



SEEK WISDOM, ELEVATE YOUR INTELLECT AND SERVE HUMANITY !



ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
MARKETING MANAGEMENT MASTER'S PROGRAM

A RESEARCH THESIS ON:

**THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN
ADDIS ABABA: EXPERIENCE FROM SELECTED 3 AND 4 STAR HOTELS**

By: yalew zeleke

**Presented in Partial Fulfillment of the Requirements for the
Master of Arts Degree in marketing management**

May 2017

Addis Ababa



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By: yalew zeleke

Approved by the board of examiners:

Adviser

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Internal Examiner

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Declaration

I, Yalew Zeleke declare that this work entitled “THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN ADDIS ABABA: EXPERIENCE FROM SELECTED 3 AND 4 STAR HOTELS” is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the research advisor.

This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the Master of Arts Degree in marketing management

By: Yalew Zeleke

Signature _____

Date _____

Statement of Certificate

This is to certify that Yalew zeleke has carried out his research work on the topic of “THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN ADDIS ABABA: EXPERIENCE FROM SELECTED 3 AND 4 STAR HOTELS” for the partial fulfillment of Masters of Arts Degree in Marketing Management at Addis Ababa University school of commerce. This study is an original work and not submitted earlier for any degree either at this university or any other university and it is suitable for submission of Master’s Degree in Marketing Management.

Advisor: - Mulugeta G/medhin (PHD)

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Acronyms/abbreviations

MoCT	Ministry of culture and tourism
SPSS	Statistical packages for social science
HOLSERV	Holiday service
SERVQUAL	Service quality
TVET	technical and vocational education and training

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Abstract

The role of service quality in the success of hotel businesses cannot be denied, the service quality asserted by the Addis Ababa hotel need to be studied. It is vital for the hotel directors and owners to have a good understanding on what precisely the customers desire. Identifying the dimensions of the service quality, and their relative importance for customers for three and four star category of hotel industry would definitely help managers in improving the service quality. The main objective of this research is to evaluate the effect of service quality on customer satisfaction of three and four star hotels in Addis Ababa by applying a modified SERVQUAL model called HOLSERV from the point of the three service quality dimension (employee behavior and appearance, tangibility and reliability) of the service delivered by the three and four star hotels in Addis Ababa. To achieve this objective, quantitative research design and causal research approach were used to analyze the data collected through a structured questionnaire from a sample of 384 hotel guests. These respondents were selected using non-probability convenience simple method and hotels were selected purposefully. The data collected through a questionnaire were analyzed using statistical tools such as mean, standard deviation, correlation and regression analysis via SPSS Version 20. The major finding of the study indicates, the employee behavior and appearance dimension can highly affect customer satisfaction, followed by reliability and tangibility. Based on the findings of the study, the researcher recommended that the owners or top management to improve quality services so as to satisfy customer's needs should hire professional, self-motivated, passionate employees who are capable to deal with customer and solve customer complaints and other issues in an effective manner, besides this continuous training should be provided. The study only addressed twelve three and four star rated hotels, which found in Addis Ababa this limits the generalizability of the study.

Key words: Service quality, Customer Satisfaction, HOLSERV, Service quality dimension, SPSS.

CHAPTER ONE

Introduction

1.1 Background of the study

Services are taking on increasing importance both domestically and internationally. In today's changing global environment, many businesses are facing intensifying competition and rapid deregulation, and in order to achieve competitive advantage and efficiency, businesses have to seek profitable ways to differentiate themselves. One strategy that has been related to success is the delivery of high service quality, especially during times of intensive competition both domestically and internationally (Rao and Kelkar, 1997). This concept has been the subject of many conceptual and empirical studies, and it is generally accepted that quality has positive implications for an organization's performance and competitive position. However, despite the vast amount of research done in the area of service quality, quality related issues have received little research attention within the hospitality context (Harrington and Akehurst, 1996). Further, authors of studies conducted on quality in the service industries have also expressed concern regarding the quality dimensions in hotels and, in particular, with methods used to measure customer perceptions of hotel service quality (Johnston et al., 1990).

As service quality is becoming a major component of business practice, it is important to be able to evaluate and explore its effects. The purpose of this paper is to examine the different dimensions of service quality and determine which dimensions best predict overall service quality in the hospitality industry by applying a modified version of SERVQUAL (Parasuraman, A., Berry, L.L. and Zeithaml, V.A 1988) which is called HOLSERV model that was customized for the hotel industry. This kind of information has practical implications for managers of hotels as they can direct their resources to improving weak service dimensions and to refining their marketing efforts so that customer expectations are met by the service delivered

1.2 Statement of the problem

In the world of competition, service quality is the most important parameter that needs critical attention for an organization to exceed its competitors. This is especially true in the service sector where there is frequent interaction with customers, which hold the highest stake in ensuring the organization exceeds its competitors and excel in the service it provides. In winning this competition, it is obvious that customer satisfaction is a critical issue as it is highly correlated with the quality of services provided by competing organizations.

Service quality has been identified as crucial to the hotel industry and is measured to assist managers in making decisions, thus improving overall efficiency and profits. Service quality has gradually been recognized as a key factor in gaining competitive advantage and retaining customers (Callan and Kyndt 2001). Currently, Wu and Ko (2013) hotel organizations have difficulties in adequately assessing and improving their service performance from a customer's perspective. They also fail to recognize which factors that customers consider important and when they should best evaluate their hotel experience. Moreover, while most of the studies on the hotel sector in the literature focus mainly on the evaluation of customers for service quality, other stakeholders' (employees' and managers') perceptions have been ignored (Dedeoğlu and Demirer 2015).

Specially After the millennium (2000E.C) Ethiopia is a strategically important country in the Horn of Africa for most countries and therefore, many international meetings and conferences are held in Ethiopia. This produces a vast need for hotel service at an international standard and yet an increment in such a demand are expected in the future because the importance of Ethiopia is raising and many international organizations have been continuously strengthening their institutions and augmenting their staff office in Ethiopia.

Numerous empirical studies have shown that there were considerable differences in expectations of service quality between customers and service providers in the service industry in Addis Ababa hotel. (Bezuye (2010). The results indicated that customer perceptions of service quality were consistently lower than their expectations and managers or owners overestimated the service delivery. The provision of hotel service, however, is far below the level required to match the requirement. Though a great emphasis is given for the expansion of hotel industry since the early time, many service related problems are still visible. Collecting money with no progress in service quality is the fact of today's Addis Ababa hotels. The conducted preliminary survey

through personal observation and unstructured interview before beginning the actual study indicates that, either private or public owned Hotels have much serious quality and customer handling strategy problems. This was seen when the employees were very much delayed both in taking orders from the guests who are waiting for their order and, even longer wait for the delivery of the order. The other major problems often observed were lack of Hotel service ethics.

So this research is purposed to evaluate the service Quality and customer Satisfaction in the hotel industry in Addis Ababa, Ethiopia. Therefore going through the very specific idea, the purpose of this study is to assess the service quality and customer satisfaction in three and four star hotels found in Addis Ababa, Ethiopia. Generally, it has been observed that there is widespread customer dissatisfaction in the hospitality industry, arising from poor service design and delivery, and inferior quality of services largely accounts for this. Therefore, the student researcher tries to investigate service quality and customer satisfaction of three and four star hotels in Addis Ababa to forward visible and scientific solution to improve service delivery of hotels, using the modified form of SERVQUAL, which is called HOLSERV model that was customized specifically for the hotel industry.

1.3 Research Questions

1.3.1 Main research question

- How does service quality affect customer satisfaction of services provided by 3 and 4 star hotels in Addis Ababa,

1.3.2 Sub research question

1. How does employee behavior and appearance affect customer satisfaction of the 3and4 star hotels in Addis Ababa?
2. How does tangibility affect customer satisfaction in the 3and4 star hotels of Addis Ababa?
3. How does reliability affect customer satisfaction in the 3and4 star hotels of Addis Ababa?
4. Is there significant difference between 3and4 star hotels in terms of service quality and customer satisfaction?
5. Is there significant quality difference between 3 and 4 star rated private and public hotels in Addis Ababa?

1.4 Objectives of the Study

1.4.1 General objective

- ❖ The general objective of this study was to examine the effect of service quality on customer satisfaction in 3 and 4 star hotel in Addis Ababa

1.4.2 Specific Objectives

- ❖ To evaluate the effect of employee behavior and appearance on customer satisfaction in the 3 and 4 star hotels in Addis Ababa.
- ❖ To examine the effect of reliability on customer satisfaction in the 3and4 star hotels in Addis Ababa.
- ❖ To examine the effect of tangibility on customer satisfaction in the 3and4 star hotels in Addis Ababa.
- ❖ To asses service quality difference between 3and4 star hotels in Addis Ababa.
- ❖ To identify service quality difference between 3 and 4 star rated private and public hotels in Addis Ababa.

1.5 Significance of the Study

Upon its completion, this study can benefit hotel managers, employees and customers. Through providing clear information concerning customers' expectation and perception with regard to service quality dimension which has a significant effect on service quality and customer satisfaction in three and four star hotels in Addis Ababa. This study can be of primarily great use of hotel managers and owners in providing a direction on how to conduct and modify the existing practice of service delivery to guarantee customer satisfaction in hotels. If the result showed the high score, the hotel owner would be happy with the service. In contrast, if the result showed the low score, the hotel owner would improve the service and arrange training program. Secondly, it is also employed as input for the Ethiopian ministry of culture and tourism for star grading purposes as well as the federal TVET agency to revise their occupational standard/curriculum. Finally, this study benefits the researcher itself in equipping Skill, knowledge and experience of conducting such kind of research by going through all ups and downs for the study, it will also serve as a reference paper for other researchers to make further study on a related topic.

1.6 Scope of the Study

Because of the broad nature of the study, accessing all the literature concerning customer satisfaction and service quality is very voluminous. Thus, the study hovered in a limited aspect within the literature, thereby this research focuses on the relationship between customer satisfaction and service quality dimensions of the modified SERVQUAL model –called HOLSERV. Geographically the study focused on three and four star rated hotels found in Addis Ababa. Because, including all three and four star hotels found outside of the capital is not manageable to the student researcher and due to limited financial resources, time and accessibility the study is limited to six (6) three star and six (6) four star hotels found in Addis Ababa from where primary data were gathered for the study. Methodologically the Researcher selected the quantitative research approach that enables the researcher to use statistical tools and uses both descriptive and explanatory research designs.

1.7 Limitation of the study

The study was undertaken within a typical 3 and 4 star category of public and private star rated hotels which is found in Addis Ababa. There were different bottlenecks that hamper the smooth flow of the research, such as hotel owner's negative perception of the research questionnaires' to fill, so it needs the researcher to show extraordinary patience and commitment. The research is geographically limited to three and four star hotels in Addis Ababa. The outcome of the study is mainly dependent on the individual responses of the respondents who participate in the study. So the result may not be generalizable beyond the specific population.

The sampling area the study was major limitation. This study was planned to gather the required first-hand information from the representatives of the targeted population of the study only limited to Addis Ababa. Therefore, the results only represent the behavior and attitude of hotel guests who participate in 3 and 4 star rated hotels from Addis Ababa; it may not precisely indicate the Ethiopian hotel service users in general. Because, Ethiopia is a big country, different cities and different region have many different behaviors, attitudes and culture. Hence, further research need to take more respondents from different cities in order to make the findings precisely indicates the Ethiopian hotel service users.

1.8 Operational Definitions:

2. **Customer:** a person who is somehow in connection with an organization and receives its goods or services.
3. **Customer satisfaction:** Is a state when the customer feels a product or a service meets his/her expectations.
4. **Service:** A series of intangible, activities throughout interactions between customers and service employees which are presented as a solution for their problems (Gronroos, 1990,).
5. **Expected service:** It is the same ideal service which is desired by a customer (Parasuraman, et al: 1991).
6. **Quality:** It consists of a collection of specifications of a product or a service which meets expectations of a customer
7. **Service quality:** The difference between customer's expectations and that of his perceived concept of real performance of service. (Zethaml and Bitner, 1996)
8. **Expectations:** The same ideal service which is desired by a customer before his entering to an organization.
9. A **'hotel customer'** was defined in this study as an individual who was a temporary visitor, had stayed overnight at the hotel, and was involved in any services rendered (researcher emphasis).
10. **Customer Satisfaction;** can also be a person's feelings of pleasure or disappointment that results from comparing a product's perceived performance or outcome with their expectations (WTO, 1985)
11. **Customer Perception;** is an opinion about something viewed and assessed and it varies from customers to customers, as every customer has different beliefs towards certain services and products that play an important role in determining customer satisfaction.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Introduction

This chapter discusses the theoretical framework and empirical studies related to service quality and customer satisfaction. Finally, literature relating to the relationship between service quality dimension and customer satisfaction was reviewed and hypothesis were formulated accordingly as well as the conceptual framework of the study was developed.

2.1 Theoretical Review

2.1.1 Concept of Service

Many scholars wrote about service from different angle. According to Lovelock and Wirtz, 2011 Services are economic activities offered by one party to another; in exchange for money, time, and effort, service customers expect value from access to goods, labor, professional skills, facilities, networks, and systems; but they do not normally take ownership of the physical elements involved. kottler (2000) states as a service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership or anything, it's production may not be tied to a physical product.

According to Zeithaml and Bitner (2004), Services include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser. Lovelock and Wirtz (2007) on their part indicated that, the service is time based and the outcome of a service may result in desire change in consumer or any property of the consumer.

Service is any intangible act or performance that one party offers to another that does not result in the ownership of anything” (Kotlerand Keller, 2009). Service is intangible in nature, it cannot be mass produced. It cannot be inventoried and stored after production. Due to the fact that services and consumers of services are inseparable, they cannot be produced until the consumer is ready to consume them. In connection with these, providing consistent quality is difficult for service because of the characteristic of variability (Clow and Kurtz, 2003). When one puts it in the simplest

term; services are deeds, processes and performances (Zeithaml and Bitner, 2004). It is apparent that services produce not only by service businesses, but also are integral to the offering of many manufactured goods producers.

Service is very complex and about economic activities which is giving benefits to both customer and the company. Customers purchase service for the search of desired result and the companies sell their services for the customer's benefit by proposing solutions to the problems (Sarmin Sultana and Shohel Rana, 2010). Zeithaml, 1990, cited by (Sarmin Sultana and Shohel Rana, 2010), the service is a compounding of many features:

2.1.2 Service Quality

In the hospitality industry the delivery of quality of services is an element of strategic differentiation and this fact is related to the evolution of consumer habits and the rise of competitiveness among service provider companies (Grande and Colomina, 2002). Lewis and Booms (1983) classified the quality as the measure of how the service offered matches with customer expectations and delivery this quality means reach the customer expectations on a consistent basis, it means, positive experience.

The service quality is considered essential for the success and survival in a competitive environment (Dawkins and Reichheld, 1990) and this influence the consumer behavior in a decision making process, and also the level of relationship between customer and service provider and can impact customer's satisfaction level (Henning-Thurau, et al., 2001).

Major research contributions identified the service quality as a result of comparison by customers between expectations and perception of service offered (Grönroos, 1994); Parasuraman, A., Berry, L.L. and Zeithaml, (1988); Caruana (2002).

The service quality is related to the level of perception of service offered by the customer (Ghobadian, 1994) and this level should be measured by the perception of performance (Cronin and Taylor, 1992) instead by the difference between perception of expectation and performance based on the model SERVQUAL proposed by Parasuraman, et al. (1988).

The pioneers justify the measurement of service quality based on performance, excluding the expectations of customers, as the authors considering that is more important customer's feedback about service or product, instead to identify their expectations (Cronin and Taylor, 1992).

The quality of service has been recognized as being the key strategic value for organizations (Mohd, et al., 2013) and can impact in satisfaction and retention of customers, opportunities for cross selling, reduction of cost and increase profit margin and business performance, and also, the development of customer relationship - life time value (Adil, 2012).

The hospitality industry has been facing increased numbers of competitor and a pressure environment, as a consequence of the combined effect of the current worldwide economic situation, technological advancement and globalization. The competitive environment in a hospitality industry has modified the way the companies' delivery the quality of service to customers and has made them adopting new approaches to maximize the customer satisfaction based on a service quality (Murasiranwa, et al., 2010).

The players in the hospitality industry, precisely the hotel has been directing the efforts to change the way they act in this industry, focusing on understanding customer's needs and set out strategies to meet or exceed these needs. The way they have found to achieve this strategy is to raise the attention to service quality from the customer's perspective (Al Khattab and Aldehayyat, 2011).

2.1.3 Customer Satisfaction

Customer satisfaction is the level of customer felt state resulting from comparing a perceived performance of service or product in relation to customers' expectations (Bala, 2013), it means, if the perceived performance is less than expected, can result in a dissatisfaction by customer, and if the perceived performance exceeds expectations, can result in satisfaction by customer (Lin, 2003) cited in (Sakhaei, et al., 2014).

