0.760</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS1</td>
<td></td>
<td></td>
<td>0.574</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS2</td>
<td></td>
<td></td>
<td>0.840</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS4</td>
<td></td>
<td></td>
<td>0.868</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS5</td>
<td></td>
<td></td>
<td>0.910</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS6</td>
<td></td>
<td></td>
<td>0.827</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS7</td>
<td></td>
<td></td>
<td>0.704</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS8</td>
<td></td>
<td></td>
<td>0.633</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CS12</td>
<td></td>
<td></td>
<td>0.840</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variance</td>
<td></td>
<td>10.073</td>
<td>7.5112</td>
<td>7.3188</td>
<td>5.15312</td>
<td>3.3482</td>
</tr>
<tr>
<td>Proportion</td>
<td></td>
<td>0.572</td>
<td>0.4268</td>
<td>0.4158</td>
<td>0.2928</td>
<td>0.1902</td>
</tr>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</td>
<td>=0.919</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bartlett test of sphericity</td>
<td>=2567.44</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>df</td>
<td>3</td>
<td>p&lt;0.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.4.1.2 Confirmatory Factor Analysis.

Confirmatory factor analysis (CFA) was then generated by STATA version 13.0 software to assess the reliability and validity of the measures before using them in the research model. The model is presented in figure 4.7.

![Figure 4.10. Confirmatory Factor Analysis for study variables](image)

4.4.1.2.1 Model Fit Measurement Model

The CFA model shown in table 4.9 indicated a RMSEA value is 0.065, that the CFI value is 0.971 and that the TLI value is 0.958. The CD value of 0.870 which provides information similar to the R-squared value you get using OLS. The model goodness of fit statistics suggested that model fit the data adequately.
Table 4.9 Model Fits for Measurement Model

<table>
<thead>
<tr>
<th>Fit statistic</th>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Likelihood ratio</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>chi2_ms(294)</td>
<td>623.027</td>
<td>model vs. saturated</td>
</tr>
<tr>
<td>p &gt; chi2</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>chi2_bs(325)</td>
<td>2801.413</td>
<td>baseline vs. saturated</td>
</tr>
<tr>
<td>p &gt; chi2</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td><strong>Population error</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.065</td>
<td>Root mean squared error of approximation</td>
</tr>
<tr>
<td>Pclose</td>
<td>0.141</td>
<td>Probability RMSEA &gt;= 0.05</td>
</tr>
<tr>
<td><strong>Baseline comparison</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFI</td>
<td>0.971</td>
<td>Comparative fit index</td>
</tr>
<tr>
<td>TLI</td>
<td>0.958</td>
<td>Tucker-Lewis index</td>
</tr>
<tr>
<td><strong>Size of residuals</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRMR</td>
<td>0.032</td>
<td>Standardized root mean squared residual</td>
</tr>
<tr>
<td>CD</td>
<td>0.870</td>
<td>Coefficient of determination</td>
</tr>
</tbody>
</table>

4.4.1.3 Normality Test

The normality of the variables were tested using skewness and kurtosis statistics. All the values of the skewness and kurtosis were in the range of +1 to -1 and therefore the variables exhibited normality as displayed in table 4.10

Table 4.10 Normality Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Pr(Skewness)</th>
<th>Pr(Kurtosis)</th>
<th>adj chi2(2)</th>
<th>Prob&gt;chi2</th>
</tr>
</thead>
<tbody>
<tr>
<td>customer satisfaction</td>
<td>121</td>
<td>0.0062</td>
<td>0.0000</td>
<td>46.55</td>
<td>0.0000</td>
</tr>
<tr>
<td>Empathy</td>
<td>121</td>
<td>0.0003</td>
<td>0.7188</td>
<td>11.19</td>
<td>0.0037</td>
</tr>
<tr>
<td>Tangibility</td>
<td>121</td>
<td>0.0000</td>
<td>0.0589</td>
<td>18.47</td>
<td>0.0001</td>
</tr>
<tr>
<td>Assurance</td>
<td>121</td>
<td>0.0000</td>
<td>0.2816</td>
<td>15.75</td>
<td>0.0004</td>
</tr>
<tr>
<td>Reliability</td>
<td>121</td>
<td>0.0015</td>
<td>0.7481</td>
<td>8.98</td>
<td>0.0112</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>121</td>
<td>0.4329</td>
<td>0.7583</td>
<td>0.72</td>
<td>0.6975</td>
</tr>
</tbody>
</table>
4.4.1.4 Construct Reliability and Validity

Construct reliability was assessed by computing the composite reliability and the Cronbach’s alpha of the constructs. The Cronbach alphas were all above the 0.6 threshold as specified for SEM analysis. Composite reliability of reflective items were all above the acceptable 0.7 threshold which means all the variables in the study exhibited construct reliability as indicated in table 4.11. Convergent validity was assessed using average variance extracted (AVE). AVE of all constructs were above the 0.5 threshold indicating that the latent constructs account for at least fifty percent of the variance in the items. This indicates that the measurement scales exhibited adequate convergent validity. Discriminant validity was achieved as the values of maximum shared variance (MSV) were less than the values of AVE.

Table 4.11 Validity and Reliability of Constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of items</th>
<th>AVE (Average variance extracted)</th>
<th>MSV (Maximum Shared variance)</th>
<th>Composite reliability</th>
<th>Cronbach's Alpha &gt; 0.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>customer satisfaction</td>
<td>8</td>
<td>0.593</td>
<td>0.312</td>
<td>0.951</td>
<td>0.9593</td>
</tr>
<tr>
<td>Empathy</td>
<td>4</td>
<td>0.584</td>
<td>0.241</td>
<td>0.914</td>
<td>0.9351</td>
</tr>
<tr>
<td>Tangibility</td>
<td>4</td>
<td>0.648</td>
<td>0.378</td>
<td>0.904</td>
<td>0.9248</td>
</tr>
<tr>
<td>Assurance</td>
<td>3</td>
<td>0.723</td>
<td>0.145</td>
<td>0.724</td>
<td>0.7521</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>3</td>
<td>0.701</td>
<td>0.400</td>
<td>0.711</td>
<td>0.7161</td>
</tr>
<tr>
<td>Reliability</td>
<td>4</td>
<td>0.712</td>
<td>0.314</td>
<td>0.763</td>
<td>0.7582</td>
</tr>
</tbody>
</table>

