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**ACOMPARATIVE ANALYSIS OF SERVICE QUALITY BASED ON
CUSTOMER PERCEPTION AND EXPECTATION
IN THE CASE OF HILTON ADDIS ABABA AND SHERATON ADDIS.**

A Thesis Submitted to College of Business and Economics Department of Management, Addis Ababa University, in Partial Fulfillment of the Requirements for the Degree of Masters of Science in Management.

(Total Quality Management and Organizational Excellence)

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This is to certify that the thesis prepared by **Geremew Demeke**, entitled: “**Comparative Analysis of Service Quality Based on Customers Perception and Expectation in the case of Hilton Addis Ababa and Sheraton Addis:**

Evidence from Sheraton Addis and Hilton Addis Ababa Hotels” and submitted in partial fulfilment of the requirements for the Degree of Masters of Science in Management-Specialization Total Quality Management and Organizational Excellence. Complies with the regulations of the university and meets the accepted standard with respect to originality and quality.

Signed by the **Examining Committee:**

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Declaration

I hereby declare that this work entitled: “**A Comparative analysis of Service Quality Based on Customers Perception and Expectation in the case of Hilton Addis Ababa and Sheraton.**

Evidence from Sheraton Addis and Hilton Addis Ababa Hotels”, is outcome of my own effort and study and that all sources of materials used for the study, to the best of my knowledge, have been duly acknowledged. I have produced it independently except for the guidance and suggestion of my research advisor.

This study has not been submitted for any degree in this university or any other university. It is offered for the partial fulfilment of Degree of Masters of Science in Management-Specialization Total Quality Management and Organizational Excellence.

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List of Acronyms

HAH-Hilton Addis Ababa Hotel

SAH-Sheraton Addis Hotel

LQI-Lodge Quality Index

SERVQUAL-Service Quality

SPSS- Statistical Package for Social Science

P-Perception

Ex-Expectation

SQD-Service Quality Dimension

OSQ-Overall Service Quality

Abstract

The objective of this study was to investigate the comparative analysis of Service Quality on the basis of Customers Perception and Expectation in the case of Hilton Addis Ababa and Sheraton Addis.

To achieve this objective, descriptive study design was used to analyze the data collected through questionnaire from a sample of 212 respondents (132 from Hilton and 80 from Sheraton). These respondents were selected using non-probability Quota, Purposive and Convenience sampling methods used for determining Sample size of the research. The data collected through questionnaires were analysed using statistical tools such as mean, standard deviation, Independent Sample t –test, correlation and regression analysis by applying a modified version of LODGING QUALITY INDEX Model. The findings of a survey obtained from the results of 206 questionnaires, the overall service Quality gap scores of Hilton Addis Ababa and Sheraton Addis are positive in every Lodge Quality Index dimension. It implies that all their customers are satisfied. However, Sheraton Addis Hotel scored higher service Quality gap result than Hilton Addis Ababa in all dimensions except communication. The research paper was also identifying the significance difference between customer expectations and perceptions of

Key Words: Service Quality, Customer Perception, Customer Expectation.

Chapter 1: Introduction

1.1. Background of the Study

According to the study by (Hasan,2014), on the measuring service quality and customer satisfaction of the Hotels guests in Bangladesh, guests state that the hotel guests' perceptions of service quality provided by the hotel industry were lower than their expectations.

According to (Parasuraman A., Zeithaml, V. A., & Berry, L. L., 1987), service quality is defined as the discrepancy between expected service and perceived service. Service quality is identified as an important indicator for customer satisfaction and business performance measurement (Lewis and Mitchell, 1990). In addition to that, Service quality is more important than the customers' perception driven by price. Therefore, satisfaction is quality driven rather than value driven

In the face of heightening competition and customer sophistication, scholars and practitioners are laying more emphasis on quality service delivery as an important driving force to organizational excellence. These days, customers have become more knowledgeable and sophisticated in demanding for their rights partly due to technological upsurge and industrial interplay. As a result, their expectations of service quality delivery have risen considerably. The service industry (both in the public and private organizations) plays an important role in the economy of many countries. In today's global competitive environment delivering quality service is considered as an essential strategy for success and survival (Parasuraman, A., Zeithaml, V. A., & Berry, L. L., 1985).

Customer needs and expectations are changing when it comes to governmental services and their quality requirements. However, service quality practices in public sector organizations is slow and is further exacerbated by difficulties in measuring outcomes, greater scrutiny from the public and press, a lack of freedom to act in an arbitrary fashion and a requirement for decisions to be based in law (Teicher, J., Hughes, O. & Dow, N.,2002).

As a result of the competitive pressures, service quality has emerged as a fundamental organizational strategy for survival (Sachin Borgave, & Sameer Koranne, 2012). This provides the impetus and justification for current investments in quality improvement initiatives. Thus, service quality is widely viewed as a major driver of marketing and financial performance (O'Neill, 2001).

The Hospitality industry is a dynamic one in which the guest dictates the pace and type of service, and in which increasing competitiveness has resulted in satisfactory service being the minimum expectation of guests. Different measurements of service expectations have been proposed for the hotel industry but the most promising is the quality function deployment (QFD) approach, which treats service as a process in which the guest 's expectations are measured at every stage in order to create service that meets and potentially exceeds their expectations (Anne P. Crick, & Andrew Spencer, 2011).

Strong relationship benefits were shown to have a positive influence on the level of customer trust and satisfaction with restaurant staff have encouraging effect on the formation of relationship quality. Individual items such as personal recognition, risk reduction, friendliness and special treatment were all shown to have a positive effect on maintaining long-term relations with the restaurant. Luxury restaurants need to deliver high-quality service, and they should make sure that they create a warm and welcoming atmosphere that allows for exceptional treatment of loyal customers (Meng & Elliott, 2008).

The review of various service quality models discovered such that the service quality outcome and measurement is dependent on type of service setting, situation, time, need and other factors. In addition to this even the customer's expectations towards particular services are also changing with respect to factors like time, increase in the number of encounters with a particular service, competitive environment, etc. (Nitin Seth, S.G. Deshmukh & Prem Vrat ,2005).

Ministry of Culture and Tourism in Ethiopia set quality standards to the hotels grading requirements and classification evaluation criteria states computing the actual service and expected service results (Shimekit Kelkay Eshetie; Wondowson Seyoum & Seid Hussen Ali, 2016).

Currently rise of investment is perceived in the hotel and tourism sector. The hotel industry consists of many different services, including accommodation, restaurants, cafes, catering and recreation facilities. The market for the hotel industry, especially classified hotels in a developing country like Ethiopia, is closely linked to the tourism industry, because a majority of consumers for the sector services come from international tourists and they need high quality of service since they have had many service experiences (Lemele Tadesse, 2019).

Even though Ethiopia is in development path in different service sectors, still the country suffered from having world class hotel chains in number and providing international service

standards. The country also suffered attracting more private hotel owners due to different reasons and the existed hotels do not perform well as per the international hotel standards and these clearly show that the country does not enjoy economic contribution from hospitality industry as expected (Mitiku, 2015)

For the reason that Ethiopia initially disregarded the hotel sector by not paying attention to the hospitality industry, authorities likewise failed to monitor the code of ethics governing hoteliers. So that hotels handling of customer related issues are not scientific still it is following traditional way (Shimekit Kelkay Eshetie, Wondoson Seyoum & Seid Hussen Ali, 2016).

Five Star Hotels in Addis Ababa deliver all their efforts to provide the best possible and high quality services to their customers but very often they still fall short of meeting the customers' expectations and aware of the relationship of employee engagement with providing the better service as it is the best growing sector of all. (Samrawit Molla, 2015).

Every organization wants to strive for success. Many factors contribute for excellence of any organization. In current era, organization's ultimate goal is to generate profit. Hotels are also included in Business/Organizations. Customers are the main factor for success of the hotels. When Customers' satisfaction is more they obliged more and as a result of it, Customers of those hotels will be increased. Understanding of customers' attitudes and perceptions allows companies to improve their services which leads to the improved of customers' satisfaction. Companies with accurate information about customers' attitudes may determine how well the business process is going, and also how to know where to make changes to create improvements as well as determine whether changes lead to improvements (Hayes, 1998).

Customer satisfaction researches have a long history backing to early 1960s, anyhow in hotel industry it is necessary to carry out customer satisfaction surveys often enough to get most the up-to-date information (Reh, 2010).

Sheraton Hotel retains customers through Market Organization, it purses three brand strategies, and these are Luxury Collection, Sheraton Hotels and resorts, mid-price hotels (Four Point hotels). These Brand strategies allow attracting customers and serving different market segmentations due to the variability of customers' demand. The main way to identify possible areas of improving as a basis for building a competitive advantage is to collect customer feedback through standardized questionnaires and giving a continues training for its

staff to improve the quality of service and building effective team in order to meet the requirement of the customers (Yin Chu,2014).

Hilton Hotel has followed unique and innovative approach to attract customers through providing high quality service as well as that it has award winning of customer loyalty program named HHonors started by Hilton has more than 55 million members (<https://notesmatic.com>).

1.2. Statement of the Problem

After the Ethiopian millennium in 2007 every sector of the country goes high particularly in tourism attraction and hotel accommodations. Though a great emphasis is given for the expansion of hotel industry since the early time, many service related problems are still visible. (Abrham G/Egziabhre, 2015).

The findings on the reward scheme implementation suggest a disturbing trend whereby corporate leaders seem to be promoting unfair practices by rewarding profit achievements more handsomely than non-financial achievements such as service quality. Furthermore, the reward scheme does not permeate the entire organisations only managers are rewarded (Emmanuel T. Murasiranwa, Kevin Nield, & Stephen Ball, 2010).

The Hotel Industry in Ethiopia has been developing very fast but there is still there a gap for improvement when it comes to the quality of service (Ebsa C,Gobena,Andualem H& Gudeta A,2013)

In Ethiopia customers usually complain about competence and lack of quality excellence Service in the Hotels sector due to the human resources are not adequately supplied from the University as expected (World News/Africa, November 2014).

The research suggested that hospitality industry in Ethiopia needs the government officials to be serious on considering or supporting the hospitality business to make the hotel sectors more international brand and to give attentions to the hospitality sectors like other disciplines (Shimekit Kelkay Eshetie, 2016)

Furthermore, there are few hotels of an international standard, and many are old and unattractive. Infrastructure to support the hotels is lacking. There are no zoning policies to establish the areas where hotels should be constructed, or tourist activities to complement them when they are built (Africa Business Insight, 2018).

Therefore, hotels in Addis Ababa need to have high customers' orientation in forwarding services to solve problems of service Quality, different researches were conducted on the hospitality industry, most of the researchers assessed hotel related services in Ethiopia, however deep investigation of those research lacks a comparative analysis study/research on service quality based on perception and expectation in Addis Ababa Five Start Hotels (Sheraton Addis and Hilton Addis Ababa Hotels).

Most of the researcher papers focused on Customers satisfaction and Service Quality in Hospitality Industry, for instance (Shimekit Kelkay&Eshetie,2016) and Abrham G/Egziabhre,2015.... etc) .This is, therefore, as per the researcher understanding and findings the title comparative analysis of service Quality in Hilton and Sheraton existed as the research gap. Besides, the growing level of competition that can be observed in the current hotel business in Ethiopia requires an evaluation factors that can fully explain which aspects of service quality largely determine customers' perception.

1.3 Research Questions

The study compares Service Quality of customers' **perception** and **expectations**, of the two Hotels (**HAAH** and **SAH**) attempts to answer the following research questions.

- What are the service quality expectations of customers in HAH and SAH?
- What are the service quality perceptions of Customers in Hilton and Sheraton?
- What are Service Quality Gaps of Each Hotels?
- Is there any significant relationship between Customers Perception and Expectation with Service Quality of Hilton Addis Ababa and Sheraton Addis?
- Is there any association between Customer Perception, and Expectation of the Hilton Addis Ababa and Sheraton Addis?

1.3. Objectives of the Study

1.4.1 General Objectives

The general objective of this research study was to compare customers' perception and expectation of HAH and SAH on the basis of widely common service quality measurement model **LODGING QUALITY INDEX** developed by (Getty and Thompson,1995) and

1.4.2 Specific Objectives

To see the relationship of these five dimensions using descriptive and inferential statics. In addition, it also attempts to achieve the following specific objectives

- To measure customer's perception of HAH and SAH.
- To Examine Customer's Expectation of HAH and SAH.
- To identify service Quality Gaps of Hilton Addis Ababa and Sheraton Addis.
- To determine the relationships between service quality dimensions on Perception and Expectation of HAH and SAH.
- To examine the association between Service Quality on the basis of Customers Perception and Expectation of Hilton Addis Ababa and Sheraton Addis Ababa.

1.4. Significance of the study

The study was given highlights for customers about the service provided by those hotels since service quality is more difficult for the consumer to evaluate than goods quality, so customers will have an access of evaluating the service delivered by the hotels.

The research may have a chance/benefit that the hotels to know the level of service quality provided by them as per the point of customers' view based on the research finding on customers' perception and expectation.

Therefore, the research result may be significantly important for HAH and SAH as well as that other hotels from the industry may use the research to provide a better service and improve their service quality. Moreover, the study may benefit researchers' undertaking further study on a related topic.

Table 1: Definition of key Terminologies

Term	Definition
Room Guest	Room Guests defined in this study as an individual who stayed and Living in the hotels' room for long or short time, and was involved in any services rendered (researcher emphasis)
Service Quality	Service quality is the discrepancy between consumers' perceptions of services offered by a particular firm and their expectations about firms offering such services. (Parasuraman, 1985)
Customer Perception	It is the extent to which a product or service fulfils a customer's need and desire (Oliver, 1981)
Customer Expectation	It 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(Reichheld,1996)

1.5. Limitation of the study

The scopes of this study was emphasised on the comparative study of service quality based on customers' perception and expectation in the case of HAH and SAH.

There are different kinds of star standardized hotels in Addis Ababa but due to interest and eagerness to explore, the study focused on Hilton Addis Ababa and Sheraton Addis Hotels. However, the hotel policy of not revealing some sensitive data and information for obvious reason posed an obstacle for getting this data for the study.

To prepare the research questionnaire is difficult to prepare in many Languages as the customers of HAH and SAH hotels are multi nationals. Because of language barriers this questionnaire was prepared in English, therefore future researchers can also conduct their survey in other languages that might provide higher level of understanding from respondents and better measurement equivalency.

CHAPTER 2: RELATED LITERATURE REVIEW

2.1. Theoretical Literature Review

In this Chapter, the researcher reviews relevant literature connected to the study topic. This was involved to bringing up the theories that the researcher is using in this study. The researcher discussed issues on service quality of Hotels based on Customer Perception and Expectation. It helps to defines relevant concepts in order to improve our understanding of the topic and to provide answers to the research questions.

2.3. Definitions of services

A service is a process consisting of series of more or less intangible activities that normally, but not necessarily always, takes place in interactions between the customer and service employees and/ or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems” (Gronroos, 1990)

More amusingly, services have also been described as “something that may be bought and sold, but which cannot be dropped on your foot” (Gummesson, 1987).

Three basic characteristics that can be identified for most services are: Services are the process comprising of activities or series of activities rather than things. Services are at least to some degree produced and consumed at once. The customer takes part in the service production process at least to some level.

Process nature is by far the most essential characteristics of services. Services are methods consisting of a series of activities where a number of different types of resources, people as well as other kinds of resources, are used often in direct interactions with customers, so that a solution is found to a customer`s problem.

Since a service is not a thing but processes consisting of series of activities which are produced and consumed simultaneously. It is therefore difficult to manage quality control before the service is sold and consumed.

The last characteristics of services indicated that a customer is not only a receiver of the service but he also participates in the service process as a production resource as well.