Cronin and Taylor, 1992; Zeithaml, et al. (1996) identified the concept of satisfaction as a relation to customer's overall evaluation based in consumption experience of product or service. As to Solomon (1999) satisfaction can be explained as the judgment formed during the use or

consumption of a product or service, therefore a reaction or feeling about an expectation, result of performance evaluation of a product or service

In the hospitality industry, many studies have been developed to identify the attributes that tourists considered relevant regarding customer satisfaction (Agbor, 2011). Based on those studies it was possible to identify as determinants of customer satisfaction an extensive list of factors, including security, value for money, cleanliness, courtesy and friendliness of staff (Atkinson, 1988; Knutson, 1988; Barsky and Labagh, 1992; Akan, 1995), convenience of location, prompt service, safety, comfort (Knutson, 1988), employee attitude, room quality (Barsky and Labagh, 1992; Choi and Chu, 2001), behavior of employees, staff quality and timeliness (Akan, 1995; Choi and Chu, 2001)

According to Valerie Zeithaml and Bitner (2004), customer satisfaction is influenced by a host of issues such as product and service features, customer emotions, perception of equity and fairness and other customers, family members, friends and co-workers. The customer service a brand offers and the fairness of the price it charges determines the level of satisfaction among its customers more than any other measures. Parasuraman, Zeithaml and Berry, 1988 identified 22 factors that influence customer satisfaction as Physical facilities, Equipment, Appearance of hotel employees, Communication materials, Timeliness of service, Problem solving interest, Efficient service, Consistency of service, Accuracy of records, Problem resolution time, Prompt attention to guest's requests, Willingness to help, Flexibility of employees, Behavior of employees, Safety and security, Courtesy of employees, Competence of employees, Individualized attention, Convenient operating hours, Personal attention from employees, Concern towards guest interest and Understanding guest specific needs.

2.1.4 SERVICE QUALITY AND CUSTOMER SATISFACTION

The concepts service quality and customer satisfaction appears in the literature as a separated constructs (Bitner, 1994; Spreng et al., 1996), sharing a close relationship (Cronin and Taylor, 1992), being necessary to identify the differences between them. The quality perceptions do not require experience with the service and its dimensions are specific while the concept satisfaction judgements require experience with the service or provider and also can result from any dimension, not even related to quality.

From the literature that has been reviewed, customer satisfaction is an important aspect of services industries and has presented intensive relationship with service quality (Cronin and Taylor, 1992; Al-Hawary, et al., 2011) and its relationship have been recognized as a key factor of success to survive in a competitive environment (Bolton and Drew, 1991; Cronin and Taylor, 1992; Fen and Lian, 2007).

The measurement of service quality has been identified as a crucial factor responsible for influence customer satisfaction or dissatisfaction, being considered the most critical determinant of satisfaction (Bolton and Drew, 1991; Tripathi, 2013; Joukes, et al., 2013), and had been pointed with strong positive correlation between those constructs, and also can result in a positive word of mouth and loyalty intention (Vanpariya and Ganguly, 2010), it means, the service quality and customer satisfaction has a direct positive effect on customer retention intentions and has being recognized as strong predictor for retention (Gopalakrishnan, et al., 2011).

Accordingly, by the relationship between service quality and customer satisfaction, researchers have found empirical evidences that customer satisfaction is a result of service quality, being an antecedent of that (Oliver, 1993; Anderson and Sullivan, 1993). Definitely, the service quality and customer satisfaction have present relationship in many empirical studies and its constructs are somewhat correlated, in terms of cause and effect (Iacobucci and Ostrom, 1995).

The reflection of service quality is based on the customer's perception about the dimensions of service quality; empathy, reliability, assurance, responsiveness and tangibility, and as cause-effect, the customer satisfaction appears as a result of the customer's perception faced service quality (Zeithaml, et al., 1996; Zeithaml et al. 2006).

In a competitive environment that most industries have facing, the key factor of success is delivering high quality of service focusing on satisfying customers (Shemwell, et al., 1998) and based on this association, these topics have been recognized as a relevant area of research for several industries and support for decision making (Bolton and Drew, 1991; Cronin and Taylor, 1992).

Some researchers argue that service quality is an antecedent of customer satisfaction (Churchill and Suprenant, 1982) while others, argues that satisfaction represents an antecedent of service quality (Carman, 1990; Bolton and Drew, 1991). However, the majority of recent publications believes that service quality is an antecedent to customer satisfaction (Carrillat et al., 2007 and Zeithaml et al., 2009).

After conducting a study to establish the relationship between customer satisfaction and service quality, Janet (2011) concluded that a significant relationship between the two existed. All the dimensions of service quality were identified as the key factors in influencing customer satisfaction. The outcome of the study suggested that to improve customer satisfaction, organizations need to improve the dimensions of service quality.

It is generally accepted that a positive relationship exists between service quality and customer satisfaction (Bei and Chiao, 2001). Rowley (1998) argues that service quality is an attitude related to, but not the same as, satisfaction. Parasuraman et al., (1985) in their study, proposed that when perceived service quality is high, then it will lead to increase in customer satisfaction. A Similar conclusion was reached by Bei and Chiao (2006) and Brady et al., (2005).

2.1.5 Service Quality and Customer Satisfaction in the Hospitality Industry

Over the years the hotel industry has faced a considerable increase in demand, and the level of exigency by the customers has reached high standard, consequently has imposed the competition among players in this industry, and also highlight that this industry is influenced by quality of service provided by the hotels (Dominici and Guzzo, 2010).

In a highly competitive environment in the hospitality industry, meant that companies in this industry act in a different way than usual, it means, they have started to take efforts on understanding customer needs based on the relationship between service quality and customer satisfaction (ReichheldandSasser, 1990).

In the industry, providing high standard of quality and improve customer satisfaction has been recognized as a crucial factor responsible to push up the performances of players and also can improve their profitability (Oh and Parks, 1997; Oppermann, 1998; Dominici and Guzzo, 2010).

Currently, hotel managers has been facing the challenge in the hotel industry to provide and maintain the customer satisfaction. This management approach based on providing product and service with a high standard of quality focusing on customer satisfaction can result in positive brand image, loyalty, reduce the price perception by customers and increase profitability (Dominici and Guzzo, 2010).

The customers demand for service quality in the hospitality industry has been increasingly recognized as a key factor to professionals in the battle of competitive differentiation and customer retention and providing the high level of service to those customers is a starting point to customer satisfaction (Parasuraman et al., 1988; Lam and Zhang, 1999).

Many researchers have identified the relation of service quality and customer satisfaction in the hospitality industry (Gilbert, et al., 2004; Qin andPrybutok, 2008; SuneetaandKoranne, 2014) and the strong positive correlation between those constructs is a very important for those companies which have an objective to develop a good marketing strategies, and also provide competitive advantage and build loyal customers base (Cronin and Taylor, 1992; Aaker and Jacobson, 1994; Jain and Gupta, 2004; Shafiq, et al., 2013; Saleem and Raja, 2014).

2.1.6 Measurement of Service Quality in the hotel industry

A number of scholars have carried out several studies with an aim of developing models of measurement that would help service organizations determine their services extent to which are effective. That means measuring of service quality is an important aspect in the quality improvement process because it provides feedback about the type of service provided and the extent to which it meets customers' needs (Mwangi et al., 2009).

According to Johns and Howard (1998), quality measurements only have operational value if they are able to indicate the ways in which service was or was not satisfactory. For service providers, the assessment of service quality is made during the actual delivery of the service. Much current research on service quality is rooted in expectancy–disconfirmation theory, which holds that customers perceive service quality as the difference between when the actual service performances exceeds expectations and negative when the opposite is the case. Parker and Mathews (2001) found that many studies supported the disconfirmation paradigm, but Churchill and Surprenant (1982) found that neither disconfirmation nor expectations had any effect on customer satisfaction with durable products.

No matter how much effort is placed into producing quality service, the true test lies in the perception of customers (Getty and Getty, 2003). The important role of service quality in promoting the success of a hotel business cannot be ignored. It is crucial to every hotel manager to have a good understanding about what exactly their customers are looking for. Identify and analyze customers' expectation, recognize the attributes and dimensions of service quality and their relative importance to customers in each segment of the hotel industry could definitely help managers in the challenge of service quality improvement in their hotels.

Numerous studies in the hotel management field have specifically identified the main attributes and dimensions of service quality perceived by clients (e.g., Knutson et al., 1990; Ekinici et al., 1998; Mei et al., 1999; Getty and Getty, 2003; Dolnicar and Otter, 2003; Juwaheer, 2004; Akbaba, A., 2006; Campos and Marodin, 2012; Mbuthia, et al., 2013; Kim and Perdue, 2013). The results of these studies have given an enormous contribution through the understanding of the relevant service quality attributes and dimensions that matters to the various segments of the hotel industry, which are somehow different than those existent in the others service sector business.

2.1.7 Critics of service quality models

Different researchers have developed alternative measures of service quality for specific service settings. In the literature, there are many service quality measuring models depending on the purpose of the outcome and the approach employed. Among the different service quality models in the literature. In the following sections, the SERVQUAL, SERVPERF, and HOLSERV measures are further explained.

2.1.7.1 SERVQUAL

The first research measured the service quality was proposed by Parasuraman, et al. (1985) with the purpose to define and evaluate the quality, and based on this 34 items splited in ten dimensions: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding of customer and tangibility. Three years later, Parasuraman et al. (1988) reduced the original 10 dimensions to five (tangibles, reliability, responsiveness, assurance, and empathy), resulting in a widely used instrument known as SERVQUAL. A large number of hotel studies have applied the five dimension SERVQUAL instrument to assess service quality (Murphy, Schegg, and Olaru, 2007; Spreng, et al., 1996

According to Cronin and Taylor (1994), SERVQUAL could be applied to measure service quality and customer satisfaction. The SERVQUAL instrument was originally designed to assess the difference between quality expectations and perceived service along the five dimensions: tangibles, reliability, responsiveness, assurance and empathy (Curry and Sinclair, 2002). Based on Parasuraman, Zeithaml and Berry's (1988, 1985) studies, several marketing researchers have criticized their methodology and the psychometric setting (Ko and Pastore, 2001; Buttle, 1996; Carman, 1990). Fernie, Fernie and Moore (2003) emphasized two aspects of criticism of SERVQUAL. First, SERVQUAL generalized the relationship between customers and service providers. Second, this measure disregarded the crucial relationship between customers and service providers. These criticisms triggered the development of alternative models to measure customer perceptions of service quality (Caro and García, 2008; Caro and Roemer, 2006; Fernie et al., 2003). In spite of its growing popularity and widespread application, SERVQUAL has been subjected to a number of theoretical and operational criticisms that are detailed below (Buttle, 1996).

Theoretical:

- ❖ Paradigmatic objections: SERVQUAL is based on a disconfirmation paradigm rather than an attitudinal paradigm; it fails to draw on established economic, statistical and psychological theory.
- ❖ Gaps model: There is little evidence that customers assess service quality in terms of P - E gaps.
- ❖ Process orientation: SERVQUAL focuses only on the process of service delivery, not the outcomes of the service encounter.
- ❖ Dimensionality: The five dimensions of SERVQUAL are not universal; the number of dimensions comprising service quality is contextualized; items do not always load onto the factors that one would *a priori* expect; and there is a high degree of inter-correlation between the five RATER dimensions.

Operational:

- ✓ Expectations: The term expectation is poly-Semic; customers use standards other than expectations to evaluate service quality; and SERVQUAL fails to measure absolute service quality expectations.
- ✓ Item composition: Four or five items cannot capture the variability within each service quality dimension.
- ✓ Moments of truth (MOT): Customers' assessments of service quality may vary from MOT to MOT.
- ✓ Polarity: The reversed polarity of items in the scale causes respondent error.
- ✓ Scale points: The seven-point Likert-type scale is flawed.
- ✓ Two administrations: Two administrations of the instrument cause boredom and confusion.
- ✓ Variance extracted: The SERVQUAL score accounts for a disappointing proportion of item variances.

Babakus and Boller (1992) and Carman (1990) criticized SERVQUAL as being inappropriately applied to measure service quality. The reasons for the criticism were as follows:

- ❖ The five dimensions of the SERVQUAL measure may not be applied in all service settings.
- ❖ Items on some dimensions had been suggested in earlier research of Parasuraman et al. (1985) until factor analysis revealed that they were not distinct during scale purifications.

- ❖ SERVQUAL focused on the comparison of expectations with perceptions of actual service delivery.
- ❖ SERVQUAL could not adequately cover the complexity of customer perceptions.

Based on the existing literature on the SERVQUAL measure, Saleh and Ryan (1991) found that the dimensions of SERVQUAL could not be used to accurately measure hotel service quality. In addition, Buttle (1996) proposed three doubts about the face validity of the hotel service quality construct when measured using SERVQUAL. These three doubts were whether: (1) customers actually evaluate service quality in terms of their expectations and perceptions; (2) the five dimensions incorporate the full range of service quality; and (3) customers incorporate outcome evaluations into their assessments of service quality. Based on a review of the literature, there has been much debate over hotel service quality when the construct is measured using SERVQUAL.

2.1.7.2 SERVPERF

A few years later, a performance-based model of service quality (SERVPERF) was developed by Cronin and Taylor (1992). SERVPERF measures service quality based only on customer perceptions of the performance of a service provider's attitude-based (Cronin and Taylor, 1994). Service quality, together with the performance-based model as a foundation, was analyzed from the adequacy-importance perspective of the attitude literature proposed by Mazis, Olli and Klippel (1975). According to this perspective, an individual's attitude towards an object depended on the importance-weighted evaluation of various attributes of an object (Mazis et al., 1975). Following the adequacy-importance perspectives, Cronin and Taylor (1992) identified service quality as an attitude and termed this view as "the performance-based model." Theoretically, SERVPERF was superior to SERVQUAL (Brochado and Marques, 2007; Asubonteng, McCleary, and Swan, 1996). However, Cronin and Taylor (1994) argued that the SERVPERF measure should explain more of the variance in an overall measure of service quality than SERVQUAL instrument. Conversely, Nadiri and Hussain (2005) found that the SERVPERF instrument failed to form its five assumed dimensions: tangibles, reliability, responsiveness, assurance and empathy in the hotel industry. In terms of validity and reliability of SERVPERF, Robledo (2001) indicated that SERVPERF was not an efficient measurement scale,

2.1.7.3 HOLSERV

Mei AWO, Dean, and White CJ (1999) used the SERVQUAL instrument as a foundation and then developed a new measure termed HOLSERV, which was an instrument used to measure service quality in the hotel industry. HOLSERV applied in hospitality service and, in the related literature, it was a grading measure created for the measurement and the assessment of the hotels' service. Mei et al. (1999) showed that HOLSERV was a shorter, more user-friendly instrument than SERVQUAL. Mei et al. (1999) found that service quality was represented by three dimensions; referred to as employees, tangibles and reliability, and the best predictor of overall service quality was the dimension referred to as "employees" (Mei et al., 1999). She recommended that hotel managers should supplement the HOLSERV measure with additional qualitative research. Though HOLSERV was a useful starting point for identifying current levels of quality, it was not the ultimate solution for understanding and enhancing service quality in the hotel industry (Mei et al., 1999).

To sum up, the service quality has been a relevant object of research for major authors in different areas, and over the years, many measurement models were developed with the purpose to measure the service quality, highlighting the SERVQUAL based on gaps between expectation and performance (Parasuraman, et al., 1988) and SERVPERF based only on performance of service offered (Cronin and Taylor, 1992) and HOLSERV model that represented by three dimensions Mei et al. (1999).

Hence, among different service quality models found in the literature, the researcher used HOLSERV model which is developed by Mei et al. (1999) to measure service quality in the hotel industry for the current study. Because it is ease of use, user-friendly instrument and mainly developed for the hospitality industry than other models.

2.2 An overview of HOLSERV Model

HOLSERV is a new format of SERVQUAL. HOLSERV is the one-column format questionnaire that has produced a reliable instrument specifically for the hotel industry. In HOLSERV, eight items of the original SERVQUAL scale were either modified or added and three items were deleted, leaving a total of 27 items in final scale. The HOLSERV scale is a shorter, more user-friendly compared to SERVQUAL scale. On the other hand, Wong et al. (1999) who used the extended version of SERVQUAL scale — referred to as HOLSERV, found that service quality in the hospitality industry was represented by three dimensions: They were dimensions that were related to employees (behavior and appearance), tangibles and reliability. It ought to be highlighted that this study was conducted in Australia's three to five star hotels, and the findings differed from that conducted in other countries.

Due to the original SERVQUAL scale's drawbacks, a modified method named HOLSERV was adopted to establish service quality's dimensions in the hospitality industry and to identify which dimensions can be better predicted. 27 SERVQUAL items were modified or added to fit better in the hospitality industry. After the old five dimensions (responsiveness, reliability, empathy, assurance and tangibles) were combined and 27 effect factors were analyzed, three new dimensions were formed, as shown in below table (Wong, Dean, and White, 1999).