4.4.1.5 Correlation of the Constructs

Table 4.12 presents the correlation coefficients between variables. Empathy was found to be positive and significant related to customer satisfaction ($r=0.6315^*$, $p<0.05$). Tangibility was found to be positive and significant related to customer satisfaction ($r=0.6419^*$, $p<0.05$). Assurance was found to be positive and significant related to customer satisfaction ($r=0.6412^*$, $p<0.05$). Reliability was found to be positive and significant related to customer satisfaction ($r=0.4466^*$, $p<0.05$). Responsiveness was insignificant related to customer satisfaction.
Table 4.12  Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>customer satisfaction</th>
<th>Empathy</th>
<th>Tangibility</th>
<th>Assurance</th>
<th>Reliability</th>
<th>Responsiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>customer satisfaction</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empathy</td>
<td>0.6315*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangibility</td>
<td>0.6419*</td>
<td>0.5810*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assurance</td>
<td>0.6412*</td>
<td>0.4818*</td>
<td>0.4390*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliability</td>
<td>0.4466*</td>
<td>0.2333</td>
<td>0.2051</td>
<td>0.3909*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Responsiveness</td>
<td>0.1522</td>
<td>0.1902</td>
<td>-0.1183</td>
<td>0.1394</td>
<td>0.4023*</td>
<td>1</td>
</tr>
</tbody>
</table>

*significant at 5%

4.4.2 Structural Model Estimation

The structural model was constructed to estimate the relationships between independent and dependent variables.

Figure 4.11: Structural Model for Study Variables
4.4.2.1 Model Fits for the Structural Model

The CFA model shown in table 4.13 indicated a RMSEA value is 0.068, that the CFI value is 0.964 and that the TLI value is 0.959. The CD value of 0.891 which provides information similar to the R-squared value you get using OLS (ordinary least squares). The model goodness of fit statistics suggested that model fit the data adequately.

Table 4.13 Model fits for Structural Model

<table>
<thead>
<tr>
<th>Fit statistic</th>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Likelihood ratio</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>chi2_ms(294)</td>
<td>633.027</td>
<td>model vs. saturated</td>
</tr>
<tr>
<td>p &gt; chi2</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>chi2_bs(325)</td>
<td>2811.409</td>
<td>baseline vs. saturated</td>
</tr>
<tr>
<td>p &gt; chi2</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td><strong>Population error</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.068</td>
<td>Root mean squared error of approximation</td>
</tr>
<tr>
<td>Pclose</td>
<td>0.123</td>
<td>Probability RMSEA &gt;= 0.05</td>
</tr>
<tr>
<td><strong>Baseline comparison</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFI</td>
<td>0.964</td>
<td>Comparative fit index</td>
</tr>
<tr>
<td>TLI</td>
<td>0.959</td>
<td>Tucker-Lewis index</td>
</tr>
<tr>
<td><strong>Size of residuals</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SRMR</td>
<td>0.028</td>
<td>Standardized root mean squared residual</td>
</tr>
<tr>
<td>CD</td>
<td>0.891</td>
<td>Coefficient of determination</td>
</tr>
</tbody>
</table>

4.4.2.2 Model Predictive Power

The statistic (R^2) was used to determine the quality of the structural model. This statistic indicated the variance in the Customer Satisfaction that is explained by the combined effect of tangibility, reliability, responsiveness, assurance and empathy. The R^2 amounted to 0.89 indicating that tangibility, reliability, responsiveness, assurance and empathy accounted 89% of the variance in the Customer Satisfaction.

4.4.2.3 Influence of Tangibility on Customer Satisfaction

From the results, tangibility was positive and has a statistically significant relationship with customer satisfaction. The beta coefficient was positive with a significance of 0.05
level (β=0.329, Z-value =5.17 p<0.05) as indicated in table 4.14 and figure 4.8. Therefore, the positive relationship means if Tangibility increases by 1% then Customer Satisfaction of the respondents will increase by a percentage of 32.9.

4.4.2.4 Influence of Reliability on Customer Satisfaction

Reliability was positive and was statistically significant with a beta coefficient that was positive and significant at a level of 0.05 (β=0.249, Z-value =2.54 p<0.05) as shown in table 4.14 and figure 4.8. This then means that there is a positive relationship where an increase in Reliability increases by 1% results to an increase of 24.9% in Customer Satisfaction of the respondents.

4.4.2.5 Influence of Responsiveness on Customer Satisfaction

There was no statistical significance relationship between Responsiveness and Customer Satisfaction.

4.4.2.6 Influence of Assurance on Customer Satisfaction

There was a positive and statistically significant relationship between assurance and Customer Satisfaction. From the results, the beta coefficient was positive and significant at the 0.05 level (β=0.216, Z-value =4.36 p<0.05) as indicated in table 4.14 and figure 4.8. Hence, an increase in assurance by 1% leads to an increase in Customer Satisfaction by 21.6%.

4.4.2.7 Influence of Empathy on Customer Satisfaction

The results from the respondents indicated a positive and statistically significant relationship with Customer Satisfaction. The beta coefficient was positive and significant at the 0.05 level (β=0.244, Z-value =2.84 p<0.05). If there is an increase in Empathy by 1% then Customer Satisfaction will increase by 24.4%.
Table 4.14 Path Coefficients

| Structural path       | Coef. | Std. Err. | Z value | P>|z| | [95% Conf. Interval] |
|-----------------------|-------|-----------|---------|-----------|----------------------|
| Customer Satisfaction <- Tangibility | 0.329 | 0.064 | 5.17 | 0.000 | .204 - .454 |
| Customer Satisfaction <- Reliability | 0.249 | 0.098 | 2.54 | 0.011 | .056 - .441 |
| Customer Satisfaction <- Responsiveness | 0.053 | 0.075 | 0.7 | 0.483 | -.095 - .201 |
| Customer Satisfaction <- Assurance | 0.244 | 0.086 | 2.84 | 0.005 | .076 - .413 |
| Customer Satisfaction <- Empathy | 0.216 | 0.049 | 4.36 | 0.000 | .119 - .312 |

4.5. Chapter Summary

The study results presented and discussed in this chapter reveals tangibility is an important factor that accounts for more than half of customer satisfaction in hotels. On objective two, reliability is an important factor that accounts for a quota of customer satisfaction in hotels. On objective three, responsiveness is not an important factor that determines service quality on customer satisfaction in hotels. On objective four, assurance is an important factor that accounts for quota of customer satisfaction in hotels. Lastly, tangibility is an important factor that accounts for near half of customer satisfaction in hotels. Chapter five presents discussions, conclusions and recommendations.
CHAPTER FIVE

5.0 SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS.

5.1 Introduction

This chapter presents the following chronologically: summary of the study, discussion of the result of findings, the conclusion and recommendations. Discussion of the result is based on literature review, the conclusion is based on each of the research objectives and recommendation is based on future studies and research findings recommendation.