2.4. Important Characteristics of Services.

In the article by (Ostrom, A. L., Bitner, M. J., Brown, S. W., Burkhard, K. A., Goul, M., Smith-Daniels, V., Demirkan, H., & Rabinovich, E., 2010) the very first research question is: “What is an ideal service concept?” This complies with our belief that service definitions and service characteristics are essential when examining, creating and utilising service innovations. General discussion about services started from Adam Smith’s “The Wealth of Nations” (1776), and still continues even today. Consequently, there are many different definitions of services and many different conceptions of essential service characteristics. Any service definition and conception is more or less problematic

2.4.1. Intangibility

Intangibility: -When you buy a car, you can see it, feel it, and even test it prior to purchase. In other words, products have tangible qualities that provide information to consumers so they can easily compare one product to another. Services, on the other hand, are intangible. Most services cannot be experienced or consumed until the purchase is made. Customers can easily end up feeling like they have to make a purchasing decision without adequate information (Darby & Karni, 1973; Zeithaml, 1981).

2.4.2. Inseparability

Inseparability is taken to reflect the simultaneous delivery and consumption of services (Regan 1963; Wyckham et al 1975; Donnelly 1976; Grönroos, 1978; Zeithaml, 1981; Carman and Langeard, 1980; Zeithaml et al 1985; Bowen 1990 and Onkvisit and Shaw 1991) and it is believed to enable consumers to affect or shape the performance and quality of the service (Grönroos, 1978; Zeithaml, 1981).

2.4.3 Perishability.

In general, services cannot be stored and carried forward to a future time period (Rathmell, 1966; Donnelly, 1976; & Zeithaml et al, 1985). (Onkvisit & Shaw, 1991) suggest that services are “time dependent” and “time important” which make them very perishable. Hartman and Lindgren claim that the “issue of perishability is primarily the concern of the service producer” and that the consumer only becomes aware of the issue when there is insufficient supply and they have to wait for the service.

2.3.4 Variability

Heterogeneity reflects the potential for high variability in service delivery (Zeithaml V.A., Parasuraman A. & Berry L.L., 1985). This is a particular problem for services with a high labour content, as the service performance is delivered by different people and the performance of people can vary from day to day (Rathmell, 1966; Carman and Langeard, 1980; Zeithaml, 1985; Onkvisit and Shaw, 1991). (Onkvisit & Shaw, 1991) consider heterogeneity to offer the opportunity to provide a degree of flexibility and customisation of the service. (Wyckham R.G., Fitzroy P.T. and Mandry G.D., 1975) suggest that heterogeneity can be introduced as a benefit and point of differentiation.

2.5. Customer Expectation of Service Quality

Customer expectations have been explored in various research contexts, but have been most thoroughly investigated in the customer satisfaction and dissatisfaction, and service quality research studies (Parasuraman, A., Berry, L. L., & Zeithaml, V. A., 1993).

There has been a consensus in the related literature that “expectations serve as standards with which subsequent experiences are compared, resulting in evaluations of satisfaction or quality”. Service quality entails customer expectations, customer perception, and customer satisfaction. This highlights the significance of this study, which is intended to identify the key determinants of customer expectations of service as an essential step to enhance customer satisfaction. When customers are satisfied with the service performance, there will be a high probability of their repurchase intention. This research may be of interest to those involved in service quality management, and may inspire empirical research in the area.

Customers’ satisfaction with services is related to both their prior expectation about the service and their perception of how well the service was provided (Morgan, M.J., Attaway, J.A. & Griffin, M., 1996). According to (Zeithaml, V.A., M.J. Bitner & D.D. Gremler, 2006) customer expectations are “beliefs about a service delivery that serve as standard against which performance is done”. Customers develop a certain set of expectations based on a variety of inputs.

They consider their previous experiences with services in general and with each specific kind of service they have encountered. Customers also develop expectations when they hear about services from others. If you hear that your friend was delighted with her stay at a particular

hotel, you are more likely to expect that same level of service if you stay there. Customers also form expectations based on service provider's advertisement and promotions.

2.6. Levels of Service Expectation

According to (Zeithaml and Bitner, 1996; Kurtz and Clow, 1998) Customers expectation consists of five Level, Ideal service level, desired service level, adequate service level, predicted service level, and zone of tolerance. Customer expectations consist of five levels:

- **Ideal service level** is the highest level of service expectations defined as the 'wished-for' level of service, which customers hope to receive in an idealised way.
- **Desired service level** is lower than the ideal service level. However, it is the level of performance the customer wants to receive from the service and a blend of what customers believe can be and should be delivered.
- **Adequate service level** is the lowest level of service expectations defined as the minimum level of service the customer will tolerate and accept without being frustrated.
- **Zone of tolerance** refers to the gap between desired service and adequate service levels. According to (Parasuraman, 2004), services performed in this zone will be accepted by the customers. If the performance is above the ideal service level, customer will be very pleased. When the performance falls below the adequate service level, customers will be dissatisfied and have a negative impression.
- **Predicted service level** is the level of service customers actually expect from the service organisation. The predicted service level can range from the ideal level of service to the adequate level of service by modifying the customers' expectations accordingly in all circumstances of service

2.7. Determinants of desired service expectations

The determinants of desired service expectations comprise endurance service intensifiers (derived service expectations and personal service philosophy) and personal need (Zeithaml, V., Berry, L., & Parasuraman, A., 1993)

- **Derived service expectations:** when customer expectations are driven by another person or group of people.

- **Personal service philosophy:** underlying generic attitude about the meaning of service and the proper conduct of service providers
- **Personal needs:** the physical or psychological wellbeing of the customer - pivotal factors that shape what customers desire These are the key determinants of adequate service expectations: predicted service, perceived service alternatives, and situational factors:
- **Predicted service:** level of service that customers believe they are likely to get perceived service alternatives: other providers from whom the customer can obtain service
- **Situational factors:** service performance conditions that customer view as beyond the control of the service provider.

2.8. Factors influencing both desired and predicted service expectations

According to (Zeithaml and Bitner, 1996) factor influencing both desired and Predicted Service Expectation as follow below: -

1. *Explicit Service Promises:* -Explicit service promises encompass statements about the service made by the organisation to customers. The statements are made by staff, or in advertising, brochures and other written publications. The service provider must ensure that service promises are not unrealistically promised, because explicit service promises are the only influence which can be completely controlled by the service provider (Lethinen & Lethinen, 1982).
2. *Implicit Service Promises:* - Implicit service promises are quality cues that are dominated by price and the tangibles associated with the service to help customers in inferences about what the service should and will be like. In general, the higher the price charged and the better the tangibles provided, the more a customer will expect from the service (Gray et al., 2003, Mazzarol, 1998; Mazzarol & Soutar, 2001).
3. *Word-Of-Mouth Communication:* - Word of mouth, both personal from friends and relations and expert in the form of informed opinion from journalists etc., was also posited to be an important antecedent of both desired and predictive expectations by (Zeithaml, Berry & Parasuraman, 1993). Other authors have also cited the importance

of word of mouth (George & Berry, 1981; Donnelly, 1980; Parasuraman, Zeithaml & Berry, 1985)

4. *Past Experience*: Past experience refers to the customer's previous exposure to the focal service and shaping their predictions and desires (Zeithaml Berry & Parasuraman, 1993). In addition, the customer not only compares their service with previous service experience in the same place, but also compares the experienced service with other service providers in other places, the expected service quality may not be answered because of constraints, thus, the perceived service for customers can be different from what expected (Zeithaml, V. A., Parasuraman, A., & Berry, L. L. (1990).

2.9. Customer Perception of Service Quality

Customer Perception of Service Quality (Zeithaml & Bitner, 1996) describe customer perceptions as the subjective assessments of actual service received or experienced and whether they are satisfied with the quality of the service. When customers evaluate whether the quality of service meets their expectations, they always consider their service perceptions relative to expectations.

Through the incessantly increasing competition in the global economy, hospitality institutions and mainly hotels are placing greater prominence on meeting and exceeding customer needs and expectations. As such hotels have to deliver superior service quality to differentiate themselves from their competitors, and furthermore enhance their reputation. Service quality is currently one of the most important and widely researched topics in services (Zeithaml & Bitner, 2000).

Services quality represents the majority of today's economy, not only in developed countries but also in the developing countries throughout the world. Service quality results from customers' comparisons of their expectations about a service encounter with their perceptions of the service encounter (Parasuraman, A., Berry, L. L., & Zeithaml, V. A., 1993)). In this arena, customers' perception of service quality plays an essential role in the buyer's perception of the supplier's product and service and it adds value to a product and builds enduring relationships.

In consequence, the understanding of the notion of customer perception is a prerequisite for best service provision. Service quality determines the reputation of an organisation, and the level of quality provided often determines what consumers think of an organisation and thus this leads to its reputation being enhanced or downgraded. Thus in the current context, customer satisfaction and loyalty is an antecedent of reputation. Corporate reputation, when understood by numerous stakeholders, is decisive as it helps to slash the operational costs, and positively affects both monetary and customer-related indicators, such as consumer satisfaction, confidence and loyalty (Dowling 2001; Roberts & Dowling, 2002; Caruana et al., 2004; Rose & Thomsen, 2004).

Researchers consider consumers to be one of the most essential stakeholder groups as they generate revenue flows for corporations. The importance of customers in the context of this study is that they determine how reputable a service organisation is perceived to be. Thus, customer satisfaction through good service quality should be at the heart of any industry offering services to its clients.

According to (Parasuraman et al., 1987) service quality is defined as “global judgment or attitude relating to the overall excellence or superiority of the service”. On the other hand, service quality can be regarded as an assessment of how well a delivered service conforms to the client’s expectations, needs and wants. Reputation is defined as a perception of past actions and future behaviour is viewed not in isolation, but rather in the context of what others are doing in the marketplace (CIMA, 2007).

(Gronroos, 1984) states that "this is another quality dimension, which is very much related to how the moments of truth of the buyer-seller interactions themselves are taken care of and how the service provider functions, therefore, it is called the functional quality of the process".

Technical quality, also known as extrinsic quality which is defined as what the customer is actually receiving from the service, or the quality of the outcome or result of the service, is the "what" is delivered during the service delivery process.

Functional quality is also known as intrinsic quality, perceptual quality, and interactive quality; and describes the manner in which the service is delivered.

Functional quality refers to employees' actions or the human interaction that takes place during the service encounter; it is the "how" a service is delivered or provided (Gronroos, 1984, 1990, 1992; Mels et al., 1997).

2.10. Factors Influencing Customers' Service Perceptions

Factors Influencing Customers' Service are image, price, service encounters (moments of truth) and the evidence of service (Zeithaml & Bitner, 1996). These factors are explained below: -

(a) Image

Customer perceptions can be affected by the image or reputation of the organisation. Keller (1993) defines organisational image as "perceptions of an organisation reflected in the associations held in customer memory." The associations can be reflected through contacting with employees and even the service experience itself. Organisational image can assist an organisation to build positive customer perceptions of service. This positive image serves as a buffer against incidents of poor service (Zeithaml & Bitner, 1996).

(b) Price

The price of service can also influence customer perceptions. Because of the intangible nature of the service, customers rely on price as an indicator to judge whether the service can meet their expectations or not. If the price is higher than average price, customers are likely to expect higher quality than others; if price is too low, customers may doubt the ability of organisation to deliver the service appropriately. For both situations, the higher or lower expectations will greatly influence customer perceptions of service.

(c) Service Encounters (Moments of Truth)

Service encounter refers to the interaction between the customer and the service provider during a period of time. According to (Zeithaml & Bitner, 1996) when customers have service transactions with a service organisation, they can judge the quality of service provided by this organisation, through evaluating the concrete service encounters.

(Zeithaml and Bitner ,1996) mentioned three types of service encounters that can be managed by a service organisation to have interactions with customers, namely remote encounters, phone encounters and face-to-face encounters.

- Remote Encounters: These take place when there is no direct human contact between the customer and the service provider.
- Phone Encounters: This is extended to an electronic encounter responding to rapid information-technology.
- Electronic encounter refers to the interaction between customers and service providers that occur through the Internet and other multi-media.
- Face-To-Face Encounter: This takes place between a customer and a service provider in direct contact, meeting in person.

(d) **Evidence of Service**

The last factor of influencing customer perceptions of service is regarded as the evidence of service. Because services are intangible, customers not only rely on price to evaluate service quality, but also seek for evidence of service in every interaction they have with an organisation to build an impression of service perceptions. (Zeithaml & Bitner, 1996) discover three elements of evidence experienced by the customer: people, process and physical evidence.

2.11. Service Quality

(Kotler, 1997) has defined service as ‘an action or an activity which can be offered by a party to another party, which is basically intangible and cannot affect any ownership. Service may be related to tangible product or intangible product’ On the other hand (Zeithaml & Bitner ,2003) mentioned that, ‘Service quality is a focused evaluation that reflects the customer’s perception of specific dimensions of service namely reliability, responsiveness, assurance, empathy, tangibles.’ Based on the assessment of service quality provided to the customers, business operators are able to identify problem quickly, improve their service and better assess client expectation.

2.12. The hotel industry in Ethiopia

Ethiopia is amongst the African countries that are endowed with the biggest amount of UNESCO World Heritage Sites in Africa (UNESCO Ethiopia Report, 2017). There are a total of 8 sites dispersed throughout the country. This gives it the advantage of building up itself as a home for tourists. Ethiopia's government has emphasized on the expansion of tourism in its development program, PASDEP (Plan for Accelerated and Sustained Development to End Poverty) to hone the prevailing tourism capital as an impelling cause of financial expansion for the entire country (<http://www.Et.Emb-Japan.Go.Jp>).

Ethiopia is strategically regarded as an essential country in the Horn of Africa for a lot of countries. It is a place where most of the international meetings, conventions and gatherings take place.

These calls for housings and lodgings at a universal quality; and this will continue to grow in the future because huge numbers of global companies have been endlessly fortifying their establishments and expanding their workforce in Ethiopia (<http://www.Et.Emb-Japan.Go.Jp>).

International brands and franchises from America, Europe and China and locally standardized hotels are considered to promote the hospitality industry (Aschale, 2013).

The Hotels sector incorporates a number of services like accommodation, restaurants, cafes, conference halls and gyms. Records validate that the growth of the hotel sector is directly associated with touring. Likewise, the expansion of the hotel industry in Ethiopia is linked to the growing number of both native and non-native tourists and travellers (G/Egziabher, 2015).

The demand for the industry particularly in a developing country like Ethiopia is related to the tourism sector since the customers of hotels mostly originate from tourists worldwide (Mitiku, 2015).

A significant effect has been observed in the growth of the country's foreign relations especially at the time when Menelik II was ruling; by instilling the idea of modernization and bringing in foreign technology and organizations among which hotel is one of them. Expansion of up to date hotels in Ethiopia dates back to the 19th century (G/Egziabher, 2015).

Etege Taitu Hotel which was inaugurated in 1898 (E.C.) at the hub of the city, Piazza was the first hotel. Proceeding 142 new hotel developmental projects in Sub-Saharan Africa (SSA) in 2014, Ethiopia is rated amongst the top 10 largest markets for international hotel chain developments. The hotel industry has been creating a direct economic impact towards countries. In Ethiopia, the industry's contribution to GDP was 4.2% in 2013 and it has rose to 4.5% in 2014 and this figure is predicted to rise by 5% in 2024 (Africa Business, 2015).

In 2018 in Ethiopia, there are 373 hotels built in different place of the Country, out of which 166 hotels are in Addis Ababa. From the 166, 7 are international branded hotels, including Golden Tulip Hotel Addis Ababa. The rest are local hotels (New Business Ethiopia, 2018).

2.13. Attributes of service quality

This section explains the main aspects of service quality in the hotel industry and five dimensions that were developed by (Parasuraman, A., Zeithaml, V.A.&Berry, L.L.,1988)) are as follows:

2.13.1. Tangibles

The physical facilities, equipment and employee's appearance, According to (Brink and Berndt, 2005), tangibles encompass the appearance of the company representatives, facilities, materials, and equipment as well as communication materials. The condition of the physical surroundings is seen as tangible evidence of care and attention to detail exhibited by the service provider summarize tangibles as the physical evidence of the service.