Dimensions of Service Quality in the Hospitality Industry

Factor	Elements from SERVQUAL	Main emphasis
Employees (factor 1)	Responsiveness (3) Assurance (5) Empathy (4) Tangibles (1)	Prompt service, willingness to help, confident in the delivery of service, polite, knowledgeable, skillful, caring, understanding, sincere, neat and professional employees
Tangibles (factor 2)	Tangibles (8)	Modern-looking equipment, fixtures and fittings, appealing facilities and materials, comfort, cleanliness, user-friendly equipment and facilities, variety in food and beverages, operation of services at a convenient time
Reliability (factor 4)	Reliability (4) Responsiveness (1) Assurance (1)	Keeping promises, accurate and timely service, safe and secure stay

The three new dimensions are employees, tangibles and reliability. The last two factors are the same as SERVQUAL. Under the new study, the employee dimension consists of the appearance and behavior of employees. For customers, it is important for employees to be professional, understand their needs, be willing to help, have a neat appearance, etc. The tangibles dimension refers to providing the guests with quality food and beverages. The reliability dimension refers to the staff's ability to provide properly prompt service, maintain a safe environment, and provide the promised service to guests (Wong et al., 1999).

Modifications of the SERVQUAL scale

NUMBER	BASIC WORDING	ORIGION	GROUP
REL1	Promises to provide a service and does so	SERVQUAL	Reliability
REL2	Shows dependability in handling service problems	SERVQUAL	Reliability
REL3	Performs the service right the first time	SERVQUAL	Reliability
REL4	Provides services at the time it promises to do so	SERVQUAL	Reliability
RES1	Tells guests exactly when the services will be performed	SERVQUAL	Responsive
RES2	Gives prompt service	SERVQUAL	Responsiveness
RES3	Always willing to help	SERVQUAL	Responsiveness
RES4	Never too busy to respond to guests' requests	SERVQUAL	Responsiveness
ASS1	Instills confidence in guests	SERVQUAL	Assurance
ASS2	Guests feel safe in the delivery of services	SERVQUAL	Assurance
ASS3	Guests feel safe and secure in their stay	New	Assurance
ASS4	Polite and courteous employees	SERVQUAL	Assurance
ASS5	Have the knowledge to answer questions	SERVQUAL	Assurance
ASS6	Have the skill to perform the service	New	Assurance
EMP1	Gives individual attention	SERVQUAL	Empathy
EMP2	Deals with guests in a caring fashion	SERVQUAL	Empathy
EMP3	Has guests' best interests at heart	SERVQUAL	Empathy
EMP4	Understands guests' specific needs	SERVQUAL	Empathy
TAN1	Equipment, fixtures and fittings are modern looking	SERVQUAL	Tangibles
TAN2	Facilities are visually appealing	Customized	Tangibles
TAN3	Neat and professional employees	SERVQUAL	Tangibles
TAN4	Materials are visually appealing	SERVQUAL	Tangibles
TAN5	Fixture and fittings are comfortable	New	Tangibles
TAN6	Equipment and facilities are easy to use	New	Tangibles
TAN7	Equipment and facilities are generally clean	New	Tangibles
TAN8	Variety of food and beverages meet guests' needs	New	Tangibles
TAN9	Services are operated at a convenient time	SERVQUAL	Tangibles

Source: Research and Concepts Analyzing Service Quality in the Hospitality Industry;

HOLSERV uses the rating five-point scale (1 = very poor and 5 = excellent) that is easier for customers to answer the questionnaire. This is useful to identify the best predictor of overall service. One column questionnaire combined with seven-point scale rating is the biggest advantages of HOLSERV which make HOLSERV become easy to be applied in reality

An example of the one-column format questionnaire:

CRITERIA	LEVEL OF SATISFACTION				
1. When Hotel X promises to provide a service, it does so	1	2	3	4	5
2. Hotel X shows dependability in handling service problems	1	2	3	4	5

1= Very poor; completely failed to meet my expected service level

5= Excellent; far exceed my expected service level

2.3 EMPIRICAL REVIEW

Wong et al. (1999) who used the extended version of SERVQUAL scale — referred to as HOLSERV, found that service quality in the hospitality industry was represented by three dimensions: They were dimensions that were related to employees (behavior and appearance), tangibles and reliability. The best predictor of overall service quality was the employee dimension, and the most important attributes in this dimension were employee gives individual attention to the customers. It ought to be highlighted that this study was conducted only in Australia’s three to five star hotels, and the findings differed from that conducted in other countries.

By using a modified SERVQUAL model, Juwaheer and Ross (2003) found that an overall evaluation of service quality in Mauritian hotels was determined largely by firstly ‘assurance factors’ — such as security and safety of guests, and effective handling of complaints and problems by hotel staff, and secondly ‘reliability factors’ — such as hotels perform tasks that have been promised to guests and resolving problems encountered by guests. They found that by focusing on only these factors, hotels in Mauritius would be able to achieve high levels of satisfaction and service quality.

Different models have been advanced concerning service quality in the service organizations with an aim of establishing the relationship between service quality and customer satisfaction. From the earlier research work, Parasuraman et al., (1988), five determinants of service quality were

identified as reliability, responsiveness, assurance empathy and tangibles. Ten studies carried out using the SERVQUAL model revealed that Reliability is the most critical dimension when measuring the relative importance of the five dimensions followed by Responsiveness, Assurance, Empathy and finally Tangibles (Parasuraman et al., 1991)

Stromgren (2007) studied the factors influencing service quality in the hotel industry in Peru and established that the customers were more interested in the dimensions of reliability exterior, tangibles and assurance. The best predictor of overall service quality was identified as the dimension of reliability. The researcher, however, noted that a different context would give different results. This is due to different social, demographic variables such as culture and religion which might impact on customer expectations. Harr (2008) on the other hand studied service dimensions that leads to higher levels of customer satisfaction in restaurants in Singapore and found out 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.

Kangogo et al., (2013) investigated the managers' perception of customer expectations in the dining restaurants in Singapore. The results showed that assurance, empathy and tangibles were regarded as the most important factors affecting service quality. This research was, however limited, to the managers' perception of customer expectations and failed to take into account customer's expectations. The result of the study, therefore, does not represent the voice of the customer. More study, therefore needs to be carried out to establish whether the manager's perception of customer expectations matches customers' expectations.

Christine, M. (2009) studied the effect of customer satisfaction on the performance of the hotel industry in the western tourism circuit of Kenya. The customers reported to be satisfied with reservation, reception, food quality and beverage quality. Costs, security and hotel amenities on the other hand registered fair ratings while provision of personalized services registered dissatisfaction. The researcher also noted that customer satisfaction has positive impacts on market share, service quality, hotel image, sales turnover, and that lack of customer satisfaction results in customer and employee turnover.

Abraham (2015) examined the service quality and customers' satisfaction in the hotel Industry in Addis Ababa, Ethiopia on three star hotels stated that the combination of tangibility, reliability, responsiveness, confidence and communication together has a significant and positive effect on customer satisfaction. And also the hotel guests' perceptions of service quality provided by the hotel industry were lower than their expectations.

Andargie (2013) conducted a study on foreign customer satisfaction in Ethiopian five star hotels Sheraton Addis and Hilton intercontinental hotels reported that foreign customers are not satisfied with the services of the hotels, more over all services quality dimensions created a gap in their expectation and perception of guests.

In the literature about service quality and customer satisfaction exists many empirical research in different services industries, including hospitality industry, presenting this relationship and which dimensions of service quality have direct impact on customer satisfaction. Over the years, this topic has been considered relevant for professional and companies and little research has been conducted on the relationship between service quality based on customers' perceptions of performance and customer satisfaction related to hotels, but no research focusing 3 and 4 private and public hotels by using the HOLSERV model, it indicates that there is a relevant space to be filled with this research.

2.3.1 Hypothesis formulation

Providing high standard of service quality can result in high level of customer satisfaction (Suki and Suki, 2013) and the modified model based on the widely common service quality measurement model SERQUAL-called HOLSERVE (Cronin and Taylor, 1992)and it three dimensions, including tangibility, reliability, and employee behavior and appearance, has been conceptualized the hypothesis of this research which aim to identify the relationship of those three dimensions with customer satisfaction construct (Zeithaml, et al., 1996).

Employee behavior and appearance and customer satisfaction

One of the most important ingredients of success in the market place is customers' satisfaction. Hence, customers are the life blood of an organization, their satisfaction is the top goal of the firm, and is ranked by their satisfaction score. Wirtz (2003) provided the lists of customer satisfaction to include: repeat purchase, loyalty, positive word-of-mouth and increased long term profitability. Authorities like Oliver (1977), Churchill and Surprenant (1982), Tse and Wilton (1988) and Yi (1990) have postulated that customer satisfaction is a function of the discrepancy between customer's prior expectations and perception regarding the patronage or purchase. When an experience is better than what the customer expects, this is thought to be positive disconfirmation of the expectation, and a favorable customer's evaluation is predicted. This assertion is aligned with customer retention.

According to Zeithaml, Parasuraman, and Malhotra (2006), the role of employees in service organizations is comparable to the role of the service itself. Their importance to the firm is critical to both service delivery and service production. In services, it is all about the people (employees) because they appear more often to be the most tangible clue to the quality of the service. Zeithaml et al. (2006), further explained that the people factor in services is a very important element in the evaluation of that service (as all human actors who play a part in service delivery and thus influence the buyer's perceptions) from the company's personnel to the customers in the service environment.

Employees like the mirror of an organization are the interface between the organization and the customer, what they portray is what the customers see and use in their evaluation of the service experience. Zeithaml et al (2006), defines employees' role in the organization to the customers as satisfied employees make satisfied customers and vice versa, as the customers of the organization are important to their success so also are the employees and their relevance. It can therefore be inferred that customer satisfaction is the parameter that determines a satisfied employee. Thus, the following hypotheses are proposed:

H1: Employees have a positive and significant effect on customer satisfaction with 3 and 4 star hotels

Tangibility and customer satisfaction

The tangible Service Quality Dimension refers to the physical facilities, equipment and appearance of personal (Parasuraman, et al., 1988), such facilities might in the case of the hotel industry be both facilities in public areas such as lobbies, pool area, restaurant etc. Or it might be the tangibles with regard to private areas such as the customers' hotel room and the facilities related hereto, such as equipment, fixtures and fittings, cleanliness, the design and ease of use (Wong Ooi Mei, et al., 1999). In other words, the tangible dimension is about creating first hand impressions. A company should want all their customers to get a unique positive and never forgetting first hand impression, this would make them more likely to return in the future (Delgado and Ballester, 2004). Prior research finds that tangibles are an important aspect of Service Quality perception (Parasuraman, et al., 1988) and that tangibles have a direct impact on customer satisfaction. Thus, the following hypotheses are proposed:

H2: Tangibles has a positive and significant effect on customer satisfaction with 3and 4 star hotels

Reliability and customer satisfaction

The reliability Service Quality relates to services being provided in a timely manner, the right services delivered as expected by the customer, the hotel living up to the promises it gives to the customers and the that customers can depend on the services being fulfilled (Parasuraman, et al., 1988). Concerning the hotel industry, such reliability might relate to how the company is performing and completing their promised service, quality and accuracy within the given set requirements between the company and the customer. Reliability is just as important as a goof first hand impression, because every customer wants to know if their supplier is reliable and fulfil the set requirements with satisfaction (Delgado and Ballester, 2004). Prior research has found, that reliability is one the most important aspect of Service Quality perception (Parasuraman, et al., 1988) and that reliability has a positive impact on customer satisfaction. Therefore, the following hypotheses are proposed:

H3: Reliability has a positive and significant effect on customer satisfaction with 3and 4 star hotels

Quality difference

From the perspective of different scholars quality reads: "Quality is a measurement or indicator of scope, i.e. The term for usability of a product or service for meeting specific needs at a certain place and time, when the product or service is confirmed as goods through the process of exchange" (Parasuraman, Zeithaml and Berry (1985) and Johnston (1995) defined the service quality in terms of customer satisfaction, that is, the degree of fit between customers' expectations and perceptions of service (Gronroos, 1984; Parasuraman et al, 1985; Johnston, 1995).

Avelini-Holjevac gave an interesting definition of service quality in the hotel industry: "Quality means the achievement of estimated standards and their constant maintenance, i.e. an ongoing process." Crosby cited: "Quality is free. It is not a gift, but it is free. Nowadays, when our business is insecure, it is unnecessary to employ numerous ways of increasing profit. If you focus on quality assurance, it is probable that your profit will increase proportionally to the value of 5 to 10% of your sales value. And that is a lot of money - for free" (Crosby, 1996, p.9). Definitely, product quality is an essential element of a product's competitive advantage in the market (Rocco, 1993). Definition of quality must be driven by customers' demands. Numerous quality definitions available in both domestic and foreign references comply with this attitude. Product quality is the feature that makes it appropriate for use. Moreover, quality is a complex set of features that define its level of appropriateness for the intended purpose. Quality stands for an integral unity of product features. The quality of a product is the measurement of its usefulness, i.e. appropriateness to meet the customers' demands (Kosar and Rašeta, 2005). Regardless the definition of quality, the only acceptable quality for the guests is the one that conforms to their expectations. Therefore, the following hypotheses are proposed:

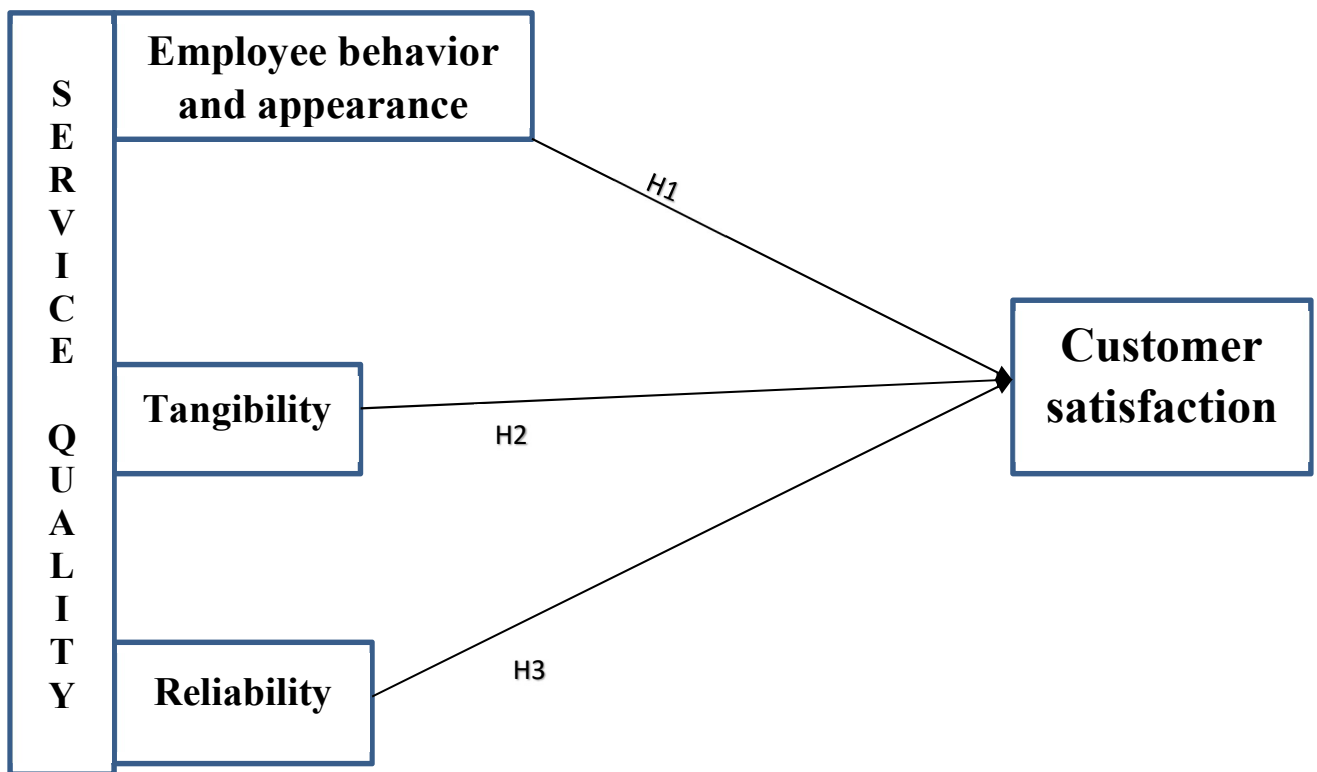
H4: There is no significant quality difference between 3 and 4 star hotel

H5: there is no significant quality difference between public and private star rated hotels

2.4 Conceptual Framework

The conceptual framework indicates the crucial process, which is useful to show the direction of the study. The study tries to show the relationship between the service quality and customer satisfaction, used the extended version of SERVQUAL scale — referred to as HOLSERV, found that service quality in the hospitality industry was represented by three dimensions: They were dimensions that were related to employees (behavior and appearance), tangibles and reliability. The dimensions are depicted as follows

Service quality Dimensions



Source: adopted from HOLSERV model (Wong et al. (1999))

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

Introduction

This chapter focuses on the theoretical perspective of the research and justifies the selection of the relevant methodology and the methods adopted in achieving the specific aim and objectives of this study. Highlights the methodologies used in the study starting with topics related to research, design, research approach; data type and sources, target population, sampling procedures and sample size, data collection technique, method of data presentation and analysis, issues of reliability and validity and finally the ethical concerns in carrying out this research.