5.2 Summary

The general objective of the study was to examine the relationship between service quality and customer satisfaction in hotels in Nairobi County. The five key specific objectives based on the SERVQUAL model are: To establish the tangibility of service quality on customer satisfaction in hotels, to determine the reliability of service quality on customer satisfaction in hotels, to find out the responsiveness of service quality on customer satisfaction in hotels, to establish the assurance of service quality on customer satisfaction in hotels and lastly to determine the empathy of service quality on customer satisfaction in hotels. This research is significant to a number of persons; the directors of the hotels and marketing managers on how service quality affects customer satisfaction. Employees on areas of improvement relating to service quality. Kenya tourism board on policy formulation, and lastly researchers and students benefit on findings of the research as reference and also determine areas of further research.

This study used descriptive research design to examine the relationship between service quality and customer satisfaction of hotels in Nairobi County. This was the best research design as it discover or establish the existence of relationships or independence between two or more aspects of situations; service quality and customer satisfaction in hotels located in Nairobi county. The population of study was all hotels in Nairobi: seven 5-star hotels, nine 3-star hotels, five 2-star hotels and five 1-star hotels with a total bed capacity of 6200 beds. On the sampling technique, the study employed stratified random sampling technique where the hotels were stratified based on their stars and from each strata, random sample was drawn. Sample size of 173 respondents were involved in the study based on Yamane sample size formulae from population of 305 people. Questionnaire was used as the main data collection tool while SEM was used to answer the objectives of study.
The EFA shows the KMO measure of Sampling Adequacy measure was .919 which shows the sample was adequate for factor (values closer to 1 are better). Bartlett’s test of Sphericity show a Chi-Square of 2567.44 with associated significant P-value of 0.000<0.05 which explains a combined proportion of 57.2% factors extracted. On the CFA, the model goodness of fit statistics suggested that model fit the data adequately; RMSEA value is 0.065, that the CFI value is 0.971 and that the TLI value is 0.958. The CD value of 0.870 which provides information similar to the R-squared value you get using OLS. The rest of the results are presented based on each objective as follow.

The descriptive findings of objective one on tangibility the results indicated that 69% of the respondents agreed that the hotel they visited was in a convenient location, 68% were in agreement that the hotel was equipped with comfortable facilities and equipment’s, 72% of the respondents felt that the decoration was appealing. 76% agreed that the staff were neatly dressed. 77% of the respondents agreed that the brochures were visually presented. 76% of the respondents were in agreement that the environment was conducive to relax. On the correlation tangibility was found to be positive and significant related to customer satisfaction (r=0.6419*, p<0.05). From the SEM output, tangibility had a positive and statistically significant relationship with Customer Satisfaction with a beta coefficient that was positive and significant at the 0.05 level (β=0.329, Z-value =5.17 p<0.05). Therefore, this means that if Tangibility increases by 1 then Customer Satisfaction of the respondents will increase by 0.329.

For objective two on reliability, results indicate that 53% of the respondents agreed that the employees perform services accurately. 44% were of the opinion that the employees provide the services on time. 54% of the respondents agreed that the problems encountered are solved sincerely. 70% agreed that the records are kept in a confidential way. On the correlation, Reliability was found to be positive and significant related to customer satisfaction (r=0.4466*, p<0.05). The SEM output indicates that Reliability has a positive and statistically significant relationship with Customer Satisfaction making the beta coefficient was positive and significant at the 0.05 level (β=0.249, Z-value =2.54 p<0.05). This means that if Reliability increases by 1, Customer Satisfaction of the respondents will increase by 0.249.

On objective three, responsiveness descriptive results indicated that 49% of the respondents agreed that the employees willingly serve the guests. 59% agreed that the employees who are available responds to the guests' requests. 46% agreed that flexibility...
exists to support guests' demand. On correlation, Responsiveness was insignificant related to customer satisfaction (p>.05). The SEM output indicates responsiveness had a non-statistically significant relationship with Consumer Satisfaction.

Objective four covered assurance responses. The result shows that 67% of the respondents agreed that the guest felt safe and secure during their stay at the hotel. 79% of the respondents agreed that the hotel staff were knowledgeable and had the ability to provide information about the surrounding areas to the guests. 66% were in agreement that the staff possessed occupation skills. 63% agreed that the staff were courteous and polite. On correlation, assurance was found to be positive and significant related to customer satisfaction (r=0.6412*, p<0.05). The SEM output indicates a positive and statistically significant relationship between Assurance and Customer Satisfaction making the beta coefficient having a positive and significant at the 0.05 level (β=0.216, Z-value =4.36 p<0.05). This means that if Assurance increases by 1, Customer Satisfaction of the respondents will increase by 0.216.

The last objective on empathy results indicated that 56% of the respondents agreed that the guests were provided with individual attention. 67% agreed that the special needs of the guests were well understood by the staff and the managers of the hotels. 55% of the respondents were of the opinion that the staff had a positive attitude when they received feedback from the guests. 71% agreed that the hotel menu was healthful. On correlation, empathy was found to be positive and significant related to customer satisfaction (r=0.6315*, p<0.05). The SEM results, it shows that Empathy had a positive and statistically significant relationship with Customer Satisfaction making the beta coefficient positive and significant at the 0.05 level (β=0.244, Z-value =2.84 p<0.05). The positive relationship means if, Empathy increases by 1, Customer Satisfaction of the respondents will increase by .244.

5.3. Discussion

5.3.1. Tangibility of Service Quality on Customer Satisfaction in Hotels

The first research question was to establish the tangibility of service quality on customer satisfaction in hotels. The correlation result indicated tangibility was found to be positive and significant related to customer satisfaction (r=0.6419*, p<0.05). The SEM output shows tangibility was found to have a positive and statistically significant relationship with Customer Satisfaction. The beta coefficient was positive and significant at the 0.05
level ($\beta=0.329$, $Z$-value $=5.17$ $p<0.05$). The positive relationship means if, Tangibility increases by 1, Customer Satisfaction of the respondents will increase by 0.329.