2.13.2. Responsiveness

The willingness to help and respond to customer need, Organisations ought to be receptive to the moving or shifting needs of their clients and giving courses and preparing programs that are important to the business. (Dale, van der Wiele & van Iwaarden, 2007) define responsiveness as the willingness to assist customers and to provide prompt service on a continuous basis. This dimension focuses on attentiveness and willingness in dealing with customer requests, queries and prompt complaint resolution. The hotel employees should have the capacity to attend to guests' inquiries, queries and complaints timeously, and thus quality of service is optimized and guest satisfaction is enhanced.

2.13.3. Reliability

The reliability and consistency of performance of service facilities, goods and staff is seen as important. This includes punctual service delivery and ability to keep to agreements made with the customer. According to (Fitzsimmons and Fitzsimmons, 2001) reliability is the ability to perform the promised service both dependably and accurately with error free.

2.13.4. Assurance

This considers the knowledge and courtesy of employees as well as their ability to convey trust and confidence. The assurance dimension includes the following features: competence to perform the service, politeness and respect for the customer, effective communication with the customer and the general attitude that the server has the customer's best interest at heart (Fitzsimmons & Fitzsimmons, 2001).

2.13.5. Empathy

Empathy is the provision of caring, individualized attention to customers. It includes approachability, sensitivity, and effort to understand the customer's needs. (Johnston, 1997) describes empathy as the ability to make the customer feel welcome, particularly by the contact staff.

2.14. Dimensions of Service Quality

Service quality is considered the life of Hotels (Min and Min, 1996) and core of service management (Chen, 2008). Service quality is related with customer satisfaction (Shi & Su, 2007) and customer satisfaction is associated with customers' revisit intention (Han, Back & Barrett, 2009).

If an effective image is portrayed to customers, it will create competitive advantage for hotel (Ryu, Han & Kim, 2008). As a result of service development process three concept of service is composed and these three steps are Service process, System and Service resources-structure (Edvardsson, 1997). Service quality means the difference between the customers' expectation of service and their perceived service.

Thus it is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Gronroos, 1984 & Parasuraman et al., 1985, 1988).

Different experts define service quality in different ways but (Parasuraman, A., Zeithaml, V. A., & Berry, L. L. ,1985) define it is the differences between customers, expectation of services and their perceived service. If the expectation is greater than the service performance, perceived quality is less than satisfactory and hence, customer dissatisfaction occurs.

(Lewis and Chambers, 1989),(Dotchin & Oakland, 1994 ab), and (Asubonteng, P., Mccleaty, K.J. & Swan, J.E., 1996) define service quality as the extent to which a service meets customers, need and expectation. In this study, the assessment standards of (Zeithaml, Berry & Parasuraman, 1988) will be used, which consist of five dimensions: tangibility, reliability, responsiveness, assurance, and empathy.

According to (Lewis, 1993) the dimensions of service quality focus on "interactions between a service firm and its customers and typically relate to:

@ Technical dimensions, i.e. the outcome of the service process to include systems and technology.

@ Functional dimensions, i.e. the way the service is delivered to include inter-personal interactions between employees and customers, appearance and personality of service personnel and approachability of personnel.

@ The corporate image dimensions which is the result of how customers perceive the firm, and can be expected to be built up mainly by the technical and functional quality of its services, and will ultimately affect service perceptions of the company.

2.15. Service Quality Measurement in Hospitality Industry

In the field of hospitality, the measurement of service quality was derived from the concept and studies of service quality experts (Amy Wong, Alison M. Dean, & Christopher White, 1999). A number of studies applied or modified the SERVQUAL instrument to measure service quality in the hospitality industry. Several specific instruments were developed based on the SERVQUAL.

(Lee and Hing, 1995) supported the SERVQUAL application in measuring service quality because it was relatively simple and inexpensive; provided benefits to entrepreneurs for 49

developing better tailored marketing; and was comparable in tracking the service quality of different firms in the same business sector.

The study of (Saleh & Ryan, 1991) attempted to apply the SERVQUAL model within the hospitality industry. Initially, assuming the same five dimensions of the developers, the result of their study, however, showed a somewhat different construct from the original model of the SERVQUAL.

The factor analysis of the study combined tangibles, reliability, responsiveness, and assurance dimensions of the original model into “conviviality”, the first factor of (Saleh & Ryan, 1991) study, which explained roughly 63% and the remaining four factors (tangibles, reassurance, avoid sarcasm, and empathy) accounted for another 16%. They justified that different constructs might occur when using a 5-point scale instead of a 7-point scale as in the original research, and the invalidity of questions concerning tangibles. In the same year, “LODGSERV”, a modified SERVQUAL instrument, was developed to measure hotel guests’ expectations of service quality and experience by using a 26-item index. It resulted in the same five dimensions (Knutson, Stevens, Wulaert, Patton & Yokoyama, 1991).

(Later, Stevens, Knutson, & Patton, 1995) developed another version of SERVQUAL in the restaurant setting called “DINESERV”. It was a tool for measuring service quality in restaurants. In the more specific goal of assessing the service quality, (Lee & Hing, 1995) attempted to assess the application of the SERVQUAL in the fine-dining restaurant sector. In 1999, another extension of the SERVQUAL scale was introduced in the hospitality industry, called “HOLSERV” (Mei, Dean, & White, 1999). In the HOLSERV study, a 27-item scale with a separate overall service quality was administered. This led to the extraction of three dimensions including employee (behaviour and appearance), tangibles, and reliability.

(Ekinici & Riley, 1999) proposed the application of the Q-sort technique in the context of service quality evaluation in hotels to validate the dimensions of the established models of service quality.

Using the same approach as the **SERVQUAL**, a more recent study presented the development of a reliable and valid quantitative quality measuring tool that allowed hotel operators to measure their customers’ perception of service performance. It was named **“Lodging Quality Index” (LQI)**. The LQI study found tangibility, reliability (includes original reliability and credibility dimension), responsiveness, confidence (includes original

competence, courtesy, security, and access dimensions), and communication (includes original communications and understanding dimensions).

2.16. SERVQUAL Model

The SERVQUAL model is considered the most popular framework for measuring service quality in the service-based industry. The model is based on client's evaluation of service quality, which depicts comparison of the expected and obtained value as well as a consideration of gaps in the process of service provision (Parasuraman, A., Zeithaml, V. A. & Berry L. L., 1988). Thus, the foundation of SERVQUAL scale is the gap model.

The **SERVQUAL** scale contains desirable characteristics of services with ten dimensions which were summed up to five; tangibles, reliability, responsiveness, assurance and empathy (Parasuraman, A., Zeithaml, V. A. & Berry L. L., 1988).

Despite the popularity and wide application of the **SERVQUAL** model, the model is susceptible to numerous conceptual and operational criticisms; Direction to the process (**SERVQUAL** directs to the service delivery process but not the result of service experience); Expectations (the term expectations has multiple meanings, it is impossible for **SERVQUAL** to measure the absolute expectations of service quality); Moment of truth (at varying moments, customers have different satisfaction levels); Polarity (the reverse polarity of the scale elements causes wrong response); Data collection (it is not always easy for hotel managers to ask guests to fill the long questionnaire to get the statistical data of all ten dimensions); Credibility (A person's inclination to trust the statement that employee has made, it relates to the believability and honesty of the service provider); Security (Providing freedom from danger, risk or doubt); Access: (the extent to which employees are approachable and easy to find); Communication (ability of employees to keep customers informed, good Journal of Tourism and Heritage Studies communication implies good listening skills and using language and terms that all customers can understand); Understanding: Making the effort to know the customers' needs;

2.17. Measuring Service Quality Gaps

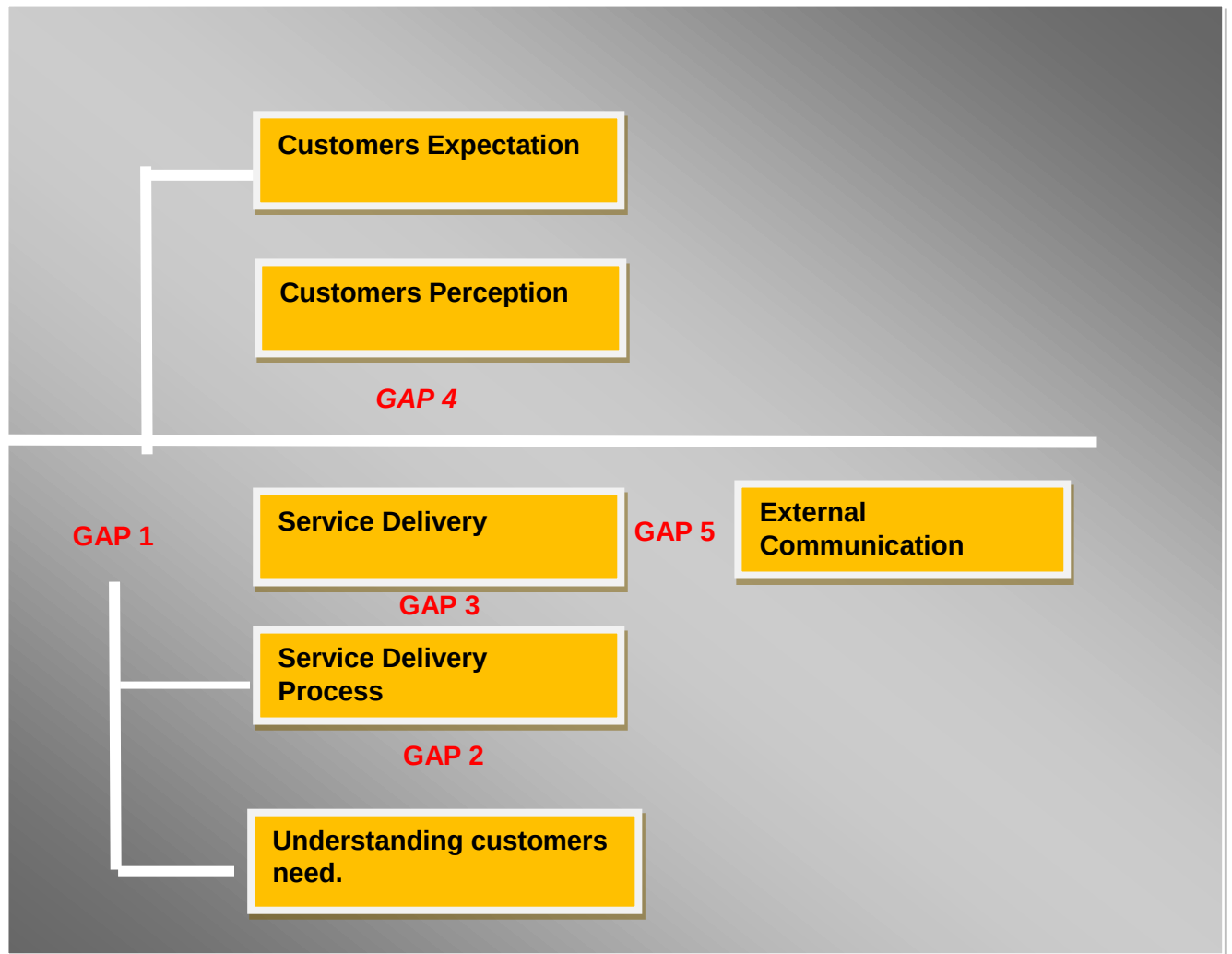
(Lewis, 1987) suggested that what can be measured are the differences between the abstractions. So if we can measure the difference between expectations and perceptions, which was defined as perceived quality, we can therefore determine the level of satisfaction.

This concept was quite similar to the conceptual model of service quality suggested by (Parasuraman, Zeithaml & Berry, 1985), which applied the expectancy– disconfirmation theory. These authors had identified that there were five key discrepancies that can influence customer evaluations of service quality:

- **Gap 1** was the gap between customer expectations and management’s perceptions of those expectations.
- **Gap 2** was the gap between management’s perception of what the customer wants and specifications of service quality.
- **Gap 3** was the gap between service quality specifications and delivery of the service.
- **Gap 4** was the gap between service delivery and what the company promises to the customer through external communication.
- **Gap 5** was the gap between customers’ service expectations and their perceptions of service performance.

(Zeithaml & Bitner, 2003) stated that in order to manage service quality, it was important to manage the gaps between expectations and perceptions on the part of management, employers and customers. The most important gap (Gap 5) was that between customers’ expectations of service and their perceptions of the service actually delivered. So by referring to the gap model, it was noted that a service marketer must lessen the customer gap (Gap 5). In order to do so, the service provider must first try to lessen the other four gaps (Gap 1, 2, 3, and 4) within the organization that inhibit delivery of quality service, as each of these elements contribute towards the expectations and perceptions of customers. Serious action must be taken because how the customers, in these case hotel customers, perceive the level of service performance that meets their expectations will reflect the quality of service provided by the organization. Subsequent to the gap model, (Parasuraman et al., 1985) designed the SERVQUAL instrument to identify and measure the gaps between customers’ expectations and perceptions of service quality their expectations will reflect the quality of service provided by the organization. Subsequent to the gap model, (Parasuraman et al., 1985) designed the SERVQUAL instrument to identify and measure the gaps between customers’ expectations and perceptions of service quality.

Figure 1-Service Quality Gap Model



The Lodging Quality Index Model (LQI) was developed as result of the varying views of researchers on how service quality in the hotel industry is measured, and the fact that the concept of service quality is multifaceted. The LQI is designed to overcome some issues relating to the SERVQUAL model in assessing service quality in the hotel industry. While the SERVQUAL can be employed in all the service-based industries, the LQI model is specifically designed and employed only in the hotel industry.

This model was designed based on the SERVQUAL model, borrowing its scale from the main structure and eight-step procedure (Parasuraman et al., 1988, Churchill & Carol, 1982). The model presents service quality in the hotel industry as consisting of five dimensions and 26 items. These are; **tangibility**, **reliability** (including original reliability and credibility dimensions), **responsiveness**, **confidence** (including original competence, courtesy, security

and access dimensions) and **communication** (including original communication and understanding dimensions).

2.18 Customers Perception and Satisfaction towards Service Quality Dimensions

(Garavan, 1997) stated that achieving improvements in customer service is now recognised as a major challenge facing manufacturing and service industries throughout the world. This challenge is particularly pertinent to the tourism and hospitality sector. Notions of quality in the tourism and hospitality sector have changed dramatically in the past 25 years (Garavan, 1997): It was once synonymous with luxury and personalised service; it now counts at all levels of price. Service quality is often presented in the literature as primarily a marketing-oriented concept; however, it has major implications for the quality of human resources and specifically for training and development activities. Focuses on the human resource dimension, specifically the behaviours which hinder and facilitate transactions between people in a service environment.

Begins with a discussion of the concepts of quality, customer and service improvement, then considers the factors influencing interpersonal relationships and discusses alternative approaches to the development of interpersonal skills. Considers the nature of services and, finally, reports a study which evaluates the impact of an interpersonal training and development intervention on the quality of service provided by front-office staff in a medium-sized hotel.

(Leste & Wanderley, 1997) reported that customers usually did not possess sufficient information for the available products and terms of insurance policies. They didn't usually trust insurers and their agents and brokers. The insurance companies didn't appear interested in improving and maintaining the various relations that support their operation. The gaps between the expected and actual results in quality improvement programs are due to the absence of a service-oriented culture in insurance companies that are not involved in the maintenance of satisfaction of their customers.

2.19. Conceptual Framework

(Eccles & Durand, 1997) stated that it seeks to review recent practice undertaken within the UK hotel sector to improve customer service, and suggests ideas that could be implemented

within service industries. At a time of increasing competition, hotel firms are aiming to use service enhancement as a means to gain competitive advantage, and therefore developing a range of techniques to measure levels of service quality improvement based on customers' perception and expectation.