3.1 Research design

Based on the research purposes and data types, research design can be classified into quantitative, qualitative research design, or a combination of them (Creswell, 2009). According to Malhotra and Birks (2009), qualitative research design is unstructured primary exploratory research design that depends on small samples, intended to provide insight and understand. It involves the collection, analyzing and interpreting of data that cannot be meaningfully quantified and summarized in the form of numbers (Parasuraman, 1991). In qualitative research samples tends to be smaller as compared with quantitative projects that include much larger samples.

On the other way, quantitative research is a study that makes use of statistical tools to obtain findings. Instance to Kothari (2004), “Quantitative research is based on the measurement of quantity or amount and applicable to phenomena that can be expressed in terms of quantity”. It places greater emphasis on the numerical data and statistical test to achieve conclusion that can be generalized (Saunders, Lewis and Thornhill, 2009). Indeed, Parasuraman (1991), argue quantitative research is a form of descriptive or explanatory research involving large representative samples and fairly structured data collection procedures. Quantitative research is used to answer hypotheses or research questions using descriptive or explanatory techniques (Malhotra and Birks, 2009).

Therefore, given the concepts of the above parts since the aim of this research is to assess the effect of service quality on customer satisfaction in 3 and 4 star rated hotels in Addis Ababa, this research is a quantitative research design as it used data that are numeric in nature. In addition to this, since

the researcher uses systematic collection and measurement of data as well as application of statistical tools to analyze and to obtain the findings so as to address the raised research questions and to test the formulated hypotheses, it is a quantitative research design.

3.2 Research approach

The various types of research that can be used by many researchers based on the study purpose are: exploratory, descriptive and causal or explanatory research (David, 1998).

Parasuraman (1991), states exploratory research as intended to develop initial insight and to provide direction for any further research needs. He also indicates that, the main purpose of exploratory research is to shed light on the nature of a situation and identify any specific objectives or data needs to be addressed through additional research.

According to Burns and Grove (2003), descriptive research is designed and conducted to describe a picture of phenomena as it is naturally happening. It aims to depict the state of affairs as it exists and to describe characteristics of a population or phenomenon in terms of its characteristics to provide an accurate profile of a group verbally or numerically (Kothari, 2004). Descriptive research goes further in examining a problem than exploratory research, as it is undertaken to determine and describe the characteristics of the relevant issues (Olsen and Pedersen, 2008).

Explanatory or causal research is an elaboration of descriptive research. The researcher goes beyond purely describing the characteristics, to analyze and explaining why or how the phenomenon being studied is happening. An explanatory investigation will try to illustrate cases, effects or intentions with the aim of explaining a certain phenomenon (Olsen and Pedersen, 2008).

Thus, based on the above argument, the researcher had been used both descriptive and Explanatory research. Because the researcher was attempting to describe the demographic profile of the respondents and tried to assess the correlation between determinants of service quality and customer satisfaction of the subject matter under study.

3.3 Data Sources and Type

In order to generate relevant data for this study, both primary and secondary data sources were used. Primary data are the original data which are collected from the customer respondents by questionnaire and secondary data include data which are collected from different written documents (past records and manuals of the company, books, internet etc.)

Accordingly, Even if obtaining them can be expensive and time consuming, the researcher had been used primary data as a source of information for this study. The primary data for this research were gathered by means of a self-administered structured questionnaire that was distributed to representatives of the targeted population under study (i.e. hotel guests) in Addis Ababa.

3.4 Target Population of the study

The target population is “the entire respondents that meet the designated set of criteria” (Burns and Grove 1997). As stated earlier in the scope of the study, this research were trying to measure the assess the effect service quality on customer satisfaction of three and four star hotel in Addis Ababa, the target population for this study comprises all three and four star hotel guest who uses the service provided by the hotels.

3.5 Time dimension of the research

A **cross-sectional study** (also known as a cross-sectional analysis, transversal study, prevalence study) is a type of observational study that analyses data collected from a population, or a representative subset, at a specific point in time. Hence the researcher gathered first-hand information from the representatives of the targeted population of the study at a particular point in time (cross sectional) from April 15-28, 2017 in Addis Ababa.

3.6 Sample and Sampling Techniques

3.6.1 Sampling methods

There are two main categories of sampling techniques: probability and non-probability. The probability technique is “a sampling technique in which every member of the population has a known, equal probability of selection”. While the non-probabilistic technique is “a sampling technique in which units of the sample are selected on the basis of personal judgment or convenience, and the probability of any particular member of the population being chosen is

unknown” (Zikmund et al., 2012, p. 394). The researcher draws the respondents out of the total population of 3 and 4 star rated hotel guests through non probability - convenience sampling for this study for several reasons.

Firstly, the fundamental requirement of probability sampling is that all samples must have an equal probability of being selected as a target population in the hotel industry was unable to be identified (Back, 2005; Zikmund et al., 2012). This approach also enables the researcher to obtain a large number of completed questionnaires quickly and economically (Zikmund, 2003).

Secondly, non-probability sampling is considered as an acceptable sampling technique if the objectives of the research are to: test the theoretical premises, test the hypotheses regarding how variables are related to behavior, and provide evidence in supporting or rejecting the theory test, regardless of the nature of the sample (Leary, 2004; Reynolds, Simintiras, and Diamantopoulos, 2003; Suhartanto et al., 2013).

In order to minimize the drawbacks of using convenience sampling, data was gathered from several 3 and 4star hotels in Addis Ababa, and a non-response bias test was conducted.

3.6.2 Sample size

According to Wimmerand Dominick (2006), the sample is “a proportion of the population that is representative of the entire population”. A carefully selected sample can provide data representative of the population from which it is drawn.

Sample size is the number of subjects chosen to represent a population in a research study (Sekaran and Bougie, 2010). The sample size is one critical factor for precise generalization; therefore, it requires a reliable estimation with a minimal error, as well as closely reflecting important population parameters (Ruane, 2005; Sekaran and Bougie, 2010). Moreover, the sample size has an impact on the reliability of factors that emerge from a factor analysis (Hair et al., 2010). While there is no consensus on an acceptable sample size (Hair et al., 2010; Leisa Reinecke and Percy, 2001), several authors agree that the number of participants in the sample should be at least greater than the number of variables analyzed (Bryman and Cramer, 2004). Krejcie and Morgan (1970) suggest that a sample size of at least 384 is likely to be sufficient, no matter how large the population is represented.

Considering the purpose of this exploratory research, the non-probabilistic sample was designed based on the entire guest of the 3 and 4 star hotel in Addis Ababa. According to Cochran (1963) a large population's sample size can be found by applying the convention

$$n = \frac{Z^2 (pq)}{e^2} = \frac{(1.96)^2(0.5*0.5)}{(0.05)^2} = 384$$

Where n = required sample size

Z = Degree of confidence (i.e. 1.96)

P = Probability of positive response (0.5)

q = Probability of negative response (0.5)

e = Tolerable error (0.05)

Given that, the sample size for this study is determined by using the estimation formula developed by Cochran (1963), cited by Israel (2009). The reason for choosing this formula is that; it is mostly used by other researchers to measure service quality and the total number of the population of this inquiry is also unknown. The research questioner is distributed to 384 customers who stay in 3 and 4 star hotel in Addis Ababa.

Accordingly, data from Ministry of Culture and Tourism of Ethiopia in the year 2016 depicts that there were a total of 14 four stars and 22 three star hotels in Addis Ababa (Quarterly Report, 2015). Six (6) three star and six (6) four star hotels were selected purposefully based on their time impact and the influence they had on hosting a lot of numbers of customers rather than newly incorporated hotels.

The selected hotels were listed below in table 1.

	Name of hotels	Star category	No.of rooms	No. of beds
1.	Friendship hotel	4	104	
2.	Harmony Hotel	4	66	73
3.	Intercontinental Hotel	4	151	190
4.	Jupiter int. Hotel (kazanchis)	4	102	112
5.	Saromaria hotel	4	96	
6.	Washington hotel	4	70	
7.	Hilton Addis Ababa	3	350	705 **
8.	Ambassador Hotel	3	48	60
9.	Global Hotel	3	50	70
10.	Sarem hotel	3	60	
11.	Kaleb Hotel	3	64	84
12.	King's Hotel	3	34	54

Table 1 list of 3 and 4 stars hotel.

** Public hotel

3.7 Data collection method and instrument

3.7.1 Data collection method

The necessary data for this study were collected from primary sources. The researcher was used a survey structured questionnaire for this research to collect primary data from the representatives of the targeted population of the study. Based upon indicators extracted from an extensive literature review, an already tested structured self-administered questionnaire is selected to compile the research information from representatives of the targeted population of this study.

3.7.2 Questionnaire development

The questionnaires had structured questions on the guests' perceptions of service quality in the hotels. Likert scales, which measure attitudes (Clark et al, 1998), were used. Scales with five levels of relative agreement with values of 1 = strongly disagree to 5=strongly agree were used in the field.

The questionnaire was adopted and customized a little bit to fit with the current study area from the work of Mei et al. (1999) developed an instrument to measure service quality in the hotel

industry called HOLSERV model. To assess the effect of service quality dimensions on customer satisfaction, 13 items for employee behaviour and appearance, 8 items for Tangibility and 6 items for reliability were adopted from the empirically tested existing scale. The survey questionnaire of this study incorporated three parts. The beginning section is about the demographic profile of respondents' like Gender, their location, and other demographic features. The second part focused on questions pertaining to hospitality industry service dimension. Finally, the third part incorporates a general attitude of customer towards that hotel.

3.8 Methods of Data Analysis

In this study to analyze the collected data, descriptive and inferential statistics data analysis method were employed. Those data collected through questionnaires were analyzed using the Statistical Package for Social Sciences (SPSS) version 20 software. The researcher used descriptive statistics, like Frequency, percentage, mean, standard deviation and cross tabular presentation to analysis the demographic profile of the respondents. Furthermore inferential statistics (correlation, regression and *t*-test) were used to analyze the data. Person correlation was used to assess the relationship between service quality dimension and customer satisfaction were as multiple regression analysis was used to examine the extent of the influence of service quality Dimension on overall customer satisfaction and finally independent sample T-test were used to assess the quality difference between 3 and 4 star rated private and public owned hotels in Addis Ababa.

3.9 Reliability and validity analysis

Reliability refers to the consistency between multiple measurements of variables (Hair et al., 2010; Malhotra, 2010). Internal consistency is a common form of reliability measurement by which reliability is measured based on the correlation among variables consists with the scale (Garson, 2010; Hair et al., 2010). An instrument is reliable when all items in the instrument are highly correlated, meaning that the instrument intends to measure the same construct (Hair et al., 2010; Malhotra, 2010). This study adopted the Cronbach's alpha, which is a common method to estimate the internal consistency of the entire instrument. A value of 0.60 is the recommended threshold of Cronbach's alpha value suggested by Hair et al. (2010). Accordingly, for this study, Cronbach's alpha score of 0.6 or higher has been considered adequate to determine reliability.

Validity is the extent to which differences found with a measuring instrument to reflect true differences among those being tested, (Kothari, 2004). In other words, Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. In order to ensure the quality of the research design, content and construct validity of the research questionnaire was checked.

According to Kothari (2004), Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it.”

Based on this definition, the questionnaire was given both to the experts in the subject matter area of study for comments and to the thesis advisor to look into the appropriateness of the questions and the scales of measurement and accordingly the refinement was made before administering the questionnaire to the respondents in addition to the researcher full effort.

3.10 Ethical consideration

In the context of research, according to Saunders, Lewis and Thornhill, (2001:130), “... ethics refers to the appropriateness of your behavior in relation to the rights of those who become the subject of your work, or are affected by it”. The following ethics will be remarked in the research field:

- ❖ **Informed consent:** Participants should be given the choice to participate or not to participate, and furthermore be informed in advance about the nature of the study.
- ❖ **Right to privacy:** The nature and quality of participants’ performance must be kept strictly confidential.
- ❖ **Honesty with professional colleagues:** Findings must be reported with a complete and honest fashion, without misrepresenting what has been done or intentionally misleading others as to the nature of it. Data may not be fabricated to support a particular conclusion.
- ❖ **Confidentiality/Anonymity:** It is good research practice to offer confidentiality or anonymity, as this will lead to participants giving more open and honest responses.

The researcher reflects on the ethical issues in every aspect of the activity doing this study. Furthermore, when distributing the questionnaire, respondents are guaranteed that the information they provide is confidential and used for academic purpose only. Moreover a statement conforms the prohibition of including any identity detail or personal references in the questionnaire. This was to avoid any biased response or unauthentic data provided by respondents and to make participants safer in filling the questionnaire. As the result the gathered data was kept confidential and would not be used for any personal interest and also the whole process of the study controlled to be within acceptable professional ethics.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Introduction

The aim of this quantitative research is to evaluate and analysis service quality and customer satisfaction in three and four star hotels in Addis Ababa. The information obtained are summarized and analyzed using descriptive data analysis techniques which includes tabulation, percentage and mean scores. This chapter comprises of four divisions, including the validity and reliability, following by descriptive statistics using tables to deliver the frequencies, central tendency and dispersion, and the hypothesis test based on multiple linear regression through SPSS version 20. Therefore, the chapter will be concluded with the discussion of findings and the proof of hypothesis of this inquiry.

4.1 Reliability test

This study, carried out the pilot testing study to find out whether the questionnaires can obtain the outcomes which the study required for meeting objectives and hypotheses of the inquiry. Accordingly 20 questionnaires were dispatched and 18 of them were gathered up from three and four star rated hotel guests in Addis Ababa to check its reliability.

The reliability coefficient applied in this research allowed to identify the stability, consistency and also enhance the accuracy of assessment of the data instrument used in this research and its coefficient varies between 0 and 1(Tavakol and Dennick, 2011), where Bryman and Bell (2011) considered acceptable internal reliability when greater than 0.80, and others authors considered as excellent internal reliability when the Cronbach's alpha is greater than 0.9, good between 0.8 and 0.9, acceptable between 0.7 and 0.8, questionable between 0.6 and 0.7, and the others results lower than 0.5 can be explained by a low number of items, poor inter-relatedness between items or heterogeneous constructs.

Analyzing the three constructs of service quality, including tangibility, employee behavior and appearance and reliability, as well as the overall customer satisfaction based on a reliability test show that all the constructs has presented excellent and good internal reliability (table 1)

Table 1 Cronbach's Alpha Reliability Test Results

	N of Items	Cronbach's Alpha
Reliability	6	.843
Employee behavior and appearance	13	.943
Tangibility	8	.904
Overall satisfaction	4	.906
overall variable	31	.953

Source: own survey SPSS result, 2017.

4.2 RESULTS AND DISCUSSION

The study was designed to describe the effect of service quality on customer satisfaction in three and four star hotels in Addis Ababa. To address this objective, data were collected from hotel guest. Consequently, a sum of 384 questionnaires were distributed to hotel guests; of these, 331 (86.2%) usable questionnaires were gathered up. This chapter aims to present the results obtained from survey questionnaires were analyzed using Statistical Package for the Social Sciences (SPSS) version 20.

4.3 Demographic Data

4.3.1 Hotel guests by genders

As shown in figure 1 below the sample of respondents contained more males (55%) than females (44.9%). In the research, the female hotel guests account for is the portion of the female guests. Because 100% of both the respondents have experiences of staying in the hotel, this ratio cannot lead to the conclusion that only men are staying in the hotels than women.