Tangibility is key dimension of service quality that has a direct impact on customer satisfaction levels (Rauch et al., 2015). Examples of factors are significantly associated with banks including comfortable shop design, up-to-date equipment for customer use, and adequate staffing to provide service. These aspects are important for banks because there are a lot of face-to-face relationship between customers and employees. Therefore, maintaining a professional environment and convenient stores can improve customer satisfaction (Al-Azzam, 2015). Further, quality of equipment differentiates the level of customers (Oanda, 2015).

SharBma (2010) conducted an exploratory study to understand the impact of service quality on customer satisfaction with the specific focus on the hospitality sector in India. The competitive nature of Indian hospitality industry and the high rates of switching inspired the exploratory study. Tangibility was one of the factors examined in the study. The factors examined under the tangibility dimension of service quality were: staff appearance, materials, equipment, working tools, and physical facilities. The results of the study had a higher mean of 4.03 for all the aspects of tangibility with the exception of working tools. This means the respondents of the study considered all the factors measured reliable. The punctuality of services rendered had the lowest score, which implies the hotel should work on punctuality to achieve customer satisfaction. The results of the study is a direct confirmation that tangibility has the potential to determine the level of customer satisfaction. Failure to manage the tangible aspect of service delivery increases the risk of losing key customers to competitors (Marković & Janković, 2013).

A study that examined the hotel industry in Egypt with the aim of determining the quality of Alexandrian hotels also covered tangibility aspect in hotels. In hotels, the demand for high quality service is a norm that has emerged in the contemporary service industry. It has become the distinctive measure of excellence with the potential to determine industry leaders, which explains the massive effort placed in ensuring customers get value for their money. The findings of the study confirmed that the dimensions of quality have a significant impact on customer satisfaction.

Tourism is a massive contributor to the economy of Malaysia as it is ranked second largest contributor to the economy after the manufacturing sector. It is a highly
competitive sector due to an increased number of service providers. The study findings confirm that tangibility has a significant impact on customer satisfaction in homestay programmes. It can be used to predict customer satisfaction levels. It echoes previous studies that determined tangibility can influence the perception of the customer and help gain customer loyalty. The findings indicate that reliability is more influential than tangibility when it comes to determining customer satisfaction. Therefore, it is imperative for service providers to ensure all dimensions are tweaked to achieve maximum positive effect (Wahid, Dangi, Jabar, Muhamed, & Paino, 2017). It is then noted from other studies that tangibility has a positive relationship with customer satisfaction which agrees with the findings of this study.

5.3.2. Reliability of Service Quality on Customer Satisfaction in Hotels.

The second objective was to determine the reliability of service quality on customer satisfaction in hotels. The correlation output indicated Reliability was found to be positive and significant related to customer satisfaction (r=0.4466*, p<0.05). The SEM output indicates Reliability has a positive and statistically significant relationship with Customer Satisfaction. The beta coefficient was positive and significant at the 0.05 level (β=0.249, Z-value =2.54 p<0.05). Therefore, if Reliability increases by 1, Customer Satisfaction of the respondents will increase by .249.

Reliability depends on handling customer service issues, performs the services right the first time; offers services on time, and maintain a record of error-free. Reliability has been defined as the most significant factor in conventional service (Parasuraman, Zeithaml & Berry, 1988). Reliability also consists of the right order fulfilment; accurate records; accurate quote; right in the bill; Results are more accurate than commissions; keep the promise of service. Reliability has also been mentioned as the most significant factor in banking services (Yang et al., 2004).

Research shows reliability is an important factor in customer satisfaction as because every customer want to know if their supplier is reliable and fulfil the set requirements with satisfaction. Such satisfaction are achieved with the internal controls. Internal control is a process designed to provide reasonable assurance regarding the achievement of objectives related to the reliability (IAASB, 2011). To improve reliability in hotels, the internal control needs to be improved by special team to act as a quality management group of the hotel that is responsible for continuous service quality improvement in hotel. This team is
responsible for research to understand customers’ needs and preferences and give detail strategies to enhance customer satisfaction (Tuan & Linh, 2012).

Research on the Effect of Tangibility and Reliability Service Quality towards Homestay Customer Satisfaction was conducted in Malaysia. The selected sample consisted of local and international customers of homestay programme that gives local and international tourists an opportunity to stay with a chosen family, interact and experience their daily life. The purpose of the study was to determine the effect of these two dimensions on customer satisfaction. In total, 102 customers were selected and they stated that on the average, the tangible quality was rated as 4.95 out of 10 points which indicated that the overall tangible quality provided did not meet the customers' needs; the reliability quality was rated higher than tangible quality (M = 6.95). The regression model showed tangible has significant direct effect towards customer satisfaction (β1 = .676, p = .000). Similarly reliability significant direct effect towards customer satisfaction (β2 = .466, p = .000). Furthermore, 58.30% of customer satisfaction was influenced by tangible and reliability quality itself. The study findings indicates tangibility had higher loading than reliability on how it affected service quality (Wahid, Dangi, Jabar, Muhamed & Paino, 2017).

Another research on Arab Bank in Irbid City, Jordan looked at the Impact of Service Quality Dimensions on Customer Satisfaction. With the changes in banking systems due to technology such as internet banking, automated teller machine (ATM), and telephone banking and banks researchers were exploring the impact of this to customer satisfaction. Using SERVQUAL model, Al-Azzam (2015) used convenience sampling technique to collect data from 400 respondents. The research findings indicated there is a statistically significant difference at the level of (α ≤ 0.05) between reliability and customer satisfaction with services provided by the Arab Bank. Therefore reliability is an important factor on customer satisfaction in Arab Bank (Al-Azzam, 2015). Another research in Egypt hospitality industry titled ‘Managing Service Quality: Dimensions of service quality’ outlined the importance of reliability in hospitality industry. The reliability questions output had Chi-square = 68.773 (DF=12, sig. =0.000). This shows a significant relation between Reliability and Customer Satisfaction. Reliability variable had higher impact with Coefficient = 0.344. The research illustrate the impact of the responsiveness on the Customer satisfaction, where an increase in reliability by 0.344 will cause an increase in the customer satisfaction in hotel (Saghier, 2015). Therefore, from the studies
from other researchers reliability has a significant relationship with customer satisfaction which is the same as the findings from this study.