The general idea from the conceptual Framework is that there is association between customer Perception and Expectation, and service quality; also that service quality could be evaluated with the use of five service quality dimensions and the most useable is the LQI Model scale in the Hospitality industry. A questionnaire for the hotel guests has been developed based on the components of the service quality in the hotel industry classified in the LODGING QUALITY INDEX.

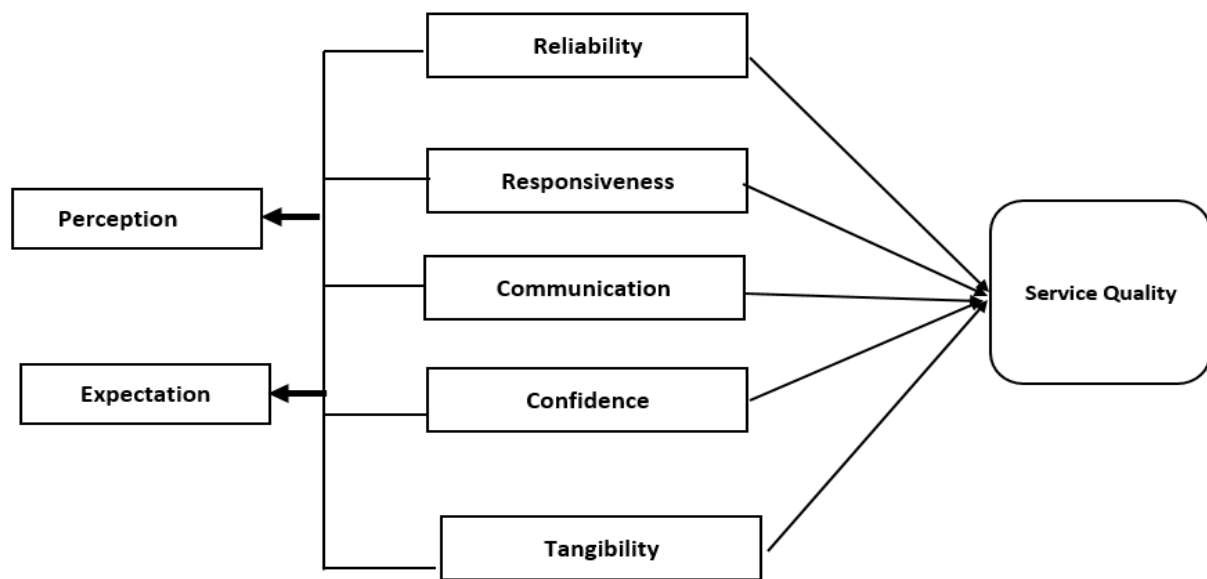
The importance of service quality has been emphasised by many authors has discussed on this issues elaborately. Few are discussed in this section of the study. (Cronin & Taylor, 1992) in their study entitled "Measuring Service Quality: A Re-examination and Extension" reported that performance only subset instrument SERVPERF. They compared SERVPERF to SERVQUAL, their results supported the dissenters: performance scores alone account for more variation in service quality than performance minus expectations. (Getty & Thompson, 1994) in their study entitled "The Relationship between Quality, Satisfaction and Recommending Behaviour in Lodging Decisions" adapted SERVQUAL to develop the LODGQUAL instrument with three dimensions of tangibles, reliability, and contact. The LODGQUAL was used to measure service quality in the lodging industry.

LODGQUAL Model has been regarded as a specific application for the hotel industry. This model is based on SERVQUAL and is used for estimation of service quality in lodging industry (Getty & Thompson, 1994) designed the LODGQUAL instrument from customer perceptions of the SERVQUAL measure, but also considered the dimensions of tangibles, reliability and "contact", which included attributes associated with response capacity, safety and empathy. Based on SERVQUAL model, B. Knutson et al. 1990), developed LODGSERV (LODGingSERVices Model).

This model was developed for measuring the quality of services in hotel industry. The authors defined 5 dimensions of services' quality: reliability, safety, compassion, tangibility and empathy. (A. Mei, 1999) researched the quality of hotels services in Australia and developed a new scale for measuring quality of service named HOLSERV, based on 3 dimensions: employees, material components and reliability. HOLSERV was a shorter, more

user/friendly instrument than SERVQUAL. (A. Mei, 1999) recommended that hotel managers should supplement the HOLSERV measure with additional qualitative research.(J. Getty &R. Getty ,2003) researched the quality of services in hotel industry in the USA and developed a new five-level scale named Lodging Quality Index (LQI) covering the dimensions: Tangibility, Reliability, Responsiveness, Reliability and Communication

Figure 2-Conceptual Framework



2.20. Empirical Study

Thus customer expectation is the difference between the expectations of the customers before receiving the services and perceptions of the customers after receiving the services. Customer satisfaction mainly depends on the build-up of the perceived value to which the customers have concerning a product or service (Kotler & Armstrong, 2004; 2009). So that customers' satisfaction can reflect a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to the expectations

(Fournier & Glenmick, 1991) concluded that the concept of satisfaction holds well only when the expectation is positive. The study stated that service quality is the overall assessment of a service by the customers, (Eshghi et al., 2008).

Hospitality industry must pay attention to potential failure points and service recovery procedures which becomes integral to employees training. In other words, it amounts to empowering employees to exercise responsibility, judgment and creativity in responding to guests' problems. Thus the service providers should make business more customer centric so as to maximum customer satisfaction is attained eventual (Dil Pazir, 2019).

Customers or guests are always right! this is the fundamental principle adopted by hoteliers under contemporary marketing. So it is necessary for hotel marketers to fulfil customers' expectations which not only make customers 'satisfied but also enhances the market share (Dharmesh Motwani, 2013).

The HOLSERV model has been identified with three dimensions comprising (1) employees, (2) tangibles, and (3) reliability. Later, Getty and Getty (2003) have examined the dimensions of service quality in the hotel industry of USA and developed LODGQUAL. LODGQUAL model includes five improved lodging quality dimensions namely (1) tangibility, (2) responsiveness, (3) reliability, (4) communication, and (5) confidence (Getty & Getty, 2003; Ladhari, 2009).

Lodge Quality Index Model has been proven to be the main yardstick used by most of the researchers in the evaluation of service quality ((Wilson et al., 2008; Bennett & Barkensjo, 2005 Negi, 2009; Wang & Hing-Po, 2002).

Chapter 3: Research Methodology

3.1. Site Selection and description of the Study area

Hilton Addis Ababa hotel is located in a hub of international diplomacy at Menelik Avenue with close proximity to the headquarters of the African Union (AU) and the United Nations Economic Commission for Africa (ECA) between the national palace and the grand Menelik palace and opposite to the Ministry of Foreign Affairs right on ideal place for both visitors and diplomats. This historic hotel, constructed and opened in July 1969G.C. during the reign of Emperor Haille Salasse is just 15 minutes from Bole International Airport and a short drive to many of the city's popular tourist attractions, including the Holy Trinity Church.

Blending traditional Ethiopian touches with contemporary style, the twelve (12) stories majestic building of the hotel is architecturally designed to mirror the famous Lalibela cross which is one of the most popular tourist attractions of Ethiopia and considered as the Eighth work of the world. The motif is recurrent throughout the hotel, from the design of the bedroom balconies to the cross-shaped swimming pool.

The hotel complex, which is placed on fifteen (15) acres of land together with the garden wing extension completed in 1987G.C, it is air-conditioned and fully furnished guest rooms with direct telephone line, satellite TV, and minibar. These rooms offer pool or mountain views, original artwork, comfortable sleeping areas and ample workspace. The Suite or Executive Floor rooms provide more space, complimentary Wi-Fi and access to the Executive Lounge with complimentary food and beverage offerings throughout the day. The studio having one or two bedroom apartments with its own kitchen are preferable for extended stay.

Sheraton Addis is the first African hotel to join The Luxury Collection; the Sheraton Addis is a portal into a world of exquisite sophistication and incomparable service. From the ornate lobby to the manicured gardens with a fountain of “dancing waters” pulsating to classic symphonies, the hotel offers a never-ending vision of luminous beauty. Surrounded by luxuriant, terraced grounds, it stays true to the city of Addis Ababa meaning “new flower” in Amharic with the delicate scent of Ethiopian roses permeating the entire premises.

Set in mountainous countryside, 7,800 feet above sea level, the hotel was built by prominent Saudi Sheikh Mohammed Hussein Al-Amoudi, as a gift to Ethiopia. Designed by noted

architect Kosek Ivo, the magnificent complex artfully combines the Ethiopian artistic culture with neo-4 classical style, and is a source of pride and inspiration to all Africans, and Ethiopians in particular.

A first for Ethiopia, it was constructed to the highest efficiency standards and is constantly updated with the latest green technologies. Water, power and heat savings are made throughout the buildings, and a thorough recycling program is being used.

3.2 Data Type and Source

3.2.1. Data Type

The objective of the research is the significant relationship between Service quality with perception and Expectation of Customers using the five dimensions of LQI model, which is quantitative and use numerical and statistical data, the study used quantitative data. So that the researcher tried to investigation the significant relationship between Service quality dimensions of LQI model and with the Hotels' customers Perception and expectation.

3.2.2. Source of Data

To gather accurate and appropriate information from the customers and about the Hotels, two research tools were used: questionnaire forms delivered to the customers of the hotels as Primary data sources used in this study.

Hence, the main primary sources of data for this research study were customers of the Hotels. Whereas the secondary source of data was the company internal customer service policy manual, company website, internal publications of the company and past studies in the area, journals and articles related to the area of the study.

3.3 Research Strategy and Design

3.3.1 Research Strategy

The research strategy employed in this research is Quantitative approach. Quantitative research is 'an objective approach which includes collecting and analysing numerical data and applying statistical tests' (Collis and Hussey, 2003). The emphasis of quantitative research is on collecting and analysing numerical data; it concentrates on measuring the scale,

range, frequency etc. of phenomena. This type of research, although harder to design initially, is usually highly detailed and structured and results can be easily collated and presented statistically.

Advantages of quantitative approach are:

- ☐ More controlled
- ☐ Systematic observation
- ☐ Concerned with identifiable responses
- ☐ Can be clearer and more transparent in terms of research process (e.g. you can see the questionnaire)
- ☐ Could be more generalizable if using large data sets or large/representative survey

3.3.2 Research Design

As it is specified in the title, this chapter discusses the research methodology of the thesis. In more details, in this part the researcher outlines the research method, the research approach, the methods of data collection, the selection of the sample, the type of data analysis and the ethical considerations.

The research design follows both descriptive and inferential research based on cross-sectional field survey method and in cross-sectional studies variables of interest in a sample of subjects are checked once and the relationships between them are determined (Hopskins, 2001). Moreover, survey strategy as this a type of descriptive study is being addressed by other authors (Bryman & Bell, 2011). By implication, survey strategy allows one to collect quantitative data, which one can analyse quantitatively using descriptive and inferential statistics (Saunders, 2009).

A quantitative research design approach using a descriptive survey applied in the study. To accomplish the study objective and to answer the stated research questions, descriptive and inferential statistics (Correlation and Regression) were employed. Descriptive statistics such as frequency, percentage, mean and standard deviation were used to assess service quality based on Customers Perceptions and Expectation for each Hotel

3.3.3 Sampling design and Procedures

The Room Guests of the hotels were selected purposively based on their impact and influence on the revenue of the hotels. They are the highest income generation customers among from the other Customers of the Hotels (Financial reports, 2017, 2018 &2019)

Furthermore, English Speakers customers/Guests are considering into account for the data collection since to prepare Questionnaire for all multinational customers is difficult and impossible due to language barrier of the researcher and it is requiring huge amount cost and time. The sample size refers to a subset of the larger population. Knowing the sample size is important for collecting accurate results.

Table 2: Population for the Room Guest is the number of customers of the Hotels who use the Hotels' Room service in two weeks' period.

Customers	Hilton	Sheraton	Proportionate average Daily Customers of (HAH)	Proportionate Average Daily Customers of (SAH)
Room Guests	2,254	3,654	261	161

(Bryman and Bell, 2011) suggested that the sample size must be wisely selected to be a representative of the population. The researcher chooses to draw Sample from the entire population for the study because it is difficult to cover the entire population.

Non-probability sampling techniques were used in this study. Quota, purposive or judgmental and convenient sampling techniques (non-probability) were used to select the customers of the hotels. Quota sampling technique was used to select per day proportion of Room Guests of the hotels. Convenient sampling technique was also used because only the target customers who were willing to participate in the study were included.

Purposive sampling technique was used because only customers who had been used the rooms of the hotels were selected due to the room Guests have a better understanding of the hotels service due to they have free access of (internet, Swimming Pool, Gymnasium, and Sauna....etc) and financially affected the hotels due to the hotels most revenue generated from them ((Financial reports, 2017, 2018 &2019).

Convenient sampling technique was also used because only the target customers who were willing to participate in the study .For the sake of ensuring high response rate and quick

return of questionnaire. Using such sampling technique is obligatory especially in hotel industry where room Guests are not available at any time (especially available at night time) The number of Room Guests have been used the hotels within Two Weeks period of time as per the latest room occupancy report approximately on daily basis is Four **Hundred Twenty-Two (422)**. It consists of 161(One Hundred Sixty-One) from Sheraton and 261 (Two Hundred Sixty-One) Hilton Addis Ababa (Room Occupancy Report, 2019 &Opera Room Management System, 2019).

In order to determine the sample size, this research used the formula developed by Jeff (Watson, 2001) who is research assistant, Cooperative Extension and Outreach at University Park. According to (Watson, 2001), to get sufficient sample size from the total population, this method is advisable to widen the sample size of the study effective sample size determination involves in five important step processes namely:

1. Determining goals,
2. Deciding the desired precision of results,
3. Determining level of confidence,
4. Estimating the degree of variability, and
5. Estimating the response rate.

The formula to find the sample for the given population here is below.

$$n = \frac{\left[\frac{P [1-P]}{A^2} + \frac{P [1-P]}{N} \right]}{R}$$

Where:

n = Sample size

N = Population size = 422

P = Estimated variance in population = 50%

A = Desired precision = 5%

Z = Based on confidence level = 95% (1.96)

R = Estimated response rate = 95%

Therefore, by using the above formula, the sample size of this research was 212 for the room guests in both Sheraton & Hilton hotels. The total sample size (212) proportioned in each hotel was as shown in the following table:

Table 3: Sample Size Proportion in each hotel in respective with room guest was

Companies	Number of Room Guests	Sample Size Proportion
<i>Sheraton Addis Hotel</i>	161	161/422*212=80
<i>Hilton Addis Ababa Hotel</i>	261	261/422*212=132

<i>Total</i>	422	212
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3.3. 4 Sources of Data Collection

In order to answer the raised research questions, both Primary and secondary data sources used in this study. To this end, the main primary sources of data for this research study are were Room Guest of HAH and SAH. Whereas the secondary source of data were the company internal customer service policy manual, company website, internal publications of the company and past studies in the area, journals and articles related to the area of the study.

3.3.5 Data collection and Instruments

A complete review of literature assisted the researcher in creating the instrument by locating an existing research survey that was utilized in similar studies. Descriptive survey research can be structured or unstructured. A structured survey is conducted using questionnaire forms and is called structured because all the respondents are asked in the same way.

In hospitality industry customers are more willing to fill in questionnaire forms, due to easiness and absence of long open-questions (Brace 2004). The form of questionnaire questions asked from respondent and structure may affect customers' answers, so for collecting accurate data it is highly important to think out exactly what questions should be asked (Brotherson, 2008).

In order to collect accurate and appropriate information from the customers, two research tools were used: questionnaire forms delivered to the customers of the hotel. The questionnaire consisted of close-ended questions. Close-questions started from gender, age, etc.... While filling in the list of questions concerning customers perception and expectation were asked to rate them from 1 (strongly disagree) to 5 (strongly agree). Also the respondents had a chance to choose "neutral" variant, meaning that the customer might not have an experience of this feature. The scale used in the quantitative research form was made on the bases of Likert scale, which has five levels: from strongly disagree to strongly agree, including answer "Neutral".