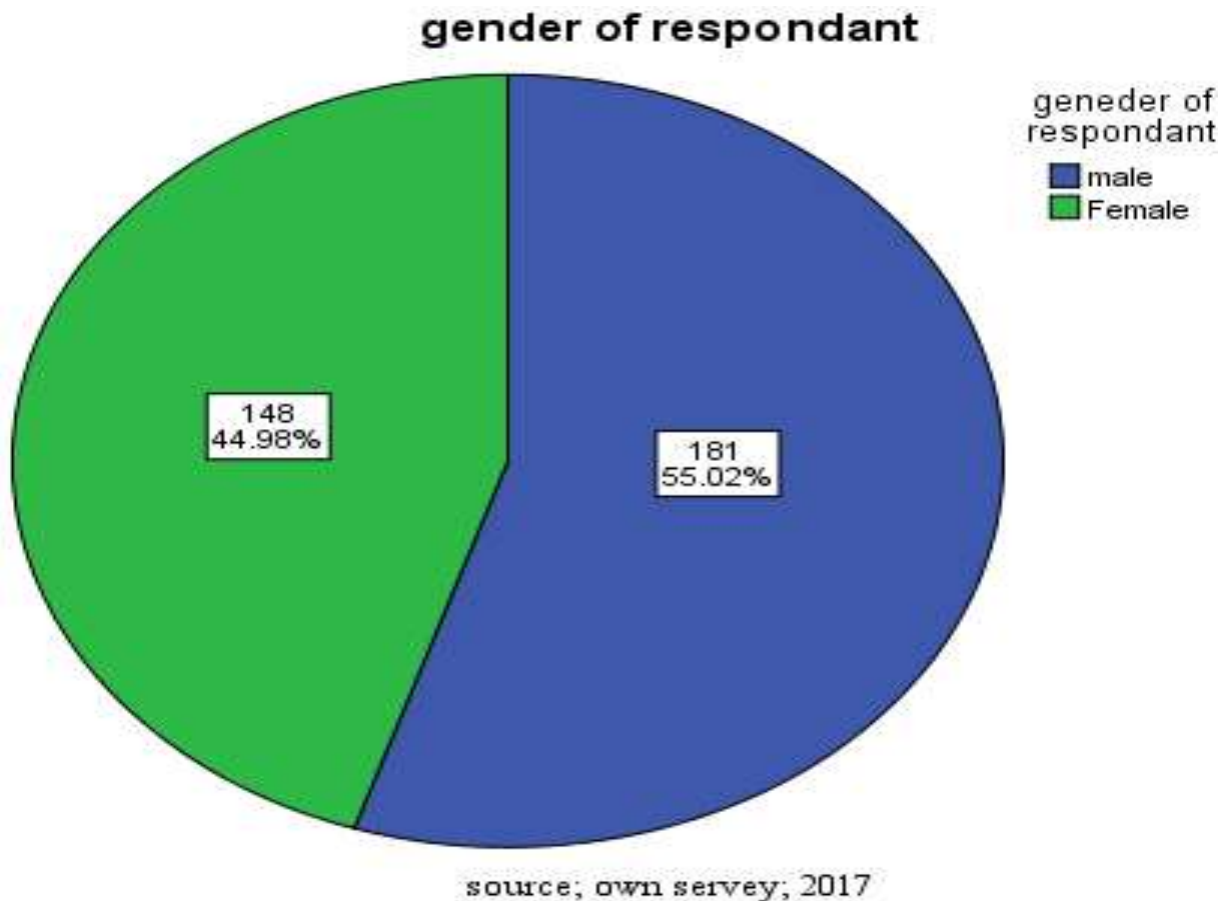
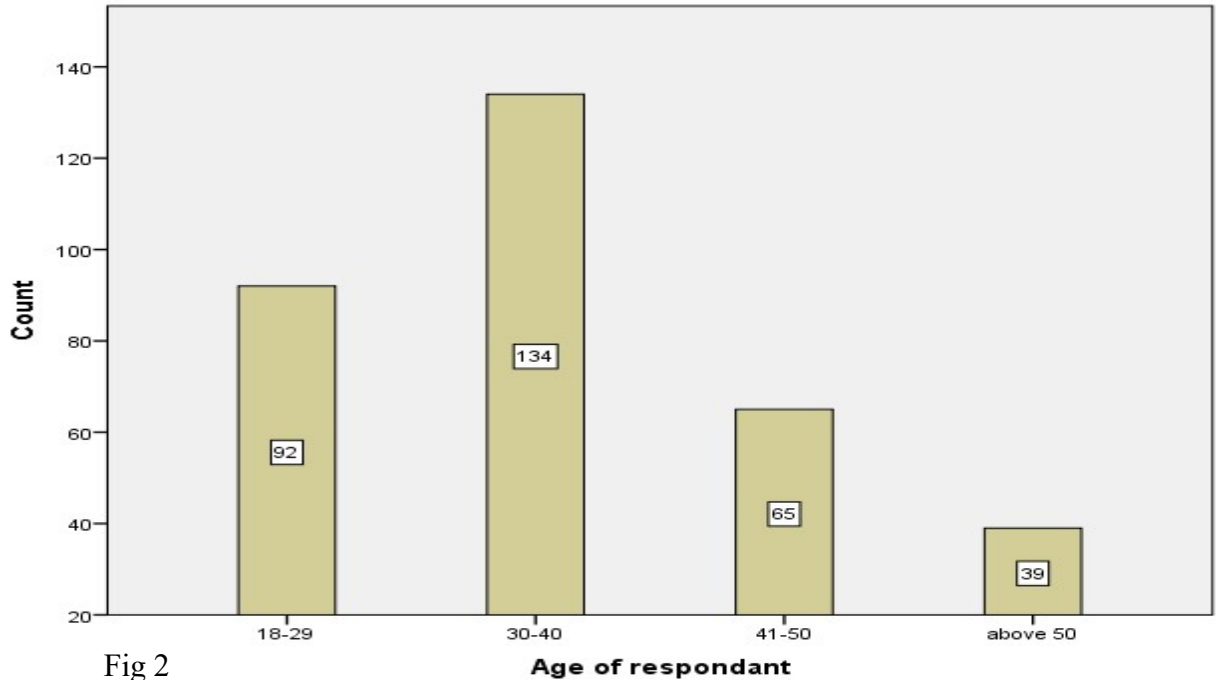


Fig 1 gender of respondents



Source: own survey SPSS result, 2017.

Fig 2: guests ages Bar graph

As per the above figure the majority of the guests are 30-40 years old, accounts for 40.6%. Among them the total respondents the next largest respondents were between the age from 18 to 29(27.9%) years old, and 19.7% of guests are from 41 to 50 years old. Only 11.8% of guests’ ages are above 50. As per the above result, we can conclude that most users of hotel service are young people.

4.3.2 Educational background

Table 2: Educational level of respondents

	Frequency	Percent	Valid Percent	Cumulative %
Valid high school	16	4.8	4.8	4.8
Diploma	79	23.9	23.9	28.8
Degree	148	44.7	44.8	73.6
master and above	87	26.3	26.4	100.0
Total	330	99.7	100.0	
Missing no response	1	.3		
Total	331	100.0		

Source: own survey SPSS result, 2017

According to the above table 2 it is clear that the highest numbers of three and four star hotel customers are bachelor degree holders with consists of 44.8 %, masters and above holders are 26.3% as well as diploma 23.9% and the lowest level of education was the high school with a percentage of 4.8%. Thus, Ethiopian three and four star holes are more likely visited by educated guests.

4.3.3 Hotel staying purpose

Fig 3: bar chart of purpose of visit

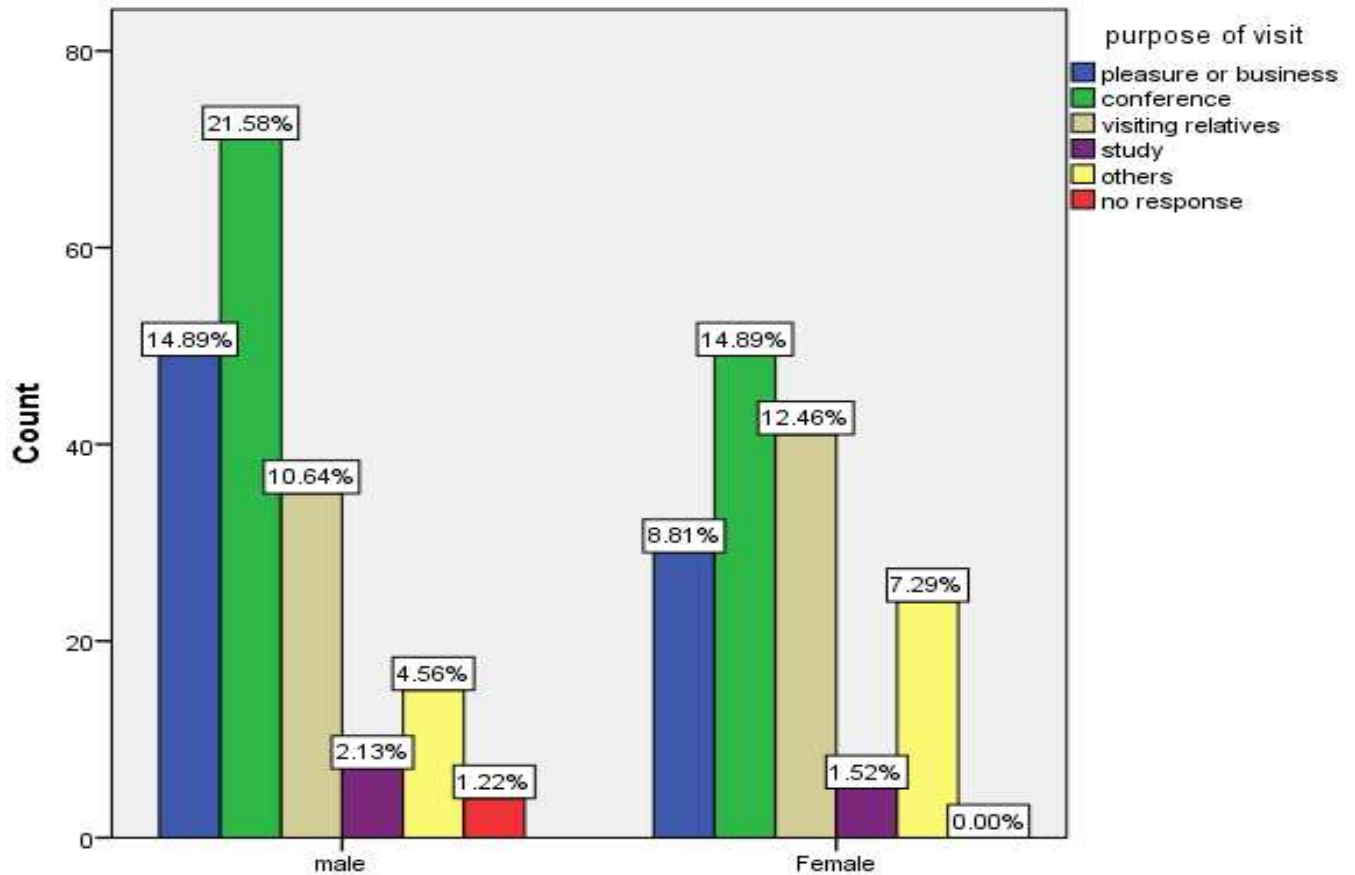


Fig 3 gender of respondent

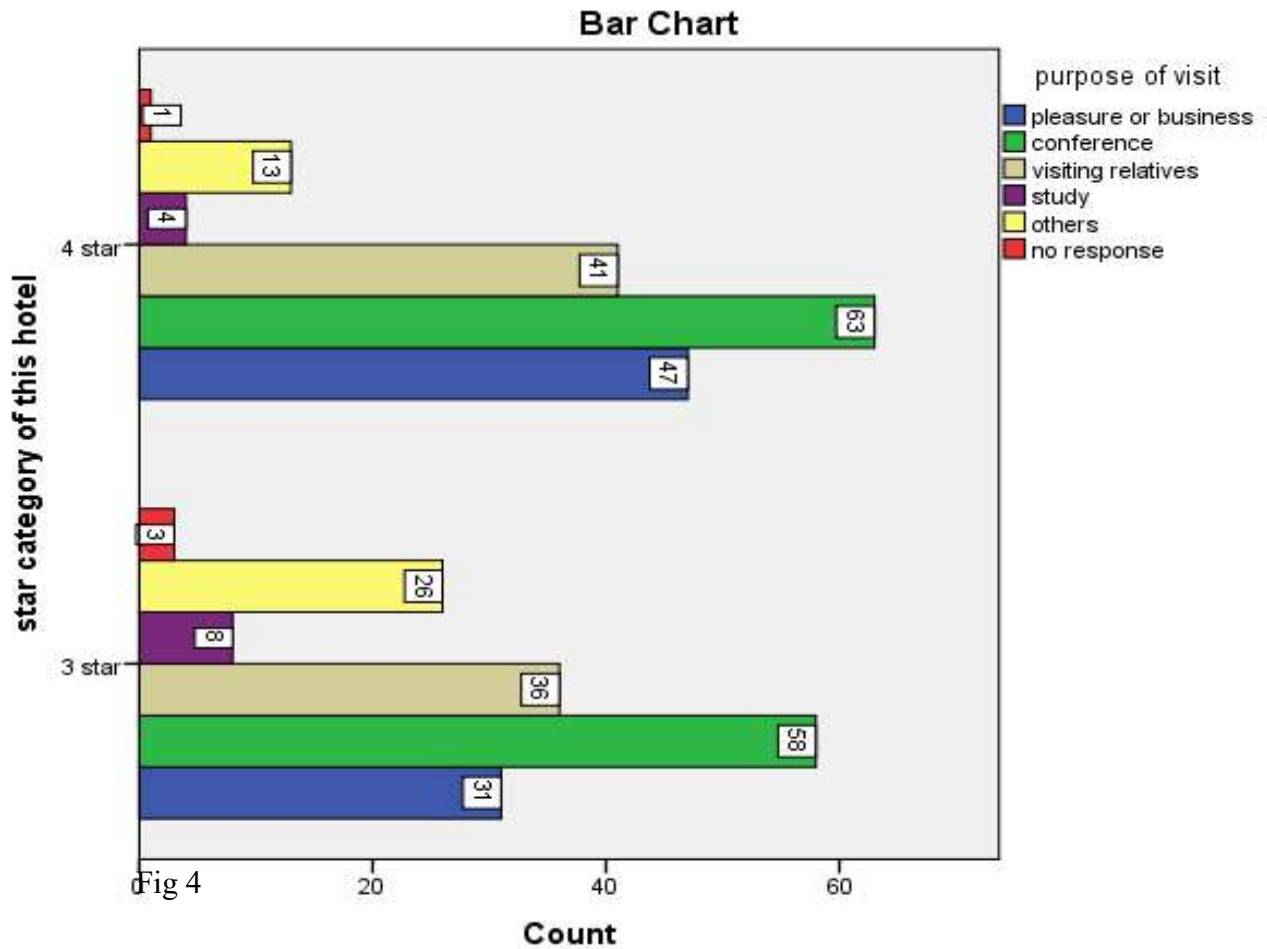
Source: own survey SPSS result 2017

As portrayed on the bar chart 3, around 36.56% of reasons that people stay in the hotel is for conference, among them 59.2% are male and the remaining 40.8% are female guests. The second one is for pleasure or business purpose. In this sector, the male guests are 14.88% and the rest are female (8.81%), the other group of the hotel guest are visiting relatives (23.1%) and for study,

males are 4.56% and females are 7.29% finally the lowest hotel guest are staying for other purpose. From the above result, most of the time female and male visit hotel for conference use.

4.3.4 Hotel selection of guest

Fig 4 hotels star category and purpose



Source: own survey SPSS result 2017

As mentioned in the figure 4 above 160 (48.9%) of customer select 3 star rated hotels and the remaining guest 171 (51.1%) are staying in 4 star hotel. As the data shows beside this pleasure or business travelers were selected four stars and those travels for study and, other than pleasure or business, conference, visiting relative's purpose were select three star than four star. At this point we can conclude most hotels provide service to guests who attend the conference.

4.4 Descriptive Analysis of Service Quality Measurement

To measure the customers' perception of the service quality provided by three and four star hotels in Addis Ababa, the modified SERVQUAL model customized only for hospitality industry which is called HOLSERV used in this study. HOLSERV directly measures the customer's perception of service performance and assumes that respondents automatically compare their perceptions of the service quality levels with their expectations of those services. The model contains 27 questions and a five point Likert scale is used to measure the performance. For all the service, quality dimensions (Reliability, employee behavior and appearance and Tangibility), the mean score has been computed. The implications of these results are discussed below.

4.4.1 Reliability

Reliability is connected to the consistency of performance and dependability, Grönroos (1983). This dimension includes keeping promises, showing a sincere interest in solving the problem, give right service the first time, providing the service at the time the hotel promise to do so and trying to keep an error free record. Reliability of service designates the hotel capability to provide the promised service at the stated level. Accordingly the mean value of reliability is 3.85. The highest mean score is obtained on question number 5, thus respondents agree that they feel secure and secure by stay in the hotel.