5.3.3. Responsiveness of Service Quality on Customer Satisfaction in Hotels.

The third research objective was to find out the responsiveness of service quality on customer satisfaction in hotels. The correlation result shows Responsiveness was insignificant related to customer satisfaction (p>.05). Further, the SEM output indicates responsiveness had a non-statistically significant relationship with Consumer Satisfaction.

Previous research explored customer satisfaction of hotels for them to assess the customer perception by looking at all areas of service quality. This study identified five factors of service quality by focusing on the front office staff only, and explored the customers’ expectations and perception levels of these services. The 60 respondents were asked to rate each statement concerning their expectation and perception of service quality of front office staff of May Fair Hotel. Overall expectation towards responsiveness dimension was at the high level (3.98). “The staffs respond to your request quickly” received the highest ranking of expectation at 4.12. It is highly possible that customers are satisfied when they receive a quick response from the hotel staff. This is supported by a first time customer at the hotel who commented that, “The front office staffs are willing to help me when the customer is looking for the hotel direction. It makes me feel that the staffs are full of service mind in heart”. Overall satisfaction of perception towards the five dimensions was at the highest level (4.35). Most customers perceived tangibility as the most important dimension at (4.45), followed by assurance (4.37), responsiveness (4.33), reliability (4.30), and empathy (4.28) (Srinivasm & Padma, 2013).

Research on the relationship between Service Quality and Customer Satisfaction in Sri Lankan Hotel Industry was guided by the research question “What is the relationship between services quality and customer satisfaction in hotel Industry?” Data were collected from foreigners who visited Sri Lanka for holidays. A total sample of 150 participants were involved in this study but only 134 completed and returned the questionnaires. EFA indicated (KMO) coefficient for 28-item questionnaire was 0.893, indicating the sample adequacy with Chi Square value 2057.156, Degree of Freedom 378 and Also Bartlett value at 0.000 indicating that factors’ separation was appropriately done. The test on the responsiveness indicated a positively correlation with the Customer Satisfaction. The hypothesis supported by the data; value of Responsiveness contribution
to the Customer Satisfaction is (+ 0.440). The study concluded a positive relationship between Responsiveness and Customer satisfaction (Gunarathne, 2014).

The purpose of the study was to identify the impact of Service Quality Dimensions on Customer Satisfaction based on the changing status of the banking system and financial market dynamics. The results indicate that the higher the service quality, the more the customer's satisfaction. Further, responsiveness contributes to how service quality affects customer satisfaction. The regression output shows statistically significant difference at the level of (α ≤ 0.05) between responsiveness and customer satisfaction with services provided by the Arab Bank (Al-Azzam, 2015). In Egypt, similar study revealed significant relation between Responsiveness and Customer Satisfaction; the highest impact is shown to be for Responsiveness (Coefficient = 0.397). this shows an increase in responsiveness by 0.397 will cause an increase in the customer satisfaction in hotel (Saghier, 2015). From the findings of other researchers, responsiveness has a positive relationship with customer satisfaction but from the study made from this study, responsiveness has got no significant relationship.

5.3.4. Assurance of Service Quality on Customer Satisfaction in Hotels.

The fourth objective was to establish the assurance of service quality on customer satisfaction in hotels. The correlation result shows, assurance was found to be positive and significant related to customer satisfaction (r=0.6412*, p<0.05). The SEM output indicates Assurance having a positive and statistically significant relationship with Customer Satisfaction making the beta coefficient be positive and significant at the 0.05 level (β=0.216, Z-value =4.36 p<0.05). The positive relationship means if, Assurance increases by 1, Customer Satisfaction of the respondents will increase by .216.

Another research with the purpose to enhance an understanding of service quality in the hotel industry was conducted in Taipei City of Taiwan between 1 August and 1 October, 2009 on five starts hotels. A multi-dimensional and hierarchical model of service quality for the hotel industry was proposed. A total of 622 customers were involved in the study. From the EFA, the assurance measurement were combined to indicate the environmental quality; atmosphere, room quality, facility, and hotel location. The CFA was adequate: The chi-square/df ratios of 2.86 less than 3.0; the root mean square error of approximation (RMSEA) value (0.06) and standardized root mean residual (SRMR) value (0.05) were lower than 0.08, indicating adequate fit. Similarly, other indices (i.e., TLI and CFI
estimates) were greater than the recommended 0.90. The results of the structural model test indicating an adequate fit to the data (RMSEA=0.06, SRMR=0.07, TLI=0.90, CFI=0.90). The chi-square (x2/df) ratio of 2.96 was lower than the suggested criterion (x2/df < 3). The SEM clearly indicated assurance of the environmental quality; atmosphere, room quality, facility, and hotel location was key to inform customer satisfaction (Wu & Ko, 2013).

Different study on education sector that illustrates impact of assurance on customer satisfaction was also reviewed. Titled ‘Impact of Service Quality on Customers’ Satisfaction’ the study was conducted from Service Sector especially Private Colleges of Faisalabad, Punjab, and Pakistan. Random sampling was used to sample 185 respondents from all level of study; lower level and master level of education from different colleges. The response rate was 150 questionnaires (81.08%). The result indicated that service quality is found to be very important factor for satisfaction of customers. Average score of SERVQUAL dimensions depicts that respondents are less satisfied with dimension empathy whereas with tangibles, assurance, responsiveness and reliability are more satisfied. Assurance, the dimension of service quality represent a significant and positive relationship with customers’ satisfaction (r=0.599, p<0.01). This peculiar result confirms that assurance has significant and positive relation with satisfaction of customers. Generally, the Assurance and tangible value had greater than other perspectives of SERVQUAL while empathy has lowest score (Bharwana, Bashir & Mohsin, 2013).

Another research conducted on customer loyalty in Malaysia is reviewed. The purpose of the research was to examine the correlation between service quality and customer satisfaction as well as the correlation between service quality and customer loyalty. Using cross-sectional design, the self-report questionnaires was used to gather information from patients at army medical centers in West Malaysia. The target population of this study was patients who are receiving medical treatment service at Malaysia army medical center. A purposive sampling was utilized to distribute 400 survey questionnaires to patients who received treatments at the organizations; 128 respondent giving 32% response rate. The dimensions used to measure assurance were comfortable, polite, confident, no complaint and believe assurance was significantly correlated with customers' satisfaction (B=0.346; t=4.176) hence a positive relationship between assurance and customer satisfaction. Also assurance was significantly correlated with customers’ loyalty (B=0.246; t=3.578), therefore a positive relationship between
assurance and customer loyalty. This shows assurance as an important factor that determines both customer satisfaction and customer loyalty (Ismail & Yunan, 2016). It is then noted from other findings and of this study that assurance has a positive relationship with customer satisfaction meaning it is an important dimension of customer satisfaction.