The 30 items are distributed among the five dimensions of service quality of LQI as follows; six items are categorized under each dimension.

At the end of the Liket Scale Questionnaire, one question which requested customers to rate the overall level of Service Quality of the Hotels, on a five point Likert scale, during their experience staying in the hotels.

Table 4: Measurement and instruments

Final Lodging Quality Index: 36 Items were analysed for LQI Dimension.	
Tangible (TA)	✓ The front desk was visual appealing ✓ The employees had clean, neat uniforms ✓ The restaurant's atmosphere was inviting ✓ The outdoor surroundings were visually attractive ✓ The hotel was bright and well lighted ✓ The hotel's interior and exterior were well maintained
Reliability(RL)	✓ My reservation was handled efficiently ✓ TV, radio, A/C, lights, and other mechanical equipment worked properly ✓ My guest room was ready as promised ✓ I got what I paid for ✓ Hotel Provides services at the time it promises to do so ✓ Employees were able to accurately answer my questions
Responsiveness(RN)	✓ Employees responded promptly to my requests ✓ Informative literature about the hotel was provided ✓ Employees were willing to answer my questions ✓ Employees responded quickly to solve my problems ✓ Room service was prompt ✓ Check-in and check-out procedures were fast and efficient
Confidence (Co)	✓ Employees knew about local places of interest ✓ Employees treated me with respect ✓ I felt safe in the delivery of services ✓ Employees were polite when answering my questions ✓ The hotel provided a safe environment ✓ The facilities were conveniently located
Communication(Com)	✓ Hotels employees have the customer's best interest at heart ✓ Charge on my account were clearly explained ✓ Received undivided attention at the front desk ✓ Reservationists tried to find out my particular needs ✓ Managers of the hotel was supervising and friendly welcoming me. ✓ Hotels employee's deals with guests' in a caring fashion

Source: (Getty, 2003), lodging quality index (LQI):

3.3.6 Data collection Procedures

This study carried out the pilot testing study to see whether the questionnaires can obtain the results which the study required for meeting objectives and hypotheses of the research. Accordingly, 30 Questionnaires were forwarded to the hotels in Addis Ababa to check, identify and remove potential problems associated with question content, wording and format as a quality control measure. Based on the comment received during the pilot test, the questionnaire was corrected and modified.

The data collection completed within a period of one month where respondents were requested to fill the questionnaire with the help Room Service Agents, Housekeeping Attendants and Front Desk Officers.

3.3.7 Methods of Data Analysis

The respondents' data used statistically using Satisfaction Package for Social Science (SPSS) version 20 and (Meta-Chart.Com) for Graphical Charts for Demographic variables (Data). Prior to inserting data in SPSS, the researcher employed manual system to edit, code, and classify the raw data. Also, the raw data were reviewed manually to identify errors and omissions. After making sure the accuracy of the raw data, all data loaded into SPSS.

Data collected from the questionnaire were then examined. In illustrating the respondents' profile, descriptive statistics of the mean and Standard deviation on Customers levels of the respondents towards the hotel stay were also calculated. Besides using descriptive statistics of means and standard deviations, gap analysis and Independent Sample T test were used in comparing means between expectations and perceptions scores of the respondents. Gap analysis was carried out to find out the service quality gaps.

According to (Huysamen, & Luddy, 2005), descriptive statistics allowed researchers to display the data acquired in a structured, accurate and summarized manner. "They also allow comparisons made between different sets of data in terms of their typical scopes and how the data is distributed", (Kerr, Hall & Kozub, 2002). as well as that mean, standard deviations.

Also the reason to use inferential statistics was because he wanted to generalize and make predictions from the results of the data. (Agresti & Finlay, 2009) Among the many statistical

tests that one can use for inferential statistics simple linear regression analysis or bivariate correlation for analyses because hypotheses were to test relationships of Customers Perception and Expectation of the Hotels. But because the variables to be tested were set as categorical data, logistic regression was the statistical tests to follow with this kind of variables (Agresti& Finlay, 2008).

Linear regression model results were calculated using SPSS.20 for **Perception and Expectation**

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \dots + \beta_nX_n + \epsilon_i$$

Specifically, model for this study can be expressed as follows;

$$OSQ = \beta_0 + \beta_1RL + \beta_2RN + \beta_3TAN + \beta_4CoM + \beta_5Co + \epsilon_i$$

OSQ=Overall Service Quality RL =Reliability RN=Responsibility and TAN= Tangibility
CoM=Communication Con=Confidence

3.3.8 Validity

Validity often called construct validity refers to the extent to which a measure adequately represents the underlying construct that it is supposed to measure (Bhattacharjee, 2012). Validity is concerned with how well the concept is defined by the measure. The most common method of assessing the content-validity is the applied method for the pre-test of questionnaire, guided by the list of definitions of each construct (Saunders, 2012).

To ensure the validity of the study: Data was collected from the reliable sources or from respondents who are room guests of the hotels. Furthermore, this study was test and examine by the advisor and other colleagues to determine its clarity.

3.3.9 Reliability

Cronbach's alpha is used in this study to assess the internal consistency of the research instrument, which is developed questionnaire. Cronbach's α (alpha) is a coefficient of reliability used to measure the internal consistency of a test or scale; it resulted as a number between 0 and 1. As the result approaches to 1 the more is the internal consistency of the items, which means all the items measure the same variable. Reliability is the consistency of a set of measurements or measuring instrument, often used to describe a test. Reliability is

inversely related to a random error (Coakes & Sted, 2007) Cronbach's alpha reliability analysis is conducted on the independent variables in order to determine the reliability of the instrument is used. Lack of reliability is a serious drawback of an outcome measure as it indicates errors in measurements (Powell, 1999).

3.3.10 Ethical Considerations

There is expanding emphasis on overwhelming the ethical issues in business research because of the increased contribution of social responsibility and consumer's wellbeing (Ghauri and Gronhaug, 2005,).

To maintain the confidentiality of the information provided by the respondents, the respondents were instructed not to write their names on the questionnaire and assured of that the responses would be used only for academic purpose and kept confidential.

Researched in hotel industry were found to be very exhaustive. In the country where the importance of research was still unidentified, the researcher suffered a lot to convince the importance of this research to improve their hotels quality. Even in some hotels managers were not quite positive to handle questionnaires.

Chapter Four

Result and Discussion

This chapter discusses both results of descriptive and Inferential (Regression, Correlation). Under descriptive analysis, frequency, percentages, mean and standard deviation were used. Additionally, regression and correlation were also used.

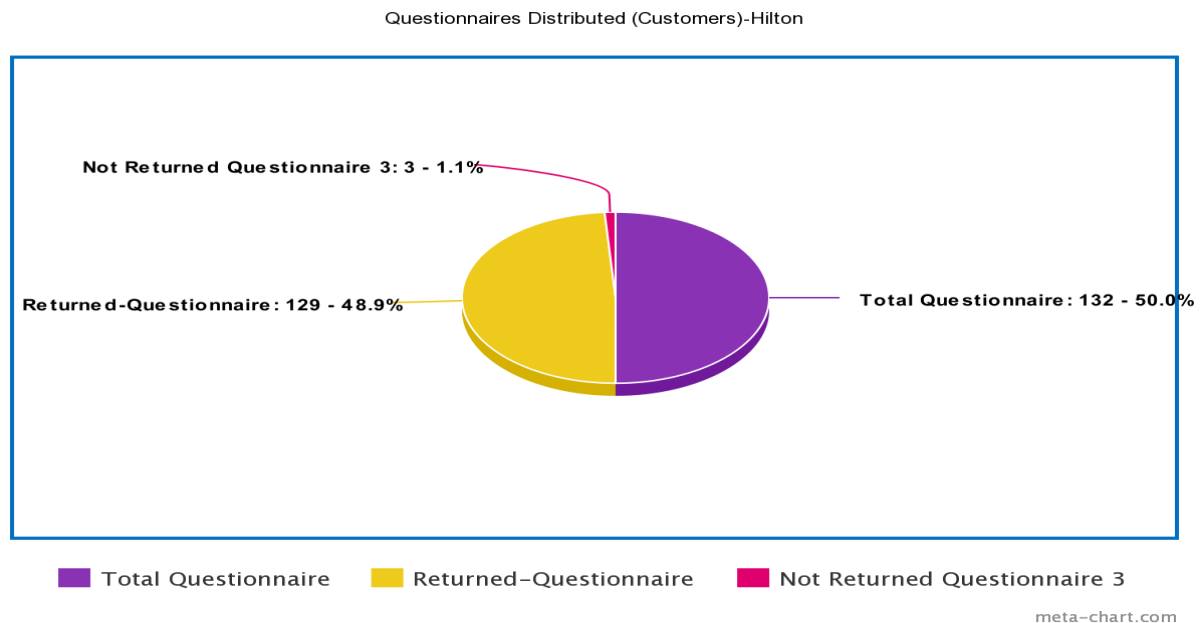
6: Questionnaires Distributed (Customers)

Questionnaires'	Hilton	Sheraton	Total	Percentage
Total Questionnaire	132	80	212	100%
Returned-Questionnaire	129	77	206	97.16%
Not Returned Questionnaire	3	3	6	2.84%

Source: own survey, 2019

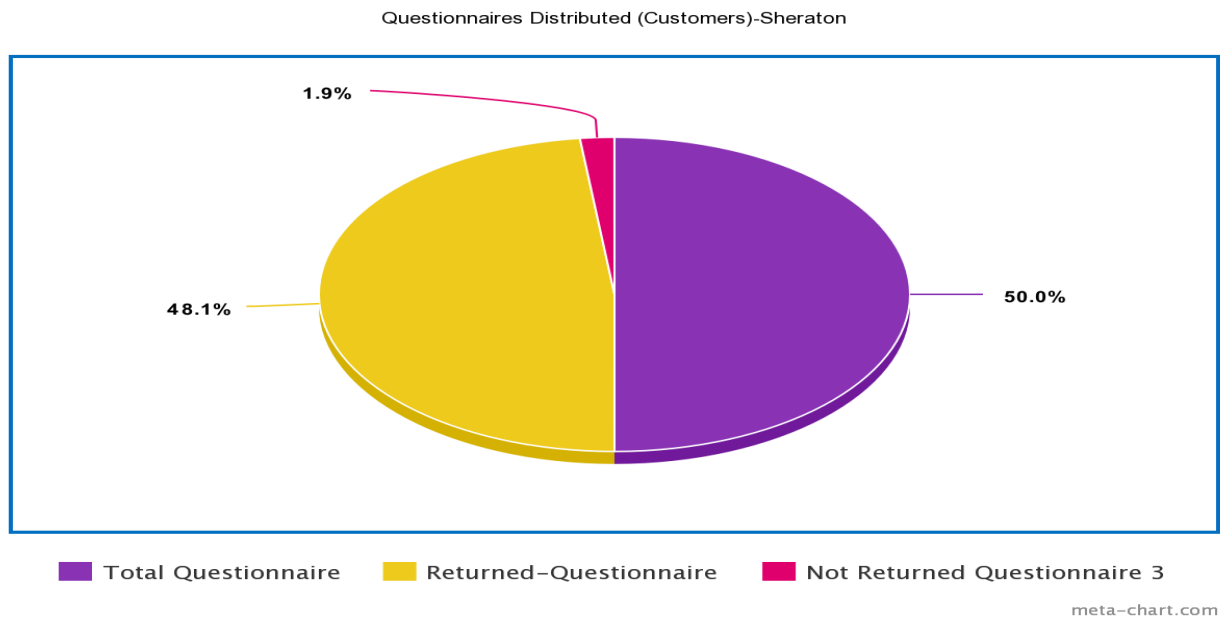
From the total sample size needed to conduct the research, the researcher was distributed 212 questionnaires, 206 (6-Questionnaires were not returned) customer's questionnaire were recollected. Therefore, (97.16%) was recollected. A total of 206 questionnaires were returned i.e. 97.16 % of the total distributed questionnaires used for the analysis. Which implies a higher response rate (>90%). Therefore, the results of the study presented as follow using specific title descriptions.

Figure 3-Questionnaire Distributed and Return for Hilton



Source: own survey, 2019

Figure 4-Questionnaire Distributed and Return for Sheraton



Source: own survey, 2019

From Sheraton Hotel, 77 questionnaires were collected from the total of 80 Questionnaires were distributed to Sheraton Hotel's Customers and 3 were not returned.

4.1 Demographic Characteristics of respondents of Customers.

To analyze the respondents (Customers) demographic profile Descriptive statistics were used and age, sex, educational background, occupation, nationality, level of education, experience of work included in the study. The characteristics were computed in terms of percentages and comparison between the two companies HAH and SAH were presented as follows

4.1.2 General characteristics of customers

The sample of respondents contained more males (75.30%) than Females (24.70%) for Sheraton and (55%) more than females (45%) for Hilton.

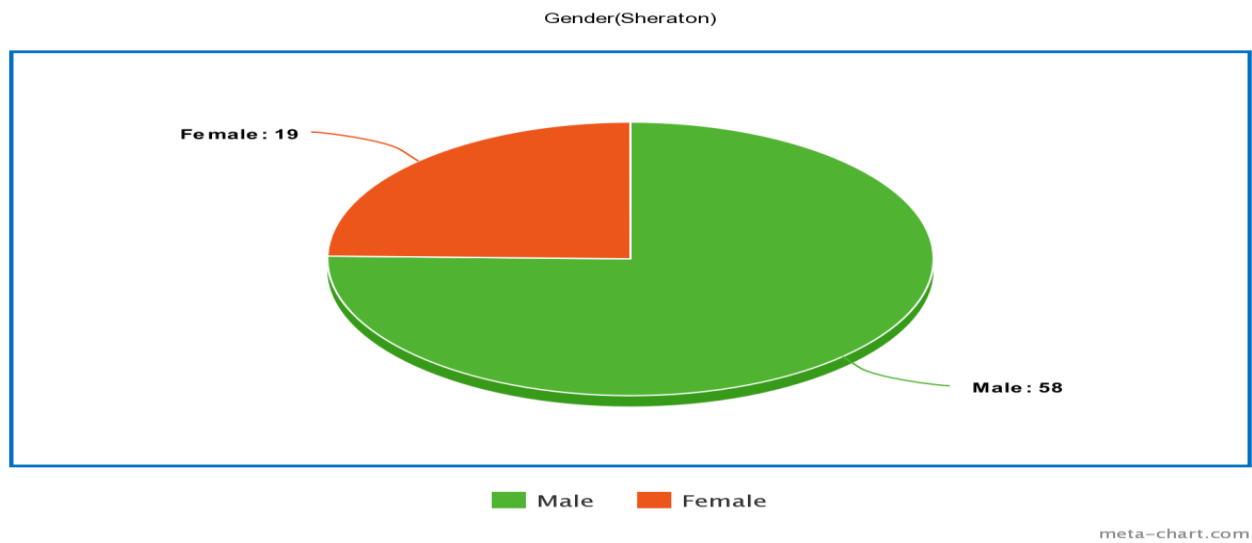
Table 6: General characteristics of customers

Characteristic		Hotel			
		Sheraton		Hilton	
		Frequency	%	Frequency	%
Gender	Male	58	75.3%	71	55.0%
	Female	19	24.7%	58	45.0%
Age Group	18-25 years	15	19.5%	52	40.3%
	26-35 Years	46	59.7%	45	34.9%
	36-46 Years	8	10.4%	13	10.1%
	46-55 Years	8	10.4%	19	14.7%
	55 and above	-	-	-	-
Level of Education	Secondary school and below	8	10.4%	-	-
	High school complete	7	9.1%	-	-
	Diploma	39	50.6%	59	45.7%
	First degree	15	19.5%	45	34.9%
	Masters' degree and above	8	10.4%	25	19.4%
Occupation	Student	7	9.1%	13	10.1%
	Retired	8	10.4%	-	-
	Business owner	31	40.3%	51	39.5%
	Employee	31	40.3%	65	50.4%
	Other	-	-	-	-
Nationality	Foreigners	62	80.5%	114	88.4%
	Ethiopian	15	19.5%	15	11.6%
Total		77	100%	129	100%

Source: own survey, 2019

The sample of respondents contained more males (75.3%) than females (19.5%). In the research, the female hotel guests account for is the portion of the female guests.