Table 3 mean score of reliability

MEAN SCORE OF RELIABILITY	N	Mean
1. The hotel promises to provide a service and does so.	330	3.94
2. The hotel performs the service right the first time.	330	3.72
3. Employees of the hotel tells you exactly when the services will be performed.	329	3.71
4. The hotel provides services at the time it promises to do so.	331	3.77
5. You feel secure and secure in your stay in the hotel.	327	4.09
6. You feel safe in the delivery of services of the hotel.	329	3.92
RELIABILITY	331	3.8567
Valid N (listwise)	321	

Source own survey SPSS result, 2017

4.4.2 EMPLOYEE BEHAVIOR AND APPEARANCE

Employees like the mirror of an organization are the interface between the organization and the customer, what they portray is what the customers see and use in their evaluation of the service experience. Zeithaml et al (2006:350), defines employees' role in the organization to the customers as satisfied employees make satisfied customers and vice versa, as the customers of the organization are important to their success so also are the employees and their relevance. Accordingly the mean value of Employee behavior and appearance is 3.85. The highest mean score is obtained on question number 1 thus respondents believe that the behavior of employees of the hotel instills confidence in guests.

Table 4 mean score of employee behavior and appearance

MEAN SCORE OF EMPLOYEE BEHAVIOR AND APPEARANCE		
	N	Mean
The behavior of employees of the hotel instills confidence in guests.	328	3.91
Employees of the hotel, Never too busy to respond to guests' requests	329	3.89
When you have a problem, the hotel shows dependability in handling service problems.	328	3.78
Employees of the hotel gives prompt service.	329	3.71
Employees of the hotel are always willing to help.	330	3.85
Employees of the hotel give individual attention.	328	3.57
Employees of the hotel deal with guests in a caring fashion.	328	3.45
Employees of the hotel are polite and courteous to you.	329	3.70
Employees of the hotel understand the guests' specific needs.	328	3.61
Employees of the hotel are neat and professional.	330	3.78
Employees of the hotel have the knowledge to answer questions.	328	3.69
The hotel has guests' best interests at heart.	329	3.66
Employees of the hotel have the skill to perform the service.	329	3.77
EMPLOYEE BEHAVIOR AND APPEARANCE	331	3.7238
Valid N (listwise)	308	

Source: own survey SPSS result, 2017

4.4.3 Tangibility

Tangibility refers to the appearance of physical facilities, equipment, personnel and communication materials. Accordingly the mean value of tangibility is 3.81 and as it can be seen from the table, 8 questions asked under tangibility the highest mean score are obtained on Variety of food and beverages which show that the majority of the respondent's agree that the hotel provide Variety of food and beverages that meet guests' needs. The lowest mean score is obtained in the statement which asks whether the hotel's materials are visually appealing or not.

Table 5 mean score of tangibility

MEAN SCORE OF TANGIBILITY	N	Mean
The hotel's facility is visually appealing.	330	3.72
The hotel's materials are visually appealing.	328	3.71
The hotel's fixture and fittings are comfortable.	329	3.75
The hotel's equipment and facilities are easy to use.	330	3.82
The hotel's equipment and facilities are generally clean.	329	3.88
Variety of food and beverages of the hotel meet guests' needs.	329	3.97
The hotel's equipment, fixtures and fittings are modern looking	328	3.77
Services of the hotel are operated at a convenient time.	328	3.87
TANGIBILITY	331	3.8119
Valid N (listwise)	316	

Source: own survey SPSS result 2017

In summary based on table 6 the mean and standard deviation of each service quality dimensions is represented in the table below. The service quality dimension with the highest mean score is Reliability 3.8567, followed by Tangibility 3.8119, and finally employee behavior and appearance is 3.7238. With this we can infer that the service provided by three and four star hotel in Addis Ababa is somewhat satisfactory. The result can indicate the service quality dimension had an effect on customer satisfaction on hotels under study. Which gives a clue to answering the main research question.

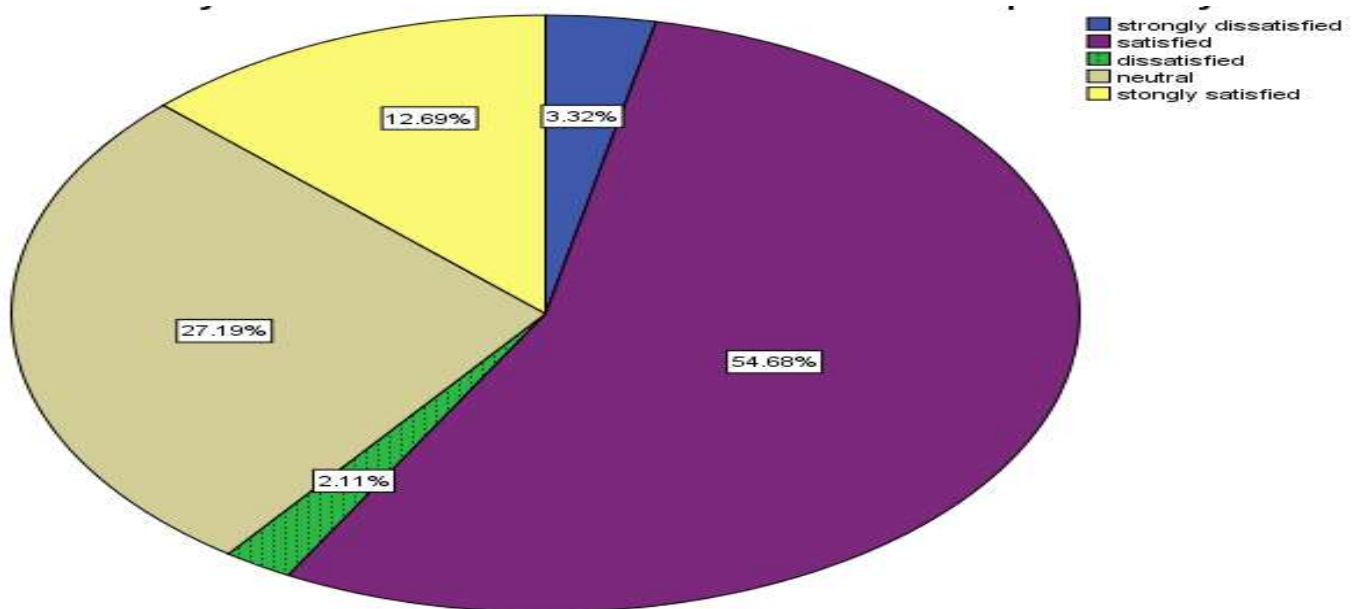
Table 6 mean score and standard deviation

Mean score and standard deviation				
	Reliability	Employee behavior and appearance	Tangibility	Valid N (listwise)
N	331	331	331	331
Mean	3.8567	3.7238	3.8119	
Std. Deviation	.61761	.53283	.54247	

Source: own survey SPSS result, 2017

4.4.4 Customer Satisfaction

As explained in the literature review, in the hospitality industry provide a high standard of quality and improve customer satisfaction has been recognized as a crucial factor responsible to push up the performances of players in this industry and also can improve their profitability. Customer satisfaction involves the fulfillment of customers' anticipation of the goods and services. Accordingly identifying the satisfaction level of customers is one interest of this study. The satisfaction level in this study is also categorized and it ranges from strongly dissatisfied, Dissatisfied, Neutral, Satisfied and strongly Satisfied. The pie chart below presents the overall level of customer satisfaction

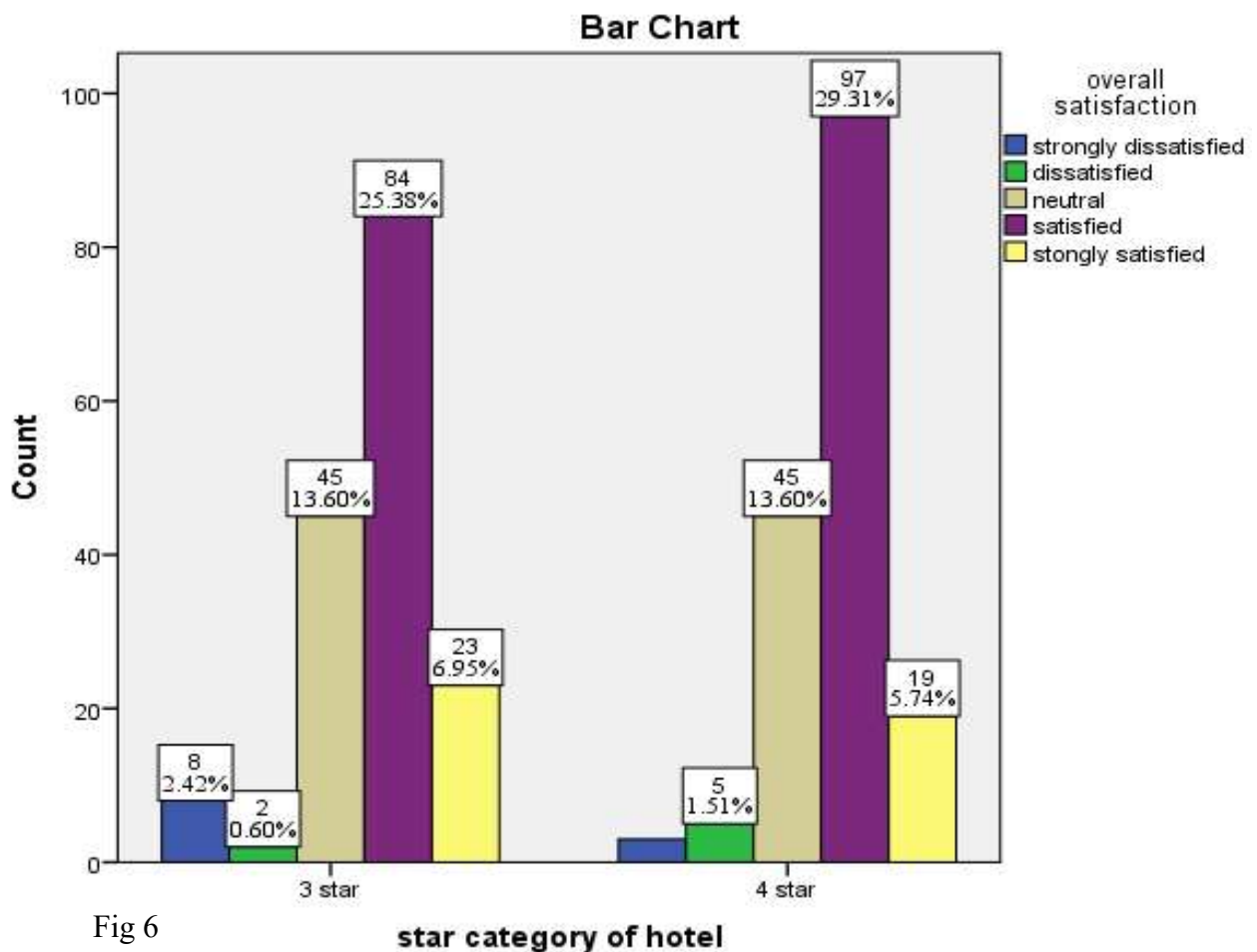


Source: own survey 2017

Figure 5: satisfaction category in both star

As it can be seen the figure 5 from above, 3.32 % (11) of the respondents are strongly dissatisfied, 2.11% (7) of the respondents are dissatisfied, 27.19% (90) chose to remain neutral, 54.7 % (181) are satisfied and 12.69 % (42) are strongly satisfied. Therefore, even if the highest percentage of respondents are somehow satisfied with the service provided in three and four star hotel, 5.4% of the respondents are in the dissatisfied category from these one can infer that the hotels needs to work more to change this result and highly satisfy its customers because customers are key drivers of the industry survival in today's environment.

4.4.5 Cross tabulation of customer satisfaction

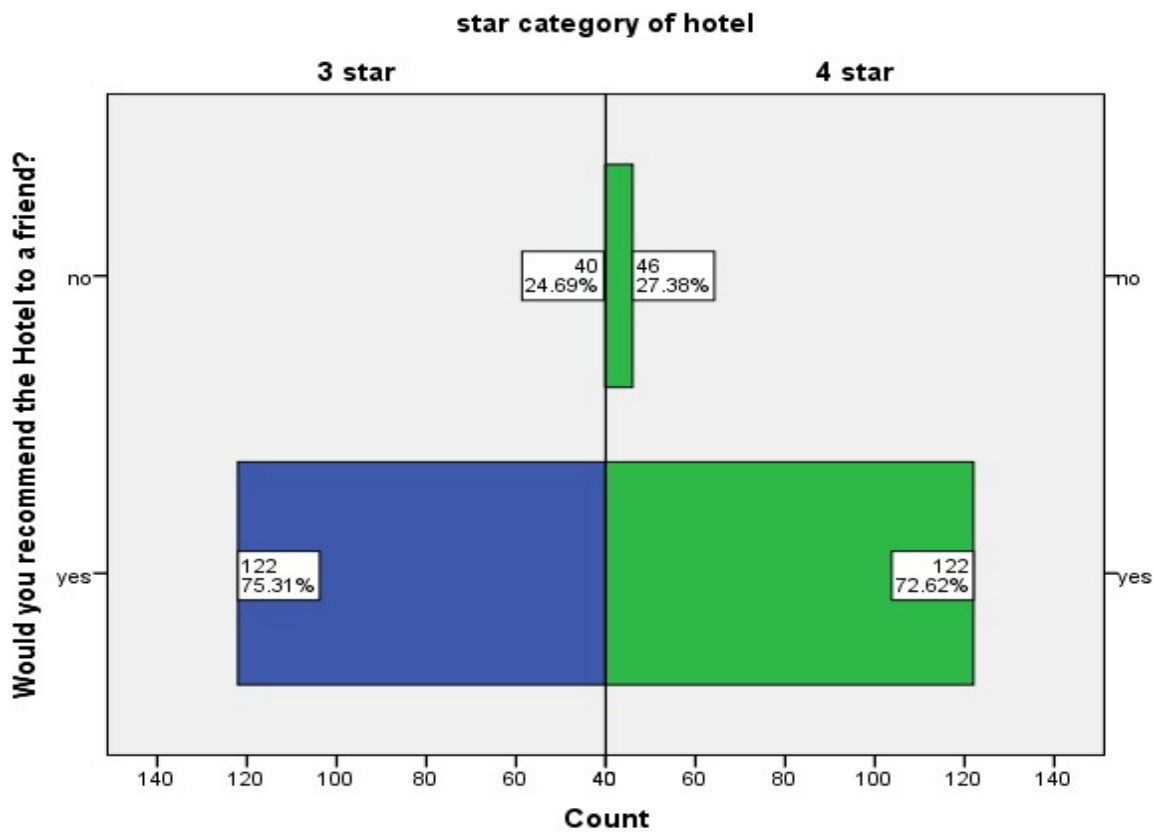


Source: own survey SPSS result 2017

Figure 6: Cross tabulation of customer satisfaction

In order to generate the overall score of service quality, respondents were asked to rate the level of their satisfaction on Likert's 5 point Scale. The responses to the question are shown on figure 6. The overall satisfaction of the respondents indicates that only 5.74% of a four star hotel and 6.95% of three star guests were strongly satisfied and 29.31% of four star and 25.38% of three star hotel guest were satisfied, 0.91% from four star and 2.42% from three star hotels guest respondents are strongly dissatisfied, 1.51% of four star and 0.60% of three star guest was dissatisfied. The remaining respondents' (13.60%) responded that they were neither satisfied nor dissatisfied in both categories of star hotel under study. As per the above resolution, there was seldom quality difference between three and four star rated hotel under study these were answer the question 4.

4.4.6 Recommendation level of customer



Source: own survey SPSS result 2017

Figure 7: hotel recommendation level

As we observed from above graph the respondents of both three and four star category hotels, guest response 75.31% of three stars and 72.62% of four stars can recommend to their friends and

24.69% of three star and 27.38% of four stars will not recommend in other word the witness bad word of mouth that can affect the marketing process of the organization and over all the image of the organization.