5.3.5. Empathy of Service Quality on Customer Satisfaction in Hotels.

On the last objective, the study sort to determine the empathy of service quality on customer satisfaction in hotels. The correlation output shows empathy was found to be positive and significant related to customer satisfaction \( (r=0.6315^*, p<0.05) \). The SEM output shows Empathy was found to have a positive and statistically significant relationship with Customer Satisfaction. The beta coefficient was positive and significant at the 0.05 level \( (\beta=0.244, Z\text{-value }=2.84 p<0.05) \). If Empathy increases by 1, Customer Satisfaction of the respondents will increase by 0.244.

Another study on the May Fair Hotel looked on the Impact of Service Quality as independent variable on Customer Satisfaction as dependent variable. The 60 respondents were asked to rate each statement concerning their expectation and perception of service quality of front office staff of May Fair Hotel. The descriptive analysis shows effective communication was considered the most important (4.17) expectation. The front office staffs represent the hotel and communication is vitally important. This shows the front office activities surround communication which is a component of empathy. It includes reservations, serves as the information center and as the cashier, notifications to the housekeeping and kitchen divisions of guest information, and also received feedback. Effective communication among divisions in the hotel is one of the main factors that contribute to customer satisfaction. Generally, it was noted from the ranking that empathy was the weakest dimension of satisfaction hence it is important for management to arrange on special programs that could improve on effective communication and customer satisfaction (Srinivasm & Padma, 2013).

On the relationship between Service Quality and Customer Satisfaction in Sri Lankan Hotel Industry, empathy had a different ranking compared to Pakistan. Data was collected from 150 foreigners who have visited Sri Lanka with 134 response rate. The questions that presented the variable empathy were: The employee quickly apologized when service mistakes are made; the employee listened carefully when you complain; and employees understand the customer’s requirements. Using EFA, the KMO for 30 items was 0.880,
Chi Square value 2145.064, DF of 435 and $p < .0001$. Correlation output indicated positive relationship between Empathy and customer satisfaction; the value of Empathy contributes to the customer Satisfaction is (+ 0.140). Therefore the alternate hypothesis was accepted; there is a positive relationship between Empathy and Customer Satisfaction (Gunarathne, 2014).

In Kenya, research on Service Quality and Customer Satisfaction among Mobile Telephony Subscribers in Nairobi was conducted by Obambo (2013). This study explored the level of service quality and its relationship with customer satisfaction in the mobile telephony industry in Kenya and sought to determine the extent to which the service quality dimension affects the level of customer satisfaction. The population was mobile service subscribers and a sample of 402 with 100% response rate. Following the SERVQUAL model higher expectation was recorded on reliability dimension (4.7562) followed by responsiveness (4.7425) while the least expectation was obtained from the image dimension (4.5413). The research revealed there was no correlation between empathy and customer satisfaction (Obambo, 2013). In most researches conducted, the literature concludes empathy was ranked low as a factor that determines customer satisfaction. Therefore, from the findings from other researchers and from the findings of this study, empathy has a positive relationship with customer satisfaction but some findings have it that empathy is the weakest dimension for customer satisfaction.

5.4. Conclusions

5.4.1. Tangibility of Service Quality on Customer Satisfaction in Hotels

The first research question was to establish the tangibility of service quality on customer satisfaction in hotels. The SEM output shows tangibility was found to have a positive and statistically significant relationship with Customer Satisfaction. The positive relationship means if, Tangibility increases by 1, Customer Satisfaction of the respondents will increase by 0.329. The $R^2$ was found to be 0.53 indicating that tangibility can account for 53% of service quality on customer satisfaction in hotels. Hence tangibility is an important factor that accounts for more than half of customer satisfaction in hotels.

5.4.2. Reliability of Service Quality on Customer Satisfaction in Hotels.

The second objective was to determine the reliability of service quality on customer satisfaction in hotels. The SEM output shows Reliability was found to have a positive and statistically significant relationship with Customer Satisfaction. The positive relationship
means if, Reliability increases by 1, Customer Satisfaction of the respondents will increase by .249. The $R^2$ was found to be 0.25 indicating that reliability can account for 25% of service quality on customer satisfaction in hotels. Hence reliability is an important factor that accounts for a quota of customer satisfaction in hotels.

5.4.3. Responsiveness of Service Quality on Customer Satisfaction in Hotels.

The third research objective was to find out the responsiveness of service quality on customer satisfaction in hotels. The SEM output indicates responsiveness was found to have a non-statistically significant relationship with Consumer Satisfaction. Hence responsiveness is not an important factor that determine service quality on customer satisfaction in hotels.

5.4.4. Assurance of Service Quality on Customer Satisfaction in Hotels.

The fourth objective was to establish the assurance of service quality on customer satisfaction in hotels. The SEM output indicates Assurance was found to have a positive and statistically significant relationship with Customer Satisfaction. The positive relationship means if, Assurance increases by 1, Customer Satisfaction of the respondents will increase by .216. The $R^2$ was found to be 0.26 indicating that assurance can account for 26% of service quality on customer satisfaction in hotels. Hence assurance is an important factor that accounts for quota of customer satisfaction in hotels.

5.4.5. Empathy of Service Quality on Customer Satisfaction in Hotels.

On the last objective, the study sort to determine the empathy of service quality on customer satisfaction in hotels. The SEM output shows Empathy was found to have a positive and statistically significant relationship with Customer Satisfaction. The positive relationship means if, Empathy increases by 1, Customer Satisfaction of the respondents will increase by .244. The $R^2$ was found to be 0.44 indicating that empathy can account for 44% of service quality on customer satisfaction in hotels. Hence tangibility is an important factor that accounts for near half of customer satisfaction in hotels.
5.5 Recommendations

5.5.1. Recommendations for Improvement

5.5.1.1 Tangibility of Service Quality on Customer Satisfaction in Hotels.

The study found out tangibility is an important factor that accounts for more than half of customer satisfaction in hotels. The managers in hotels should work to ensure quality tangible products in the hotel including but not limited to convenient location, hotel facilities and equipment’s, hotel decorations and dressing of the staff. For marketers, the brochures should be well done and capture tangible aspect of their hotels.