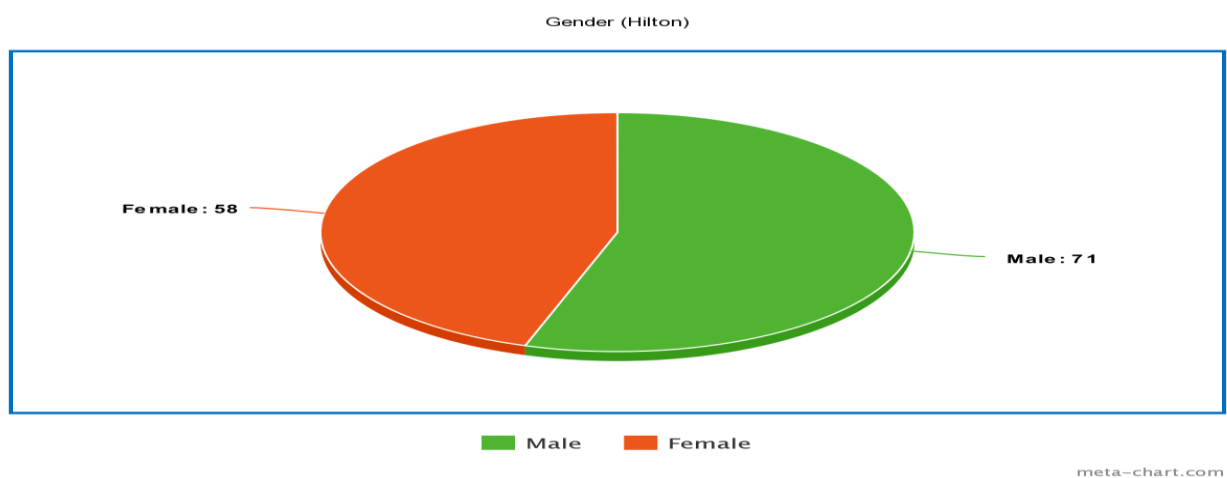
Figure 5-Gender for Sheraton



Source: own survey, 2019

Figure 6-Gender for Hilton

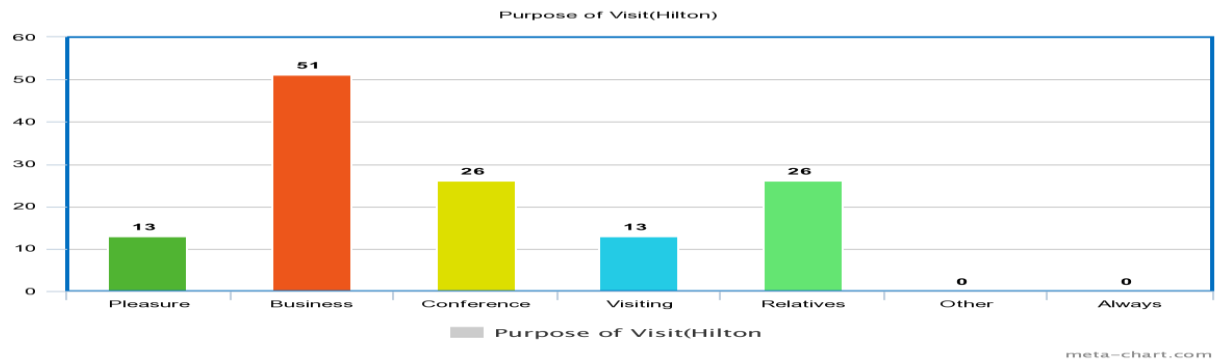
The sample of respondents contained more males (55%) than females (45%). In the research, the female hotel guests account for is the portion of the female guests



Source: own survey, 2019

Figure 7-Purpose of Visit Hilton

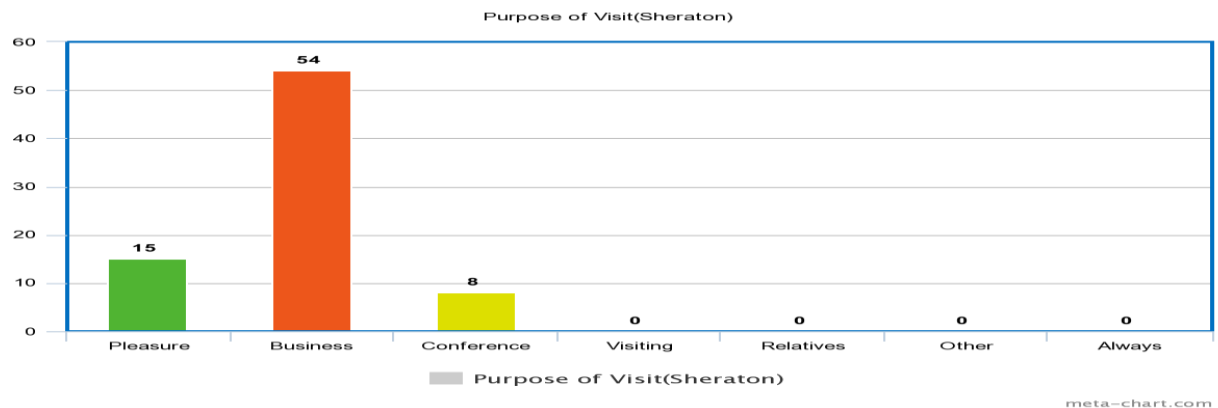
Regarding the purpose of visit, SAH customer visit reason was for Pleasure and to conduct Business which make up 15(19.5%) and 54(70.1%) of the total respondents respectively.



Source: own survey, 2019

Figure 8-Purpose of Visit Sheraton

The popular reasons for visiting HAH were business (39.5%), Pleasure (10.1%), conference (20.2%), visiting (10.1%), and relatives (20.2%).



Source: own survey, 2019

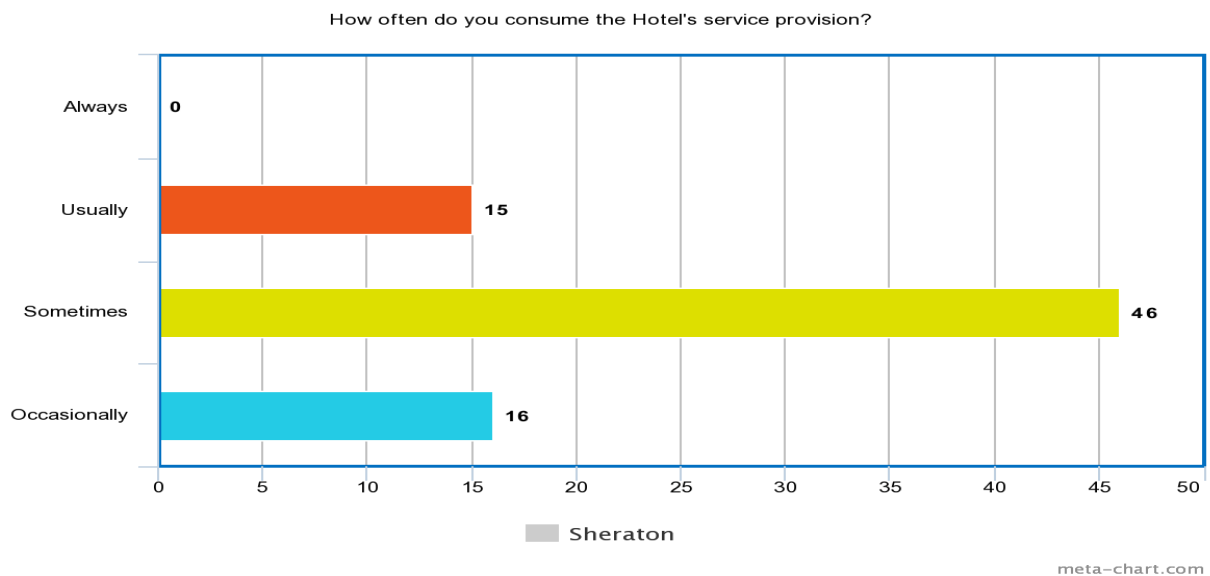
Table 7: Specific Characteristics of Customers

Characteristics		Hotel			
		Sheraton		Hilton	
		Freq. q.	%	Freq.	%
Purpose of visit	Pleasure	15	19.5%	13	10.1%
	Business	54	70.1%	51	39.5%
	Conference	-	-	26	20.2%
	Visiting	-	-	13	10.1%
	Relatives	8	10.4%	26	20.2%

	Other	-	-	-	-
How often do you consume the Hotel's service provision?	Always	-	-	-	-
	Usually	15	19.5%	26	20.2%
	Sometimes	46	59.7%	65	50.4%
	Occasionally	16	20.8%	38	29.5%
Hotel Selection	Gov't Placement	7	9.1%	13	10.1%
	Internet search	5	6.5%	26	20.2%
	Travel agency	22	28.6%	13	10.1%
	Word of Mouth	43	55.8%	77	59.7%
Total		77	100%	129	100%

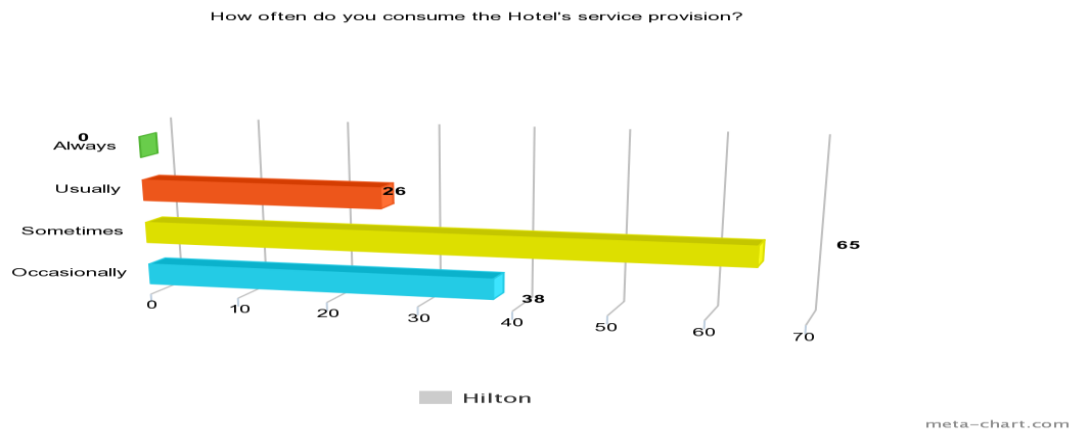
Source: own survey, 2019

Figure 9 Hotel's Service Provision for Sheraton



Source: own survey, 2019

Figure 10-Hotel's Service Provision for Hilton



Source: own survey, 2019

4.2 Reliability results

As it is indicated on the below table Cronbach's coefficient alpha was calculated for each field of the questionnaire and the entire questionnaire. The values of Cronbach's Alpha showed that all of the results are more than acceptable, which fall in the range between 0.7 and 0.95.

Table 8: Scale Reliability (Cronbach Alphas) for Service Quality dimensions, for the total scale

Sub scales	Number of items	Cronbach's Alpha Hilton	Cronbach's Alpha Sheraton
Tangible (EX)	6	.864	.840
Reliability (EX)	6	.904	.702
Responsiveness (EX)	6	.886	.756
Confidence (EX)	6	.933	.737
Communication (EX)	6	.912	.849
Tangible (P)	6	.904	.840
Reliability (P)	6	.868	.702
Responsiveness (P)	6	.812	.756
Confidence (P)	6	.832	.737
Communication (P)		.739	.849
Entire scale [Service Quality Questionnaires](Perception)	30	.915	.808
Entire scale [Service Quality Questionnaires] (Expectation)	30	.929	.787

Source: own survey, 2019

The resulting range is considered high as the result ensures the reliability of each field of the questionnaire. Moreover, Cronbach's Alpha for the entire questionnaire for Entire Scale Service Quality Questionnaires-Perception, and Entire Scale Service Quality Questionnaires-Expectation for both Hilton and Sheraton Hotels showed the value of 915 and .929, .808 and 787, respectively which fall in an acceptable range and it indicates reliability of the entire questionnaire. Therefore, based on the test, the results for the items are reliable and acceptable

4.3 Descriptive statistics results

In this part descriptive statistics in the form of mean and standard deviation were presented to illustrate the level of agreement of the respondents with their implications of the company. The responses of the respondents for the variables indicated below were measured on five point Likert scale with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. However, while making interpretation of the results of mean the scales were reassigned as follows to make the interpretation easy and clear.

This formula is adapted from (Vichea, 2005), with 5 point scales, the interval for breaking the range in measuring each variable id calculated by $5-1/5= 0.8$. It means items with scores fall between the ranges of: 4.20 – 5.00 are considered as strongly agreed; 3.40 – 4.09 as agreed: 2.60 – 3.39 as Neutral; 1.08 – 2.59 as disagree and 1.00 – 1.79 strongly disagree.

Data from questionnaires were processed by SPSS program in terms of frequency, mean, and standard deviation (Descriptive statistics).

4.5 Service Quality Dimensions

In this part of the result, Lodge Quality Index Questionnaires results are presented comparing SAH and HAH customer's perceptions and expectations with the highest mean as well as highest gap according to the mean value.

4.5.1 Tangibility

Tangibles' are defined as aspects of a service that can be 'felt' without actually purchasing the service. Tangibles are the 'visible' aspects of the service that are employed by businesses to improve external customer satisfaction.

Table 9: Tangibility result of Service Quality Hilton Addis Ababa and Sheraton Addis Hotels

Items	Sheraton			Hilton			Higher Gap Score
	Per.	Exp.	Gap	Per.	Exp.	Gap	
Over all Mean Score	3.96	3.45	0.51	3.27	2.87	0.40	SAH

Source: own survey, 2019

Tangible aspect of service dimension will be reflected in the physical evidence such as tools, equipment and appearances of providers. In this regard with an overall mean value of 0.51, SAH has the highest gap score in perception less expectation of customers' assessment.

This result implies that SAH provides physical evidence of hotel service quality front desk employees had clean, neat uniforms, outdoor surroundings, and restaurant's atmosphere above the expectation of its clients.

4.5.2 Reliability

About reliability, the following items were presented to both SAH and HAHs, and the following results are obtained.

Table 10: Reliability result of Service Quality Hilton Addis Ababa and Sheraton Hotels

Items	Sheraton			Hilton			Higher Gap Score
	Per.	Exp.	Gap	Per.	Exp.	Gap	
Over all Mean Score	4.24	3.46	0.78	3.58	3.00	0.58	Sheraton

Source: own survey, 2019

As detailed in literature part, Reliability is the customers' measure of performing the service right the first time and uniformly of service encounter. It also means that the firm honors its promises. Reliability of service designates the company's capability to supply the promised output at the stated. As it depicted by the above table, SAH still wins reliability dimension when compared with HAH expectation and perceived level with an overall mean difference value of 0.78.

4.5.3 Responsiveness

Table 11: Responsiveness result of Service Quality Hilton Addis Ababa and Sheraton Addis

Items	Sheraton			Hilton			Higher Gap Score
	Per.	Exp.	Gap	Per.	Exp.	Gap	
Over all Mean Score	4.31	3.24	1.07	3.59	3.07	0.52	Sheraton

Source: own survey, 2019

As stated in the literature, responsiveness dimension is concerned with the willingness, readiness of employees and the preparedness of the firm to provide a service to satisfy the needs and desires of customers. This includes the speed of throughput and the ability of the service to respond promptly to customer service requests with minimal waiting and queuing time. As per the result obtained from the customers, HAH is providing a higher quality of service in terms of the expectation of its customers.