4.4.7 Problem handling rate of hotels

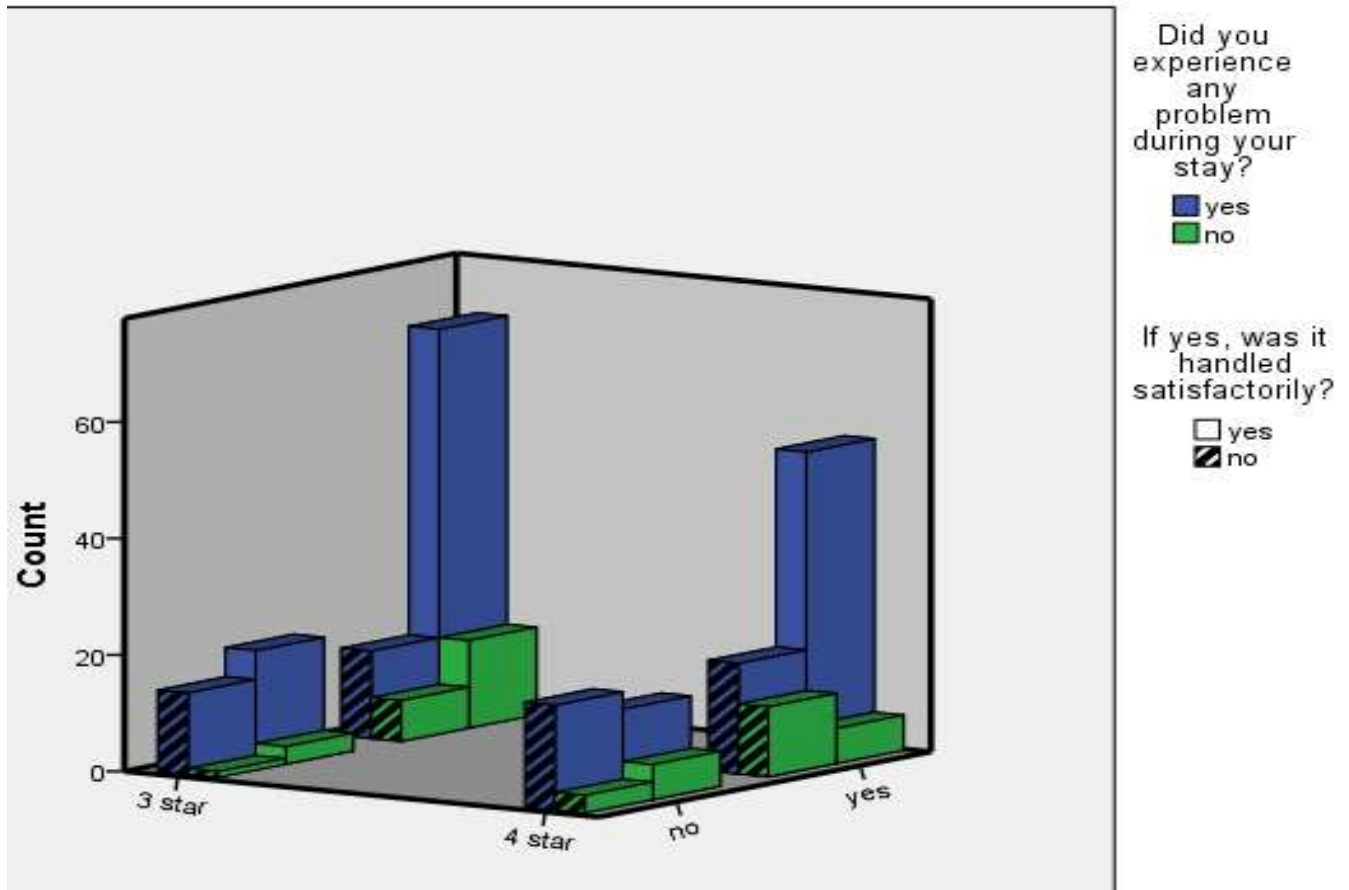


Fig 8
Source: own survey SPSS result 2017

Figure 8: problem handling level of hotels

As we see from the above table the respondent of three and four star hotel guest of Addis Ababa are experiencing problem during the service transaction with the service provider, that means 35.45% of three star and 31.82% of four star respondents were facing problem during their stay from these 13.50% of three star and 18.98% of four star hotel problems are not handled satisfactorily. This shows that the three star hotel service providers take more initiative than four star hotels under study to solve the problem raised by their guest.

4.5 Correlation Analysis between Service Quality Dimensions and Customer Satisfaction

To find out the relationship between service quality dimensions and customer satisfaction, Pearson's correlation coefficient (r) which measures the strength and direction of a linear relationship between two variables is used. Values of Pearson's correlation coefficient are always between -1 and +1. A correlation coefficient of +1 indicates that two variables are perfectly related in a positive sense; a correlation coefficient of -1 indicates that two variables are perfectly related in a negative sense, and a correlation coefficient of 0 indicates that there is no linear relationship between the two variables. A low correlation coefficient; 0.1-0.29 suggests that the relationship between two items is weak or non-existent. If r is between 0.3 and 0.49 the relationship is moderate. A high correlation coefficient i.e. >0.5 indicates a strong relationship between variables. The direction of the dependent variable's change depends on the sign of the coefficient. If the coefficient is a positive number, then the dependent variable will move in the same direction as the independent variable; if the coefficient is negative, then the dependent variable will move in the opposite direction of the independent variable. Hence, in this study the level of relationship between the dimensions of service quality and customer satisfaction is conducted using the Pearson's correlation coefficient. The table below presents the result of the correlation analysis made using bivariate correlation. The strength of correlation would interpret through suggestion by Evans (1996) as shown in the following pattern. 0.00 - 0.19 very weak, 0.2 - 0.39 weak, 0.4 - 0.59 Moderate, 0.6 - 0.79 strong, 0.8 - 1.0 very strong

Table 7

Correlations

		Reliability	employee behavior and appearance	Tangibility	Satisfaction
Reliability	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	331			
Employee behavior and appearance	Pearson Correlation	.558**	1		
	Sig. (2-tailed)	.000			
	N	331	331		
Tangibility	Pearson Correlation	.405**	.453**	1	
	Sig. (2-tailed)	.000	.000		
	N	331	331	331	
Satisfaction	Pearson Correlation	.544**	.658**	.599**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	331	331	331	331

** Correlation is significant at the 0.01 level (2-tailed).

Source: own survey SPSS result 2017

Table 7 above illustrates the correlation coefficients of the three factors measuring the effect of service quality on customer satisfaction each dimension were positively related to the overall customer satisfaction within the range of 0.544 to 0.599. The result indicates that there is a moderate positive significant correlation between Reliability and overall Satisfaction ($r=0.544, p=.000 < 0.05$), while employee behavior and appearance ($r=0.658, p.000 < 0.01$) had strong and positive correlation with overall Satisfaction. Finally, Tangibility shows a moderate positive significant relationship with the overall Satisfaction ($r=0.599, p. 000 < 0.01$) respectively. According to the above Pearson correlation coefficient result among the three dimensions of service quality used in this paper, there is a moderate positive and significant relationship between all variables ($r= 0.558, 0.453, 0.405, p. 000 < 0.01$). Thus, the relations that exist between the dimensions of service quality might affect overall customer satisfaction by influencing each other. In general, it is possible to deduce that the relationship between the service quality dimensions and the customer satisfaction is statistically significant.

4.6 Model assumption

4.6.1 Normality test

In table 8, the normality tests, descriptive statistics are shown. Shukla (2009) stated that skewness and Kurtosis test, and the low difference between mean and median is the basic ways to check the normality of the data. (Shukla, 2009) positive skewness values suggest clustering of data points on the low value (left hand side of the bell curve) and negative skewness values suggest clustering of data points on the high values (right hand side of the bell curve). The data in the study suggest the response is clustering of the high values (right hand side of the bell curve) Positive kurtosis value suggest that the data points have peaked at (gathered in the center) with long thin tails. The data set is of a thin bell shape value. Kurtosis below zero (0) suggests that the distribution of data points is relatively flat. (Shukla, 2009). In addition, As per Hair J.B (2010) when kurtosis divided by skewness and the result is below ± 2.58 the data assumed normal. According to this rule, the result is a maximum of 1 that shows the input data is normally distributed. The case of normality might be affected when the sample is increasing (Shukla, 2009).

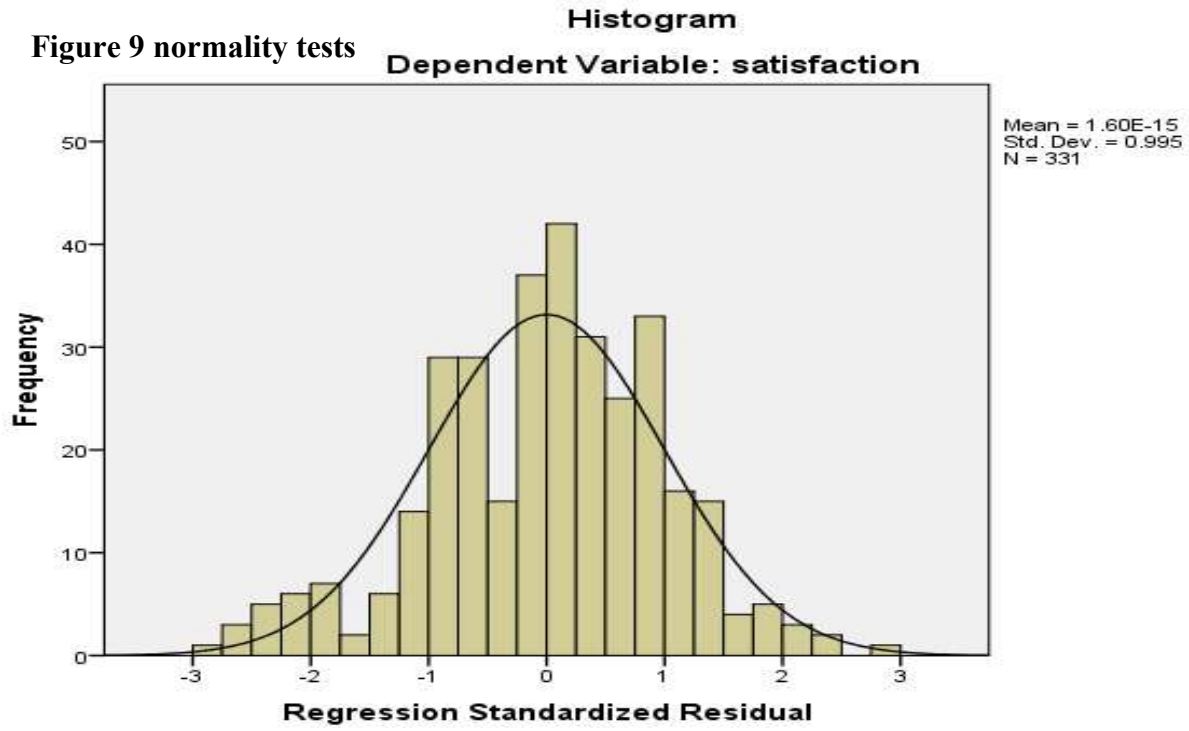
Table 8: the normality tests, descriptive statistics

	employee behavior and appearance	reliability	tangibility	satisfaction
N Valid	331	331	331	331
Missing	0	0	0	0
Mean	3.8340	3.7465	3.8119	3.7354
Median	3.8333	3.7692	3.8750	3.7500
Skewness	-.181	-.446	-.408	-.344
Kurtosis	-.191	.304	-.208	-.370

Source: own survey SPSS result 2017

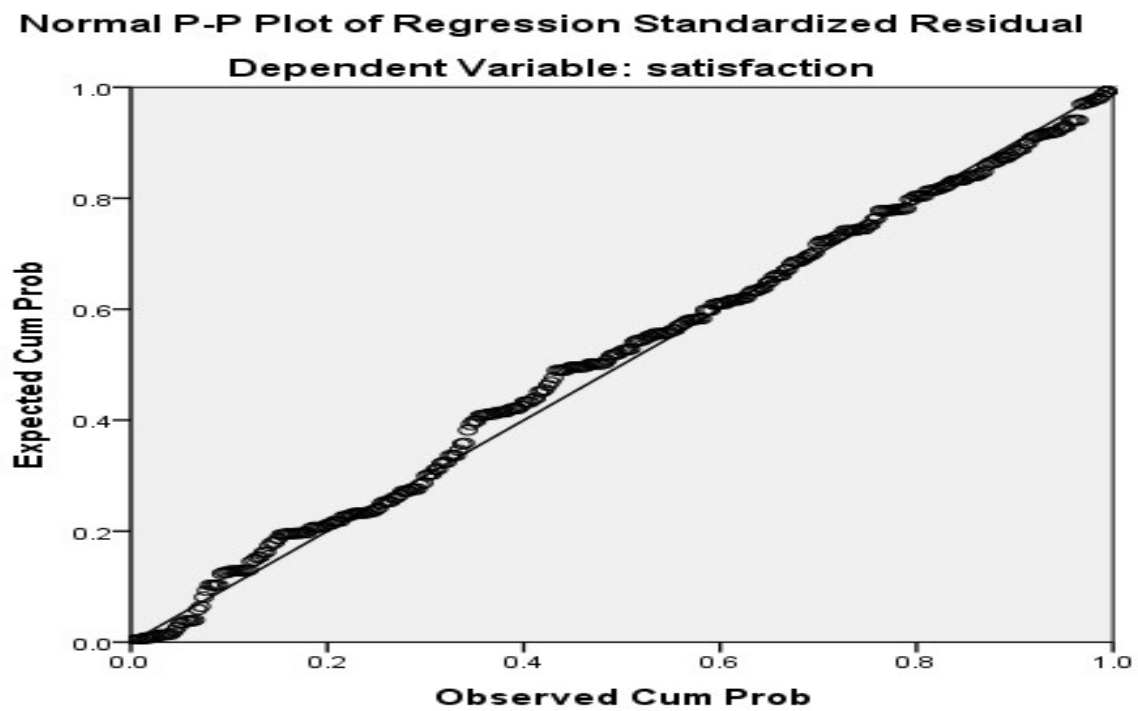
According to Hair J.B (2010) before proceeding in to the main part of the analysis it is necessary to check whether the data are normally distributed or not. For this checking, Hair J.B (2010) suggests that, the standardized skewness distribution result and Kurtosis result must be between the ranges of ± 2.58 . According to the above table, both the standardized skewness and kurtosis results fall in the given range. So this was a good signal to start with the subsequent analyses since the data are normally distributed

Figure 9 normality tests



Source: own survey SPSS result 2017

Figure 10 P-P plot normality tests



Source: own survey SPSS result 2017

4.6.2 Multi-Collinearity Test

In 2006, Robert when, Tolerance (It is an indication of the percentage of variance in the predictor that cannot be accounted for by the other predictors). Hence, very small values indicate “overlap” or sharing of predictive power (i.e., the predictor is redundant). Both the “tolerance” values (greater than 0.10) and the “VIF” values (less than 10) are all quite acceptable accordingly, in table 8, since the tolerance value is $>.10$ and VIF (Variance of Inflation) is <10 the independent variables are free of multicollinearity problem.

Table 9: Multi-Collinearity Statistics Test

Model	Collinearity Statistics	
	Tolerance	VIF
1 employee behavior and appearance	.656	1.524
reliability	.665	1.504
tangibility	.766	1.306

a. Dependent Variable: satisfaction
Source: own survey SPSS result 2017

According to the above result the tolerance value ranges from 0.656 to 0.766 and the values of VIF for all the independent variables are below 2 showing no indications of multi-col-linearity problem.

4.6.3 Multi linear Regression analysis

Regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps one understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. In this study regression analysis is used to identify the effect of service quality dimension on customer satisfaction thus it answers the main research question.

Table 10: Model Summary Multi linear Regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.754 ^a	.568	.564	.38910

a. Predictors: (Constant), employee behavior and appearance, tangibility, reliability

Source: own survey SPSS result 2017

As it can be depicted from the above table, there is a positive and statistically significant relationship between the independent variables (employee behavior and appearance, tangibility, and reliability) and the dependent variable (customer satisfaction). Thus 57% ($R^2=.568$) variation on customer satisfaction is explained by the independent variables.

Table 11: Multi linear Regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.009	.182		-.049	.961
	Reliability	.173	.043	.181	4.054	.000
	Employee behavior and appearance	.443	.051	.400	8.725	.000
	Tangibility	.374	.045	.344	8.270	.000

a. Dependent Variable: overall satisfaction

Source: own survey SPSS result 2017

According to Table 11, the regression analysis identify the most contributing, independent variable in the prediction of the dependent variable. Thus, the strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized Beta coefficient. The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The independent variable that has the larger value of Beta coefficient brings more support to the independent variable as it is more important determinant in predicting the dependent variable.

According to above Table 11, the regression analysis result indicated that among the three service quality dimensions, Employee behavior and appearance is the first with the beta value of 0.400 followed by Tangibility with a beta value of 0.344, and Reliability. With a beta value of 0.181. Their significance levels are 0.001, respectively, which are less than 0.05. This indicates a significant relationship between them and the dependent variable (customer satisfaction). Since, the coefficients of the predictor variables are statistically significant at less than five percent; alternative hypotheses related to Reliability, Employee behavior and appearance and Tangibility were accepted. The result answers the main research question.

Generally, when we see the extent to which each independent variable influences the dependent variable, Employee behavior and appearance, Tangibility and Reliability are being found to be a determinant of customer satisfaction in their descending order referring to Employee behavior and appearance, as the most important underlying factor of customer satisfaction in the study area. Therefore, most service users of three and four star rated hotels in Addis Ababa give abundant attention to dimensions of Employee behavior and appearance, that means Prompt service, willingness to help, confident in the delivery of service, polite, knowledgeable, skillful, understanding, sincere, neat and professional employees lead them to reach at the maximum level of satisfaction.