5.5.1.2 Reliability of Service Quality on Customer Satisfaction in Hotels.

The study findings indicated reliability is an important factor that accounts for a quota of customer satisfaction in hotels. The research recommends the hotel managers and marketers should improve on hotel services, timely service provision, problem solving mechanisms, and privacy of records. The policy makers should also implement policy that guards the clients from manipulation of services by hotels in order to attain reliability.

5.5.1.3 Responsiveness of Service Quality on Customer Satisfaction in Hotels.

The study found out, responsiveness is not an important factor that determines service quality on customer satisfaction in hotels. This calls for massive training of employees on responsiveness to services including but not limited to: serving guests on call, responding to guests’ requests, flexibility to support guests’ demand among others. There is need for improvement of responsiveness of quality.

5.5.1.4 Assurance of Service Quality on Customer Satisfaction in Hotels.

The findings shows assurance is an important factor that determines service quality on customer satisfaction in hotels. This shows managers’ needs to improve on assurance of customers to ensure the customers felt safe and secure during their stay at the hotel, staffs are knowledgeable and have ability to provide information about the surrounding, staffs should possess occupation skills, and lastly staffs should be courteous and polite. Further, policy makers should also ensure the clients are also protected by ensuring hotels employs competent staffs for assurance of customers’ satisfaction.
5.5.1.5 Empathy of Service Quality on Customer Satisfaction in Hotels.

The last findings indicated empathy is an important factor that accounts for near half of customer satisfaction in hotels. Hotel managers and marketers should focus to ensure guests are provided with individual attention, special needs of the guests are well understood by the staff, staff should have positive attitude when they received feedback from the guests and the hotel menu are well designed. The policy makers should have updated policy that guides hotels on quality that informs empathy. Such includes but not limited to individual attention, hotel menu, and special needs of customers.

5.5.2. Recommendations for Further Research

This research sample size focused on guests of hotels in Nairobi County. Such study should be conducted in other hotels based on different geographical locations. The study focused on five SERVQUAL aspects that determine customer satisfaction. Study should be done using other models that measure service quality. Lastly, other research should focus on how responsiveness affects customer satisfaction as this research found out responsiveness does not affect customers’ satisfaction.
REFERENCE


International Journal of Marketing Studies, 2 (2), 2-11


Moon, Y. J. (2013). The tangibility and intangibility of e-service quality. International


*School of Business, University of Nairobi: Nairobi*


### Appendix I: Number of Star Rated Hotels in Nairobi and Respective Bed Capacity

<table>
<thead>
<tr>
<th>No</th>
<th>Hotel Category</th>
<th>Number of Beds</th>
<th>Number of Guests with Average Occupancy of 55%</th>
<th>Percentage of the Sample</th>
<th>Number of Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Five Star Hotels</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Hotel Intercontinental</td>
<td>770</td>
<td>424</td>
<td>12%</td>
<td>45</td>
</tr>
<tr>
<td>2</td>
<td>Laico Regency Hotel</td>
<td>388</td>
<td>213</td>
<td>6%</td>
<td>22</td>
</tr>
<tr>
<td>3</td>
<td>Hilton Hotel</td>
<td>353</td>
<td>194</td>
<td>6%</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>The Norfolk Hotel</td>
<td>334</td>
<td>184</td>
<td>5%</td>
<td>19</td>
</tr>
<tr>
<td>5</td>
<td>Nairobi Serena</td>
<td>283</td>
<td>156</td>
<td>5%</td>
<td>16</td>
</tr>
<tr>
<td>6</td>
<td>The Stanley</td>
<td>434</td>
<td>239</td>
<td>7%</td>
<td>25</td>
</tr>
<tr>
<td>7</td>
<td>Safari Park Hotel</td>
<td>285</td>
<td>157</td>
<td>5%</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td><strong>Three Star Hotels</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>The Bounty Hotel</td>
<td>100</td>
<td>55</td>
<td>2%</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Fair View Hotel</td>
<td>163</td>
<td>90</td>
<td>3%</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>Marble Arch Hotel</td>
<td>77</td>
<td>42</td>
<td>1%</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Landmark Hotel</td>
<td>242</td>
<td>133</td>
<td>4%</td>
<td>14</td>
</tr>
<tr>
<td>5</td>
<td>Holiday Inn</td>
<td>342</td>
<td>188</td>
<td>6%</td>
<td>20</td>
</tr>
<tr>
<td>6</td>
<td>Windsor Golf Course Club</td>
<td>260</td>
<td>143</td>
<td>4%</td>
<td>15</td>
</tr>
<tr>
<td>7</td>
<td>Nairobi Safari Club</td>
<td>282</td>
<td>155</td>
<td>5%</td>
<td>16</td>
</tr>
<tr>
<td>8</td>
<td>Utalii Hotel</td>
<td>105</td>
<td>58</td>
<td>2%</td>
<td>6</td>
</tr>
<tr>
<td>9</td>
<td>Ambassador Hotel</td>
<td>190</td>
<td>105</td>
<td>3%</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td><strong>Two Star Hotels</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Panafic Hotel</td>
<td>48</td>
<td>25</td>
<td>1%</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Silver Spring Hotel</td>
<td>188</td>
<td>103</td>
<td>3%</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>Hotel Boulevard</td>
<td>140</td>
<td>77</td>
<td>2%</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>Six Eighty Hotel</td>
<td>680</td>
<td>374</td>
<td>11%</td>
<td>39</td>
</tr>
<tr>
<td>5</td>
<td>Sports View Hotel</td>
<td>104</td>
<td>57</td>
<td>2%</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td><strong>One Star Hotels</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hotel Name</td>
<td>Beds</td>
<td>Guests</td>
<td>%</td>
<td>Code</td>
</tr>
<tr>
<td>---</td>
<td>----------------------</td>
<td>------</td>
<td>--------</td>
<td>----</td>
<td>------</td>
</tr>
<tr>
<td>1</td>
<td>Fig Tree Hotel</td>
<td>60</td>
<td>33</td>
<td>1%</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Milimani Hotel</td>
<td>90</td>
<td>50</td>
<td>1%</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>Hotel Southern Blue</td>
<td>112</td>
<td>62</td>
<td>2%</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Blue Hut Hotel</td>
<td>100</td>
<td>55</td>
<td>2%</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>Karibu Hotels</td>
<td>72</td>
<td>40</td>
<td>1%</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>TOTALS</td>
<td>6200</td>
<td>3412</td>
<td>100</td>
<td>358</td>
</tr>
</tbody>
</table>
6 March 2018

To Whom It May Concern

RESEARCH PROJECT BY OBIERO MARTHA AKINYI- STUDENT ID: 635319

The bearer of this letter is a student at the United States International University-Africa pursuing a Master’s Degree in Business Administration (MBA).