SAH customers rated the activities of the hotel higher with an overall mean score gap 1.07. It implies that SAH services are above the expectation of customers in relation to how its employees responded promptly to customers' requests, the provision of information, willingness to answer the questions of customers, as well as the efficiency of check in and check out procedures.

4.5.4 Confidence

It is consisting of 6 items, such as “the hotel provided a safe environment to its customers

Table 12: Confidence result of Service Quality of Hilton Addis Ababa and Sheraton Addis

Items	SAH			Hilton			Higher Gap Score
	Per.	Exp.	Gap	Per.	Exp.	Gap	
Over all Mean Score	4.15	3.57	0.58	3.44	3.25	4.15	Sheraton

Source: own survey, 2019

Regarding the confidence dimension perception and expectation, the results showed that SAH has the largest mean score gap (0.58) which signify that the perceived confidence dimensions of the hotel is greater than the expectation of customers.

4.5.4 Communication

Table 13: Communication result of Service Quality of Hilton Addis Ababa and Sheraton Addis

Items	SAH			Hilton			Higher Gap Score
	Per.	Exp.	Gap	Per.	Exp.	Gap	
Over all Mean Score	3.61	3.60	0.01	3.28	3.13	0.15	Hilton

Source: own survey, 2019

Regarding Communication dimension of the two hotels, HAH has the largest overall mean score gap (0.15), which implies that concerning whether charges on my account were clearly explained to customers, as well as friendly supervision of Managers, HAH has a better service.

4.6 Service quality dimensions: Hilton vs Sheraton based on Based on Expectation

To assess the service quality dimensions such as Tangible (TA), Reliability (RL), Responsiveness (RN), Confidence (Co) and Communication, the following t test assessment was used.

Table 14: Independent Sample t-test Mean Comparison of HAH and SAH on customers expectation.

LQI Dimensions	Hotel	N	Mean	Std. Deviation	Mean Difference	Sig.
Tangible (EX)	Sheraton	77	3.4481	.90129	.57208	.000*
	Hilton	129	2.8760	1.00266		
Reliability (EX)	Sheraton	77	3.4632	.71309	.46450	.001*
	Hilton	129	2.9987	1.25511		
Responsiveness (EX)	Sheraton	77	3.2403	.76112	.16791	.232
	Hilton	129	3.0724	1.24858		
Confidence (EX)	Sheraton	77	3.5736	1.12699	.32424	.073
	Hilton	129	3.2494	1.31434		
Communication (EX)	Sheraton	77	3.5996	.94368	.46806	.003*
	Hilton	128	3.1315	1.25833		

Source: own survey, 2019

Based on the above table, except responsiveness and confidence, in all other dimensions such as tangibility, reliability, and communication are significantly higher for SAH with p values .000, .001, and .003 respectively.

4.7 Service quality dimensions: Sheraton vs Hilton based on Perception

To assess the service quality dimensions such as Tangible (TA), Reliability (RL), Responsiveness (RN), Confidence (Co) and Communication, the following t test assessment was used based on perception.

Table 15:Independent sample t-test Mean Comparisons of HAH and SAH on Customers Perception.

LQI Dimensions	Hotel	N	Mean	Std. Deviation	Mean Difference	Sig.
Tangible (P)	Sheraton	77	3.9545	.77168	.68323	.000*
	Hilton	129	3.2713	.91976		
Reliability (P)	Sheraton	77	4.2424	.55313	.66620	.000*
	Hilton	129	3.5762	1.02402		
Responsiveness (P)	Sheraton	77	4.3095	.48870	.71908	.000*
	Hilton	129	3.5904	.85822		
Confidence (P)	Sheraton	77	4.1515	.59246	.70965	.000*
	Hilton	129	3.4419	.92951		
Communication (P)	Sheraton	77	3.6126	.93559	.33348	.015*
	Hilton	129	3.2791	.95178		

Source: own survey, 2019

Based on the above results of t test, in terms of the perception of service quality dimensions, SAH has been found to possess higher mean ($p < .05$) in Tangible (P), Reliability (P), Responsiveness (P), Confidence (P) and Communication (P).

This implies that SAH has visually appealing front desk, its employees had clean, neat uniforms, the restaurant's atmosphere was inviting as well the outdoor surroundings were visually attractive based on the assessment of customers. Additionally, the hotel has better and bright light, better interior and exterior settings that HAH. SAH employees also responded promptly to the requests of customers, Informative literature about the hotel was provided, were willing to answer customers' questions, and they responded quickly to solve customers' problems. Additionally, SAH room service was prompt as well as check-in and check-out procedures were fast and efficient.

Based on the above table, except Communication, in all other dimensions such as tangibility, reliability, responsiveness and Confidence are significantly higher for SAH with p values 000,000,000 and 000 respectively.

Table 16: Lodge Quality Index- Gap Score of SAH and HAH

No.	Determinant of service quality	Hotel	Perceived mean score (P)	Expected mean score (E)	LQI gap Score(P - E)
1	Tangible	Sheraton	3.95	3.45	0.500
		Hilton	3.27	2.88	0.390
2	Reliability	Sheraton	4.24	3.46	0.780
		Hilton	3.58	3.00	0.580
3	Responsiveness	Sheraton	4.31	3.24	1.070
		Hilton	3.59	3.07	0.520
4	Confidence	Sheraton	4.15	3.57	0.580
		Hilton	3.44	3.25	0.190
5	Communication	Sheraton	3.61	3.60	0.010
		Hilton	3.28	3.13	0.150
Over all Mean Score		Sheraton	(0.588) Satisfied		
		Hilton	(0.366)Satisfied		

Source: own survey, 2019

Based on the above table, both SAH and HAH positive overall score implies that these hotels have satisfied their customers' expectation since the overall perception scores are greater than overall expectation score for each service quality dimensions. Except communication, SAH score higher gap score in all LQI dimensions.

4.8 Classical Linear Regression Model (CLRM) Assumptions Test

Assumption of linear relationship between the Independent and Dependent Variable (s).

Standard multiple regression can only accurately estimate the relationship between dependent and independent variables if the relationships are linear in nature. If the relationship between independent variables (IV) and the dependent variable (DV) is not linear, the results of the regression analysis will under-estimate the true relationship. Authors such as Pedhazur (1997), Cohen (1983), and Berry and Feldman (1985) suggest three primary ways to detect non-linearity. The first method is the use of theory or previous research to inform current analyses. However, as many prior researchers have probably overlooked the possibility of non-linear relationships, this method is not foolproof. A preferable method of detection is examination of residual plots (plots of the standardized residuals as a function of standardized predicted values, readily available in most statistical software)

4.8.1 Correlational results of SQ Expectation dimensions with the OSQ.

According to Saunders et al. (2009) a correlation analysis used to identify the direction and relationship between the variables. Correlation coefficient enables to quantify the strength of the linear relationship between two variables. Based on this, correlation analysis was made for expected and perceived service quality dimensions as follow.

Table 17: Correlational result of Customers expectation dimensions with the OSQ of Hilton Addis Ababa and Sheraton Addis.

		Overall Service Quality	Tangible (EX)	Reliability (EX)	Responsiveness (EX)	Confidence (EX)	Communication (EX)
Overall Service Quality	Pearson Correlation	1	.471**	.542**	.515**	.526**	.536**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	206	206	206	206	206	206
Tangible (EX)	Pearson Correlation	.471**	1	.379**	.277**	.227**	.030
	Sig. (2-tailed)	.000		.000	.000	.001	.671
	N	206	206	206	206	206	206
Reliability (EX)	Pearson Correlation	.542**	.379**	1	.387**	.346**	.249**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	206	206	206	206	206	206
Responsiveness (EX)	Pearson Correlation	.515**	.277**	.387**	1	.498**	.389**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	206	206	206	206	206	206
Confidence (EX)	Pearson Correlation	.526**	.227**	.346**	.498**	1	.446**
	Sig. (2-tailed)	.000	.001	.000	.000		.000

	N	206	206	206	206	206	206
Communication (EX)	Pearson Correlation	.536**	.030	.249**	.389**	.446**	1
	Sig. (2-tailed)	.000	.671	.000	.000	.000	
	N	206	206	206	206	206	206

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

Source: own survey, 2019

Based on the above correlational metrics results, expected service quality dimensions namely; tangible (EX) ($r = .471$), reliability (EX) ($r = .542$), responsiveness (EX) ($r = .515$), confidence (EX) ($r = .526$) and communication (EX) ($r = .536$), are positively and significantly related with the dependent variable (Overall Service Quality, OSQ) at p value < 0.001 . This result implies that expected service quality dimensions have direct relation with overall service quality of both SAH and HAH.

4.8.2 Correlational results of SQ perception dimensions and OSQ

To assess the relationship between service quality dimensions such as Tangible (TA), Reliability (RL), Responsiveness (RN), Confidence (Co) and Communication with LQI dimension of perception.

Table 18: Correlational results of SQ Perception dimensions with the OSQ Hilton and Sheraton Addis

		Overall Service Quality	Tangible (P)	Reliability (P)	Responsiveness (P)	Confidence (P)	Communication (P)
Overall Service Quality	Pearson Correlation	1	.522**	.480**	.683**	.506**	.443**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	206	206	206	206	206	206
Tangible (P)	Pearson Correlation	.522**	1	.261**	.492**	.321**	.243**
	Sig. (2-tailed)	.000		.000	.000	.000	.000

	N	206	206	206	206	206	206
Reliability (P)	Pearson Correlation	.480**	.261**	1	.526**	.458**	.353**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	206	206	206	206	206	206
Responsiveness (P)	Pearson Correlation	.683**	.492**	.526**	1	.575**	.494**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	206	206	206	206	206	206
Confidence (P)	Pearson Correlation	.506**	.321**	.458**	.575**	1	.475**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	206	206	206	206	206	206
Communication (P)	Pearson Correlation	.443**	.243**	.353**	.494**	.475**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	206	206	206	206	206	206

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

Source: own survey, 2019

Concerning the relationship between perceived service quality dimensions namely; tangible (P) ($r = .522$), reliability (P) ($r = .480$), responsiveness (P) ($r = .683$), confidence (P) ($r = .506$) and communication (P) ($r = .443$), are positively and significantly related with the dependent variable (Overall Service Quality, OSQ) at p value <0.001 .

This result implies that perceived service quality dimensions have direct relation with overall service quality of both SAH and HAH.

4.9 Multi collinearity in Regression Analysis: Problems, Detection, and Solutions

Multi collinearity refers to the situation in which the independent variables are highly correlated. When independent variables are Multi collinearity, there is “overlap” or sharing of predictive power (Dillon, 1993). The Multi collinearity in this study was checked using the

Tolerance and VIF value. Tolerance should be more than 0.2 (Menard, 1995). As it is showed in the table 4.6.1 all independent variables have a Tolerance value greater than 0.2 and VIF value less than 10. The VIF, Variance inflation factor, is computed as “1/Tolerance”, and it is suggested that predictor variables whose VIF values are greater than 10 may merit further investigation (Robert, 2006)

Table 19: Multi-collinearity problem test of VIF and tolerance for expected SQD

Model		Collinearity Statistics	
		Tolerance	VIF
1	Tangible (EX)	.815	1.227
	Reliability (EX)	.740	1.351
	Responsiveness (EX)	.659	1.517
	Confidence (EX)	.652	1.533
	Communication (EX)	.743	1.345

a. Dependent Variable: Overall Service Quality

Table 20: Multi-collinearity problem test of VIF and tolerance for Perceived SQD

Model		Collinearity Statistics	
		Tolerance	VIF
1	Tangible (P)	.755	1.324
	Reliability (P)	.684	1.462
	Responsiveness (P)	.467	2.141
	Confidence (P)	.595	1.682
	Communication (P)	.698	1.433

. Dependent Variable: Overall Service Quality

As the above table shows, the tolerance values of all independent variables are above 0.1 and the VIF values are below 10 which the two values together confirm none existence of multicollinearity problem in the regression analysis under consideration

4.10 The Assumption of Linearity

The linearity of the relationship between the dependent and independent variable represented the degree to which the change in the dependent variable is associated with the independent variable. In a simple sense, linear models predict values falling in a straight line by having a constant unit change of the dependent variable for a constant unit change of the independent variable (Hair et al., 1996). Therefore, the scatter plots of standardized residuals versus the fitted values for the regression models were visually inspected. So that the dots at the P-P Plot are closer to the diagonal line, indicating that assumption of normality is met.

4.11 The Assumption of Normality

A check for normality of the error term is conducted by a visual examination of the normal probability plots of the residuals. The normality probability plots were plotted to assess normality. The P-P plots were approximately a straight line instead of a curve. Accordingly, the residuals were deemed to have a reasonably normal distribution, as suggested by Hair et al., 1996).

The skewness value provides an indication of the symmetry of the distribution while kurtosis provides information about the peakedness of the distribution. A positive skewness value indicates right (positive) skew while a negative value indicates left (negative) skew. The higher the absolute value is the greater the skew (Tabachnick and Fidell, 2001).

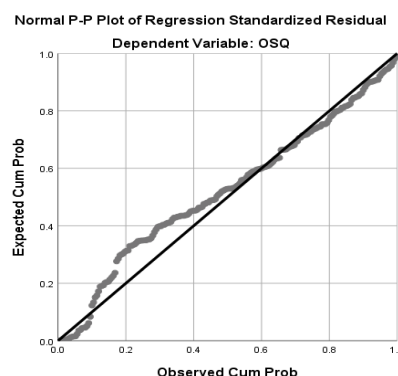


Figure 11: Normality test

Table 21: Skewness and Kurtosis result - Perception and Expectation

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Tangible (P)	206	-.832	.169	.267	.337
Reliability (P)	206	-.809	.169	-.242	.337
Responsiveness (P)	206	-.756	.169	-.036	.337
Confidence (P)	206	-.501	.169	-.462	.337
Communication (P)	206	-.290	.169	-.991	.337
Tangible (EX)	206	-.482	.169	-.423	.337
Reliability (EX)	206	-.383	.169	-.671	.337
Responsiveness (EX)	206	-.151	.169	-.723	.337
Confidence (EX)	206	-.493	.169	-.754	.337
Communication (EX)	206	-.436	.169	-1.006	.337
Overall Service Quality	206	-.634	.169	.140	.337

Source: own survey, 2019

The skewness and kurtosis of service quality of perception and expectation have normal distributions which lie for the skewness approaching to 0 or equal/below +/- 3, and Kurtosis lie for normal distribution between -2 and 2. This is interpreted as from the result skewness /Std.error below 3 and Kurtosis is Kurtosis/Std.error is between -2 and 2.

4.12 Multiple Regression Model Based on Expected SQD and OSQ for HAH and SAH.

Table 22: the regression model statistics on expected SQD and OSQ

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.778 ^a	.605	.595	.44223

a. Predictors: (Constant), Communication(EX), Tangible(EX), Reliability(EX), Responsiveness(EX), Confidence(EX)

b. Dependent Variable: Overall Service Quality

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	59.993	5	11.999	61.352	.000 ^b
	Residual	39.114	200	.196		
	Total	99.107	205			

a. Dependent Variable: Overall Service Quality

b. Predictors: (Constant), Communication(EX), Tangible(EX), Reliability(EX), Responsiveness(EX), Confidence(EX)

From above table, correlation between expected SQD and OSQ is given by .778. Additionally, R square and adjusted R square value of the simple linear regression is given by .605 and .595, respectively. This is interpreted as 60.1% of variance in overall service quality is due to expected service quality dimensions, while the remaining variation in overall service quality can be attributed to other variables which are not considered in this study.