4.7 HYPOTHESIS TESTING

Table 12: Summary of Research Hypotheses based on Multi linear Regression analysis

Hypothesis	Reason	Result
H1: Employees have a positive and significant effect on customer satisfaction with 3and 4 star hotels	$\beta = 0.400, p < 0.05$	H1: Accepted
H2: Tangibles has a positive and significant effect on customer satisfaction with 3and 4 star hotels	$\beta = 0.344, p < 0.05$	H1: Accepted
H3: Reliability has a positive and significant effect on customer satisfaction with 3and 4 star hotels	$\beta = 0.181, p < 0.05$	H1: Accepted

Source: own survey SPSS result 2017

4.7.1 Employees' behavior and appearance and Customer Satisfaction

H1a: Employees behavior and appearance have a positive and significant effect on customer satisfaction with 3and 4 star hotels

As per the result shown in table 11 above, Employee behavior and appearance has a positive and significant effect on customer satisfaction. Employee's behavior and appearance dimension involves willingness to help customers and provide prompt service, knowledge and courtesy of employees and their ability to inspire trust and confidence including competence, courtesy, credibility and security as well as understand the needs of customers and provide individual attention (Zeithamlet al., 1988). Accordingly, the alternative hypothesis is accepted. Furthermore question number one of the research question is answered

4.7.2 Tangibility and Customer Satisfaction

H2a: Tangibles has a positive and significant effect on customer satisfaction with 3and 4 star hotels

As shown in table 11 above, tangibility has a positive and significant effect on customer satisfaction in the study area. Having up to Modern-looking equipment, fixtures and fittings, appealing facilities and materials, comfort, cleanliness, user-friendly equipment and facilities, variety of food and beverages, operation of services at a convenient time insignificantly and negatively influence customers' level of satisfaction. The possible explanation of this factor is that customers often look for any tangible indications which may be used as indicators of the service

quality that customers use to evaluate the status of the service quality of a hotel. From this perspective, the study has investigated this issue and the result indicates that tangibility has a positive and significant effect on customer satisfaction in the study area. Hence the alternative hypothesis were accepted as well as its respective research question was answered.

4.7.3 Reliability and Customer Satisfaction

H3a: Reliability has a positive and significant effect on customer satisfaction in 3 and 4 star hotels

Reliability is the extent to which the hotel Keeping promises, accurate and timely service, safe and secure stay. In essence, it represents the customer getting what they feel they have paid for. According to table 11, shows that, Reliability has a positive significant effect on customer satisfaction. Hence, the survey revealed that reliability attributes have a positive and significant impact on client satisfaction. The findings of this research match with that of Zeithaml (1990) who pointed out that reliability is one of the significant components of customer satisfaction. Therefore the alternative hypothesis is accepted. Consequently the research question raised with regard to this dimension was answered.

4.7.4 Independent sample t-test analysis

Based on the below table 13, independent t-test value result if $p < 0.05$ there is a significant quality difference, where as if $p > 0.05$ the difference is not significant. Since $p (0.630)$ is > 0.05 the alternative hypothesis “there is no significant quality difference between three and four star hotel” drown got accepted. However, when we see each service quality dimension separately, employee behavior and appearance there is a significant quality difference between three star rated hotels at $p (0.01) < 0.05$. accordingly the result were answer the fourth research question.

Table 13: Independent Samples T-Test of three and four star hotels

		Levene's Test for Equality of Variances		T-test for Equality of Means				
		F	Sig.	t	df	Sig. (2- tailed)	Mean Difference	Std. Error Difference
employee behavior and appearance	Equal variances assumed	10.818	.001	-2.587	329	.010	-.15864	.06132
	Equal variances not assumed			-2.606	321.052	.010	-.15864	.06087
Reliability	Equal variances assumed	.997	.319	1.556	329	.121	.10161	.06532
	Equal variances not assumed			1.551	322.087	.122	.10161	.06549
Tangibility	Equal variances assumed	1.485	.224	1.191	329	.235	.07101	.05963
	Equal variances not assumed			1.194	328.989	.233	.07101	.05948
Satisfaction	Equal variances assumed	1.627	.203	.482	329	.630	.03129	.06492
	Equal variances not assumed			.483	328.891	.629	.03129	.06474

Source: own survey SPSS result 2017

Table 14: Independent Samples T- Test of private and public hotels

		Levene's Test for Equality of Variances		T-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
employee behaviors and appearance	Equal variances assumed	2.669	.107	-1.002	62	.320	-.11398	.11375
	Equal variances not assumed			-1.002	61.211	.320	-.11398	.11375
Reliability	Equal variances assumed	1.685	.199	-.720	62	.474	-.11354	.15767
	Equal variances not assumed			-.720	59.248	.474	-.11354	.15767
Tangibility	Equal variances assumed	.000	.993	-.202	62	.840	-.02567	.12690
	Equal variances not assumed			-.202	61.807	.840	-.02567	.12690
Satisfaction	Equal variances assumed	.494	.485	-.545	62	.588	-.07813	.14336
	Equal variances not assumed			-.545	61.774	.588	-.07813	.14336

According to table 20, independent t-test value result if $p < 0.05$ there is a significant quality difference, where as if $p > 0.05$ the difference if not significant. Since p (0.588) is > 0.05 the alternative hypothesis “there is no significant quality difference between private and public 3 and 4 star rated hotel” drawn got accepted. Based on the result the research question five got answered.

Table 15: Summary of the Research Hypotheses base on Independent Samples T- Test

Hypothesis	Result	Reason
H4: There is no significant quality difference between 3 and 4 star hotel	H1: Accepted	$p > 0.05$
H5: There is no significant quality difference between governmental and non- governmental 3 star hotels	H1: Accepted	$p > 0.05$

Source: own survey SPSS result 2017

4.8 Discussions

This study adopted HOLSERVE approach to measure perceived service quality and its effect on customer satisfaction in Addis Ababa 3 and 4 star rated hotels. A framework with a comprehensive questionnaire consists of 27 question items. The research results demonstrate that the service quality is a strong driver for customer satisfaction in hotel service in Addis Ababa. Among the three service quality dimensions, all dimensions represent the significant effect on the customer satisfaction, among those employee behaviors and appearance is the best predictor of overall service quality had a strong impact. A similar conclusion was conducted in Australia's three to five star hotels is that as studied by Wong et al. (1999)

According the regression result for the three independent variables, i.e. Reliability, Employee behavior and appearance and Tangibility together has a significant and positive effect on customer satisfaction. This related to the work of Abraham (2015) examined the service quality and customers' satisfaction in the hotel Industry in Addis Ababa, Ethiopia on three star hotels stated that the combination of tangibility, reliability, responsiveness, confidence and communication has a significant and positive effect on customer satisfaction.

The results of the regression analysis indicate that employee behavior and appearance contributes more part towards customer satisfaction followed by Tangibles and reliability. Nevertheless, all the dimensions were highly valued by the respondents and therefore the service industry cannot ignore any of the proportions as they act upon customer satisfaction though at different floors. The results obtained were also statistically significant since the p -value for employee behavior and appearance Tangibles and reliability was <0.05 . Therefore were considered to be statistically insignificant. The outcomes of this survey are consistent with the findings of Saleh, et al (1991), Stromgren (2007) and Christine, M. (2009) who found out that reliability dimension has the highest effect on customer satisfaction.

CHAPTER FIVE

Summary of Findings, Conclusion and Recommendation

5.1 Summary of Findings

The basic interest of this study is to find out the effect of service quality on customer satisfaction: The case of three and four star hotel in Addis Ababa. The altered form of SERVQUAL, which is called HOLSERV model that were customized specifically for the hotel industry consist 27 items used to investigate the relationship between the service quality dimensions and customer satisfaction. The researcher used quantitative research design and convenience sampling technique to collect data from 384 sample size of 3 and 4 star rated hotel service users. As per theoretical framework and objectives of the study 27 items were provided in a 5 point Likert scale to the respondents. The gathered data was analyzed by using both descriptive statistics (like mean, frequency, percentage) and inferential statistics (correlation and multiple linear regressions) via SPSS version 20. Accordingly, based on the gathered data this research examined the relationships that exist between the three dimensions of service quality (employee behavior and appearance, reliability and tangibility) with the overall customer satisfaction of the study area. The data obtained from the respondents were analyzed using various statistical tools.

The result of the background information of respondents indicated that the majority of the respondents are male (55.02) aged in the range of 30 to 40 (40.5%). Regarding the educational background, 44.7% of the respondents are a degree holder. The analysis of descriptive results showed, the mean value of all dimensions is above 3.79 expressing the respondents have a positive attitude towards the service quality offered three and four star rated hotel under this study area.

The finding from the correlation result reveals that there is a positive and significant relationship between the service quality dimensions and customer satisfaction. The Pearson coefficients indicated that the variables have different magnitudes of correlation with the dependent variable. Accordingly, Employee's behavior and appearance are found to have the highest correlation with customer satisfaction ($r=0.658$, $p<0.01$) followed by tangibility and reliability which had got moderate correlation ($r=0.599$, $p<0.01$ and $r=0.544$, $p<0.01$) with the overall satisfaction.

According to hypothesized at the commencement, the three service quality dimension had a positive effect on customer satisfaction with the overall brand equity of the customers, Pearson correlation and multiple linear regressions approved (Reliability, Employee behavior and appearance and Tangibility are .181, .400 and .344 respectively. Their significance levels are 0.001) accordingly.

5.2 Conclusion

Established in the analysis made, the following conclusions were taken out the modified HOLSERV model service quality dimension (Reliability, Employee behavior and appearance and Tangibility) had a positive effect on customer satisfaction, which infers that three and four star rated hotel service users have a confident attitude towards service quality dimension.

There is a strong positive relationship between the service quality dimensions and the overall customer satisfaction. From this, we can conclude that, the three and four star rated hotel service user's perception about the quality of services provided by the studied three and four star rated hotels has a strong influence on the level of customer satisfaction in the studied area.

On the other hand, there is a positive inter- correlations among the three service quality dimensions that means strong and positive interrelationship between service quality dimensions brings competitively and attractive service rendering presses which generate a pleasant environment towards the customer's perception that secure client satisfaction.

Employee behavior and appearance (knowledge and courtesy of employees, willingness to help customers and provide prompt service, confidence including competence, courtesy, credibility and security as well as understand the needs of customers and provide individual attention) demonstrates the strong contribution to the overall customer satisfaction in the studied three and four star rated hotels, indicating attention should be given primarily to this dimension while to achieve maximum level of customer satisfaction.

5.3 Recommendation

Depending on the findings of the study and the conclusions made, the following possible recommendations were forwarded for the body concerned:

- The hotel owners and managers recommended to allocate abundant budget and training schedule to enhance its employee's knowledge and behavior and also realize that the improvement of all dimensions to, which in turn results in better performance of the hotel increase customer satisfaction at their stay in the hotels
- Hotels are customer oriented organizations, so to provide quality services and make customers satisfied top management or the owners recommended to hire professional, self-motivated, passionate employees who are capable to deal with customer and solve customer complaints and other issues in an effective manner.
- It is recommended that the hotel managers exerts their maximum efforts to improve quality of products and services through periodical quality assessment and evaluations. Because quality as well as customers' needs and preferences are dynamic in their nature.
- To improve service quality to satisfy customer's needs, hotels should pay much attention to the customer complaints, customer's feedback and individual attention should be given to customers in order to better understand their needs and satisfy them.
- To win the competitive environment hotels must give undivided attention to keeping promises, providing accurate and timely service, guaranteeing safe and secure stay of customers based on their specific needs.
- Hotels should regularly undertake survey research activities to keep a regular track of customer satisfaction level and provide continuous training to the employees on issues like communication skills, complaint handling technique, customer service, and hospitality ethics, to improve their customer's satisfaction
- The hotels should also enhance the three dimensions of service quality due to their positive impact on customer satisfaction. When allocating resources, employee behavior and appearance dimension should be given more allocation since it has the highest impact on customer satisfaction.

5.4 Limitation and future study area

The study had the following limitations. First, the study was conducted in three and four star rated Hotels Addis Ababa City only hence its findings might not be generalized to all hotels in Ethiopia. Therefore, future researcher could consider the other star category as well as star rated hotel found in Ethiopia to make the research more statistically significant and to infer generalization from the finding accordingly. The other possible area of further investigation could be a comparative study of the level of service expectation and perception of customers before and after being served. In other words, the questionnaire need to be administered at the gate to measure the real expectation of the customer about that specific hotel service and finally the questionnaire designed to assess the perception of the customers could be administered after they are exactly served to value unbiased service expectation of guests

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Appendix

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE MARKETING MANAGEMENT MASTER'S PROGRAM

Questionnaire to be filled by Hotel Guests

Dear Respondents,

I am Yalew zeleke a graduate student at Addis Ababa university school of commerce. I am conducting a research on “**the effect of service quality on customer satisfaction in Addis Ababa: experience from selected 3 and 4 star hotels**” in partial fulfillment of the requirement for Master of Arts in Marketing management.

I kindly request you to spend some minutes of your time in filling the questionnaire. The researcher assures you that any information you provide will be used only for the purpose of academic research and kept confidential. Your genuine response is highly appreciated for the outcome of the project.

Thank you for your kind cooperation in filling the questionnaire.

Part-1: General information

Direction: Please put a tick mark (✓) on the appropriate box

1. Gender Male Female

2. Age 18-29 30-40 40-50 above50

3. Educational level High school Diploma Degree
 Masters and above

4. Purpose of visit Pleasure or Business Visiting Relatives
 Conference Study Others

5. Star category of this hotel 3star 4 star

Part II

The following statements are related to your feelings about the Hotel. Please show the extent to which you believe the Hotel has the feature described by the statement. Indicating ticking (√) to '1' means strongly disagree, '2' disagree, '3' neutral, '4' Agree and '5' strongly agree. There are no right or wrong answers; all the researcher interested in is a number that best shows your perception about the Hotel.

	QUESTIONNAIRE ITEMS	strongly disagree	disagree	neutral,	Agree	strongly agree
RELIABILITY	The hotel promises to provide a service and does so.	1	2	3	4	5
	The hotel performs the service right the first time.	1	2	3	4	5
	Employees of the hotel tells you exactly when the services will be performed.	1	2	3	4	5
	The hotel provides services at the time it promises to do so.	1	2	3	4	5
	You feel secure and secure in your stay in the hotel.	1	2	3	4	5
	You feel safe in the delivery of services of the hotel.	1	2	3	4	5
EMPLOYEE BEHAVIOR and	The behavior of employees of the hotel instills confidence in guests.	1	2	3	4	5
	Employees of the hotel, Never too busy to respond to guests' requests	1	2	3	4	5
	When you have a problem, the hotel shows dependability in handling service problems.	1	2	3	4	5
	Employees of the hotel gives prompt service.	1	2	3	4	5
	Employees of the hotel are always willing to help.	1	2	3	4	5
	Employees of the hotel give individual attention.	1	2	3	4	5
	Employees of the hotel deal with guests in a caring fashion.	1	2	3	4	5
	Employees of the hotel are polite and courteous to you.	1	2	3	4	5
	Employees of the hotel understand the guests' specific needs.	1	2	3	4	5
	Employees of the hotel are neat and professional.	1	2	3	4	5
	Employees of the hotel have the knowledge to answer questions.	1	2	3	4	5
	The hotel has guests' best interests at heart.	1	2	3	4	5
Employees of the hotel have the skill to perform the service.	1	2	3	4	5	
TANGIBLES	The hotel's facility is visually appealing.	1	2	3	4	5
	The hotel's materials are visually appealing.	1	2	3	4	5
	The hotel's fixture and fittings are comfortable.	1	2	3	4	5
	The hotel's equipment and facilities are easy to use.	1	2	3	4	5
	The hotel's equipment and facilities are generally clean.	1	2	3	4	5
	Variety of food and beverages of the hotel meet guests' needs.	1	2	3	4	5
	The hotel's equipment, fixtures and fittings are modern looking	1	2	3	4	5
	Services of the hotel are operated at a convenient time.	1	2	3	4	5

PART III

OVERALL CUSTOMER SATISFACTION

The following statements are related to your feelings about the Hotel. Please show the extent to which you believe the Hotel has the feature described by the statement. Once again ticking (√) to '1' means strongly dissatisfied, '2' dissatisfied, '3' neutral '4' satisfied, '5' strongly satisfied. There are no right or wrong answers; the researcher interested in is a number that best shows your perception about the Hotel

No.	QUESTIONNAIRE ITEMS	strongly dissatisfied	dissatisfied	neutral,	Satisfied	strongly satisfied
1.	What is your level of satisfaction with the reliability of the service provided by the hotel	1	2	3	4	5
2.	What is your level of satisfaction with the employee behavior and appearance of the hotel	1	2	3	4	5
3.	What is your level of satisfaction with the tangibility of the hotel	1	2	3	4	5
4.	What is your overall level satisfaction with the service provided by the hotel	1	2	3	4	5

Part IV

1. Would you recommend the Hotel to a friend?

YES

NO

2. Did you experience any problem during your stay?

YES

NO

3. If yes, was it handled satisfactorily?

YES

NO

Thank you!!!