As part of the program, she is required to undertake a research project on “Service Quality and Customer Satisfaction.” This requires her to collect data and information from various relevant institutions.

Kindly assist by enabling her access data, information and contact with respondents who can complete her questionnaires. I assure you that the information provided will be treated with the utmost confidentiality.

Should you have any queries regarding the student research please feel free to contact me on my email at lwapm@usi.ac.ke or Tel: +254 730116415.

Yours faithfully

[Signature]

Prof. Peter M. Lewa
Dean, Chandaria School of Business
Appendix III: QUESTIONNAIRE

The objective of this questionnaire is to collect data on the “examine the relationship between service quality and customer satisfaction of hotels in Nairobi County” for an MBA thesis. The data collected will be utilized for research purposes only and will be confidential. Kindly fill the questionnaire.

Part A: DEMOGRAPHICS AND GENERAL INFORMATION

Please tick ( ) to answer the following questions.

1. What is your Gender: Male ( ) Female ( )

2. What age bracket do you fall under?
   (a) 18 – 25 ( ) (b) 26 – 35 ( ) (c) 36 – 45 ( ) (d) 46 – 55 ( ) (e) Over 55 years ( )

3. What is your origin of residence? ___________________________________________

4. What is your occupation?
   (a) Employed ( ) (b) Self Employed ( ) (c) Student ( ) (d) Professional ( ) (e) Other __________________

5. Your Status: (a) Married ( ) (b) Single ( )

6. Your family Type: (a) Nuclear Family ( ) (b) Joint Family ( )

7. Size of the family: (a) 3 Members ( ) (b) 3 – 6 Members ( ) (c) 7–9 members ( )
   (d) Above 9 members ( )

8. How often do you go on vacations? (a). Monthly ( ) (b) Quarterly ( ) (c) Annually ( )

9. What is your purpose of the visit?
   (a) Airline crew ( ) (b) Leisure ( ) (c) Business ( ) (d) Meeting ( ) (e) Others ____________________

10. What is your monthly income in KES?
    (a) Below 10,000 ( ) (b) 11,000 – 20,000 ( ) (c) 21,000-30,000 ( ) (d) 31,000 – 40,000 ( )
    (e) 41,000 – 50,000 ( ) (f) 51,000 and above ( )
**PART B: TANGIBILITY**

Please indicate by ticking ( ) the extent to which you agree or disagree with each of the statements below. Use a scale of 1-5 where: 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Neutral (N), 4 = Agree (A), 5 = Strongly Agree (SA)

<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1</td>
<td>Is the hotel in a convenient location?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T2</td>
<td>Does the hotel have comfortable facilities and equipment?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T3</td>
<td>Is the decoration appealing?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T4</td>
<td>Are the staffs neat in appearance?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T5</td>
<td>Are the brochures visually presented?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T6</td>
<td>Is the environment appropriate for taking a rest?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PART C: RELIABILITY**

Please indicate by ticking ( ) the extent to which you agree or disagree with each of the statements below. Use a scale of 1-5 where: 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Neutral (N), 4 = Agree (A), 5 = Strongly Agree (SA)

<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Do the employees Perform services accurately?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R2</td>
<td>Do the employees Provide service on time?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R3</td>
<td>Are problems solved sincerely?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R4</td>
<td>Do they keep records confidential?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**PART D: RESPONSIVENESS**

Please indicate by ticking ( ) the extent to which you agree or disagree with each of the statements below. Use a scale of 1-5 where; 1= Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA)

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>Are the employees willing to serve guests?</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>R2</td>
<td>Are the employees available to respond to guests’ request?</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>R3</td>
<td>Is there flexibility according to guests’ demand?</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**PART: E ASSUARANCE**

Please indicate by ticking ( ) the extent to which you agree or disagree with each of the statements below. Use a scale of 1-5 where; 1= Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA)

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Do the guests feel safe and secure in their stay?</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>A2</td>
<td>Do the staffs have knowledge to provide guests information about surrounding areas? (Shopping, museum, place of interest…)</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>A3</td>
<td>Do the staffs have occupational skills?</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>A4</td>
<td>Are the staffs courteous and polite?</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

**PART: E EMPATHY**

Please indicate by ticking ( ) the extent to which you agree or disagree with each of the statements below. Use a scale of 1-5 where; 1= Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N), 4=Agree (A), 5=Strongly Agree (SA)

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>Are the guests provided with individual attention?</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>E2</td>
<td>Do the staff and managers understand guest specific</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>needs?</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>E3</td>
<td>Do the staffs have a positive attitude when receiving feedback from guests?</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>E4</td>
<td>Does the hotel have a healthful menu?</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
PART F: CUSTOMER SATISFACTION

Please indicate by ticking ( ) the extent to which you agree or disagree with each of the statements below. Use a scale of 1-5 where; 1 = Highly Dissatisfied (HDS), 2 = Dissatisfied (DS), 3 = Neutral (N), 4 = Satisfied (S), 5 = Highly Satisfied (HS)

<table>
<thead>
<tr>
<th>CS</th>
<th>Description</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS1</td>
<td>Communication materials</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS2</td>
<td>Willingness to help</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS3</td>
<td>Employee appearance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS4</td>
<td>Prompt attention to request</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS5</td>
<td>Courtesy of employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS6</td>
<td>Consistency of service</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS7</td>
<td>Competence of employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS8</td>
<td>Convenient Operating Hours</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS9</td>
<td>Behavior of employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS10</td>
<td>Equipment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS11</td>
<td>Assurance, Safety and Security</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS12</td>
<td>Concern towards guest interest</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>CS13</td>
<td>Accuracy Records</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>