The F-statistic of 61.352 at 5 and 200 degrees of freedom is statistically significant at 99% confidence. Thus, the following coefficients have statistically significant contribution for the model.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.106	.139		7.955	.000
	Tangible(EX)	.208	.034	.300	6.101	.000
	Reliability(EX)	.150	.032	.238	4.618	.000
	Responsiveness(EX)	.080	.035	.126	2.309	.022
	Confidence(EX)	.086	.030	.156	2.838	.049
	Communication(EX)	.208	.031	.349	6.779	.000

a. Dependent Variable: Overall Service Quality

Source: own survey, 2019

Based on the above coefficient table, the following formula is constructed

Overall Service Quality (based on customers' expectation) of the hotels = 1.106 +.208 Tangible (EX) + .150 Reliability (EX) + .080 Responsiveness (EX) + .086 Confidence (EX) + .208 Communication (EX)

4.13 Multiple Regression Model Based on Perceived SQD and OSQ

Regarding overall service quality and perceived service quality dimensions, the following results obtained.

Table 23: the regression model statistics on Perceived SQD and OSQ

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.741 ^a	.549	.538	.47279

a. Predictors: (Constant), Communication (P), Tangible (P), Reliability (P), Confidence (P), Responsiveness (P)

b. Dependent Variable: Overall Service Quality

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.400	5	10.880	48.672	.000 ^b
	Residual	44.707	200	.224		
	Total	99.107	205			

a. Dependent Variable: Overall Service Quality

b. Predictors: (Constant), Communication (P), Tangible (P), Reliability (P), Confidence (P), Responsiveness (P)

The above model also showed that the model is significant in predicting overall service quality and it is interpreted as 54.9% of variance in overall service quality is due to perceived service quality dimensions, while the residual variation in overall service quality can be attributed to other variables which are not considered in this study.

Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.637	.187		3.398	.001
	Tangible (P)	.180	.041	.240	4.399	.000
	Reliability (P)	.099	.043	.133	2.315	.022
	Responsiveness (P)	.332	.059	.391	5.629	.000
	Confidence (P)	.076	.048	.096	1.566	.119
	Communication (P)	.071	.041	.098	1.726	.086

a. Dependent Variable: Overall Service Quality

Source: own survey, 2019

Based on the above coefficients summary table, the following model is constructed. However, since the p value for Confidence (P) and Communication (P) is 0.119 and 0.086 respectively, they are excluded from the construction of the model.

Overall Service Quality (based on customers' perception) of the hotels = .637 + .180 Tangible (P) + .099 Reliability (P) + .332 Responsiveness (P)

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This research has been undertaken to compare Service Quality Based on Customers Perception and Expectation in the case of HAH and SHA. In light of this, the summary of findings of this study will be summarized in brief. Conclusions drawn from the findings of this study are presented. Recommendations based on the conclusions of the study presented at end of this chapter.

5.1 Summary of Major Findings

- The selected hotels, namely HAH and SHA were selected for the study to assess and compare the service quality. Since, HAH and SHA were selected due to they have the highest share from other Hotels in Ethiopia. Finally, the following findings are derived from the analysis and interpretations made in the previous chapter.
- The demographic profile of Customer results shows, more than half of the respondents were males for HAH and relatively the number of female nearly equal to male for SHA. And majority of the Room Guests are foreigners. In line with this one as can be obtained from the demographic profile, the age groups of customers' respondents were between 18-35 years old.
- This study has found that HAH perceived dimensions were found to be higher than all expected dimensions of the hotel. Among the mean of perceived dimensions, Reliability with a mean value of 4.24 was found to be the highest while tangible perception was found to be the lowest with a mean value of 3.27
- Concerning on SHA perceived dimensions were found to be higher than all expected dimensions of the hotel. Among the mean of perceived dimensions, Reliability with a mean value of 3.5762 was found to be the highest while Communication perception was found to be the lowest with a mean value of 3.61.

- The gap scores of SAH on customers' perceptions were found more than all expected dimensions of its Customers. The overall Gap Score of SAH was 0.588. It implies that the hotel has satisfied their customers' expectation since the overall perception scores are greater than overall expectation.
- The gap scores of HAH on customers' perceptions were found more than all expected dimensions of its Customers. The overall Gap Score of SAH was 0.366. It implies that the hotel has satisfied their customers' expectation since the overall perception scores are greater than overall expectation.
- The t-test result indicates that there was a significant difference in terms of service quality dimensions based on expectation (Tangibility, Reliability, and Communication). It also indicates that the highest discrepancies were observed in dimensions of 'Tangibility' and 'Communication' with mean difference of (.57208) and (.46806) respectively. Except responsiveness and Confidence, in all other dimensions such as tangibility, reliability, and communication are significantly higher for SAH than HAH with p values .000, .001, and .003 respectively. Tangibility, Reliability, and Communication.
- The t-test result indicates that there was a significant difference in terms of all service quality dimensions on Perception (Tangibility, Reliability, Responsiveness, Communication, and Confidence) between HAH and SAH. As per the result the highest discrepancies were observed in 'Responsiveness' and 'Confidence' with mean difference of (.71908) and (.70965) respectively. In terms of the perception of service quality dimensions, SAH has been found to possess higher mean ($p < .05$) in Tangible (P), Reliability (P), Responsiveness (P), Confidence (P) and Communication (P).
- Among the service quality dimensions of customers' expectation which have significant relationship with overall expected service quality for HAH. Besides that SAH also found its Customers' expectation have strong association with overall service quality (Tangible (EX=.208)), Reliability (EX=.150), Responsiveness (EX=.08), Confidence, (EX=.86), Communication (EX=.208). However, based on the above correlational metrics results, expected service quality dimensions namely; tangible (EX) ($r = .471$), reliability (EX) ($r = .542$), responsiveness (EX) ($r = .515$), confidence (EX) ($r = .526$) and communication (EX) ($r = .536$), are positively and significantly related with the dependent variable

(Overall Service Quality, OSQ) at p value <0.001 . This result implies that expected service quality dimensions have direct relation with overall service quality for SAH as well as for HAH.

- Among the service quality dimensions of customers' perception which have significant positive relationship with the overall perceived service quality for HAH and SAH found to be having the strong association with overall service quality. Concerning the relationship between perceived service quality dimensions namely; tangible (P) ($r = .522$), reliability (P) ($r = .480$), responsiveness (P) ($r = .683$), confidence (P) ($r = .506$) and communication (P) ($r = .443$), are positively and significantly related with the dependent variable (Overall Service Quality, OSQ) at p value <0.001 . This result implies that perceived service quality dimensions have direct relation with overall service quality for SAH and HAH.
- The regression model statistics on expected SQDs and OSQ for Hilton Addis Ababa and Sheraton Addis revealed that .208 Tangible (EX), .150 Reliability (EX), .080 Responsiveness (EX), .086 Confidence (EX), .208 Communication (EX) exerted strong influence in predicting overall service quality. However, the regression model statistics on perceived SQDs and OSQ for HAH and SAH, the Overall Service Quality (based on customers' perception) of the hotels exerted on strong influence on Tangible ($P=0.180$, $p<0.05$), Reliability ($P=.099$, $P<0.05$), Responsiveness ($P=.332$, $P<0.05$). However, Communication" and Confidence were found non-significant in affecting overall service quality for HAH and SAH.

5.2 Conclusions

Based on the findings of this study, the following conclusions are made:

- ❖ Specifically, when performance was high, regardless of the five service quality dimensions, SAH expressed significantly higher perceived service quality and higher customer satisfaction than that of HAH from this we can concluded that that customers of SAH's received better service than HAH's Customers.
- ❖ The overall service gap scores of HAH are positive in every service quality dimension as well as for SAH too, it implies that all their customers are satisfied. However, SAH scored higher service gap result than HAH in all dimensions except communication.

- ❖ The presence of standardized procedures in place to provide high quality Service in these study, as well as whether the service given by HAH and SAH are based on previously set performance requirement, its flexibility, as well as the usage of dynamic method is questionable.
- ❖ This study also found that SAH provides physical evidence of hotel service quality front desk employees had clean, neat uniforms, outdoor surroundings, and restaurant's atmosphere above the expectation of its clients.
- ❖ This study revealed that all other dimensions such as tangibility, reliability, responsiveness, confidence are higher for SAH than HAH. Regarding communication's Gap results HAH has relatively higher mean than SAH. It means that Hilton has a better communication with the customers and its staff.
- ❖ SAH also exhibited higher level of responsiveness than HAH. This means SAH employee responded promptly to the requests of customers, Informative literature about the hotel was provided, were willing to answer customers' questions, and they responded quickly to solve customers' problems. Additionally, SAH room service was prompt as well as check-in and check-out procedures were fast and efficient.
- ❖ Tangible, reliability, responsiveness, confidence and communication, are positively and significantly related with the dependent variable (Overall Service Quality (OSQ) for Perception and Expectation for HAH, and SAH at p value <0.05.
- ❖ Furthermore, the relationship among overall service quality dimensions, overall service quality and, Perception and expectation was examined by using Pearson Correlation technique in order to check the association. The correlation result shows that all factors are positively correlated and statistically significant at 0.01 levels for HAH and SAH.
- ❖ The overall service Quality of HAH and SAHs are significantly determined by all service quality dimensions except communication and responsibility for perception. However, for expectation all the dimensions are significant at $P < 0.05$ for HAH and SAH.

5.3. Recommendations

Based on the findings of this study, the researcher suggests the following recommendations

- HAH should be better to strengthen its communication channel within the company and with its customers during the service provided by its employees.
- SAH as well as HAHs should also focus on customer needs and expectation through conducting assessment on what the customers really expect from their famed reputation and symbol on the general public.
- The management of HAH and SAH should ensure that all employees be involved in setting quality standards, and should realize that maintaining of service quality is part of their jobs: that it is visible to all customers in order to meet or exceed their expectation.
- SAH as well as HAH should equip all employees with the necessary training and motivation to serve customers better as compared to other competitors. Staff training is one of the most important factors for delivering of continuously improving customer service. As improved and distinct customer service has to be considered as strategic tool for change and improvement.
- Service companies need to do further quality-improvement initiatives through improving service that will be a precondition to provide high quality service but also a target on improving the customer perceptions of overall service quality.
- The study has shown that HAH hotel managers and operators suggested to aware of all the possible shortcomings in their business in order to apply timely enabling continuous improvement of quality and compliance processes through training and conscious of its employees in order to increase the Service Quality of the hotel.

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Appendices

Appendix I

Addis Ababa University College of (CoBE/Msc/)

Post graduate program on Master of Science in Management
(Specialization total Quality Management and Organizational Excellence)

Comparative analysis on Service Quality based on Customers Perception and Expectation in the case of Hilton Addis Ababa and Sheraton Addis to be filled by Customers of the Hotel.

Select Your Service Provider:

1. **Hilton Addis Ababa**
2. **Sheraton Addis**

Appendix I – Service Quality (Questionnaires)

I am studying at AAU studies at the level of Master Degree in Msc in Management -**Specialization in total Quality Management and Organizational Excellence**. Now I am doing my thesis work, which is part of my study. I carry out “Comparative Analysis of Service Quality in Hilton Addis Ababa and Sheraton Addis based on Customers Perception and Expectation”.

The questions listed below are to gather data for the thesis entitled “Comparative Analysis of Service Quality in Hilton Addis Ababa and Sheraton Addis based on Customers Perception and Expectation”
On top of this, the researcher would like to assure you that all the data collected be kept confidential and used for comparing Service Quality of Hilton Addis Ababa and Sheraton Addis based on Customers Perception and Expectation.

Dear **Room Guests**,

- Your response is very important. Please answer all the questions, as your survey can be difficult to be used in the study unless each question is answered.
- No need of writing Name.
- Check the Questionnaires have 5 Pages.
- Please give only one answer to each question.
- It is only given to Room Guest of the Hotel

Perceptions and Expectation for the Service provided by the Hotels: The following statements deal with the perceptions and expectation of service quality of the Hotel.

Please, show the extent to which these statements reflect your perception and expectation of service of the Hotel.

1. Strongly Disagree

2. Disagree

3. Neutral

4. Agree

5. Strongly Agreed

Your cooperation in supplying the required information is highly appreciated.

With best regards,

Part I- General Information

Put an "X" mark on the boxes which indicate your profile group.

1. Gender

☐

Male

Female

☐

2. Age Group

☐

18-25 years

☐

26-35 Years

☐

36-46 Years

☐

46-55 Years

☐

55 and above

3. Level of Education

☐ Secondary school and below ☐ Certificate of Completion High school ☐
☐ Diploma ☐ First degree ☐ Second Degree and above ☐

4. Occupation

☐ Student ☐ Retire ☐ Business owner ☐ Employed ☐ Other ☐

5. Nationality

☐ Ethiopian ☐ Foreigner ☐

6. Purpose of visit

☐ Pleasure ☐ Business ☐ Conference ☐ Visiting ☐ Relatives ☐ Other ☐

7. How often do you consume the Hotel's service provision?

Always ☐ Usually ☐ Sometimes ☐ Occasional ☐

8. Hotel Selection ☐ Gov't Placement ☐ Internet search ☐ Travel agency ☐ Word of Mouth

Part II –Lodge Quality Index Questionnaires

In your opinion, how does the service quality of the Hotel meet your expectations and Perception in terms of following dimensions? Please indicate your responses from 1-5 by **circling** it:

LODGING QUALITY INDEX

Customers' expectation

Customers' Perceptions

Tangible (TA)												
TA1	The front desk was visual appealing	1	2	3	4	5		1	2	3	4	5
TA2	The employees had clean, neat uniforms	1	2	3	4	5		1	2	3	4	5
TA3	The restaurant's atmosphere was inviting	1	2	3	4	5		1	2	3	4	5

TA4	The outdoor surroundings were visually attractive	1	2	3	4	5		1	2	3	4	5
TA5	The hotel was bright and well Lighted	1	2	3	4	5		1	2	3	4	5
TA6	The hotel's interior and exterior were well maintained	1	2	3	4	5		1	2	3	4	5

Reliability(RL)

RL1	My reservation was handled efficiently	1	2	3	4	5		1	2	3	4	5
RL2	TV, radio, A/C, lights, and other mechanical equipment worked properly	1	2	3	4	5		1	2	3	4	5
RL3	My guest room was ready as Promised	1	2	3	4	5		1	2	3	4	5
RL4	I got what I paid for	1	2	3	4	5		1	2	3	4	5
RL5	Hotel Provides services at the time it promises to do so	1	2	3	4	5		1	2	3	4	5
RL6	Employees were able to accurately answer my questions	1	2	3	4	5		1	2	3	4	5

Responsiveness(RN)

RN1	Employees responded promptly to my requests	1	2	3	4	5		1	2	3	4	5
RN2	Informative literature about the hotel was provided	1	2	3	4	5		1	2	3	4	5
RN3	Employees were willing to answer my questions	1	2	3	4	5		1	2	3	4	5
RN4	Employees responded quickly to solve my problems	1	2	3	4	5		1	2	3	4	5
RN5	Room service was prompt	1	2	3	4	5		1	2	3	4	5
RN6	Check-in and check-out procedures were fast and efficient	1	2	3	4	5		1	2	3	4	5

CONFIDENCE(Co)

Co1	Employees knew about local places of interest	1	2	3	4	5		1	2	3	4	5
Co2	Employees treated me with respect	1	2	3	4	5		1	2	3	4	5
Co3	I felt safe in the delivery of services	1	2	3	4	5		1	2	3	4	5
Co4	Employees were polite when answering my questions	1	2	3	4	5		1	2	3	4	5
Co5	The hotel provided a safe environment	1	2	3	4	5		1	2	3	4	5
Co6	The facilities were conveniently located	1	2	3	4	5		1	2	3	4	5

Communication

Com1	Charges on my account were clearly explained	1	2	3	4	5		1	2	3	4	5
Com 2	Hotels employees have the customer's best interest at heart	1	2	3	4	5		1	2	3	4	5
Com 3	Received undivided attention at the front desk	1	2	3	4	5		1	2	3	4	5
Com 4	Reservationists tried to find out my particular needs	1	2	3	4	5		1	2	3	4	5
Com 5	Managers of the hotel was supervising and friendly welcoming me.	1	2	3	4	5		1	2	3	4	5
Com 6	Hotels employee's deals with guests' in a caring fashion	1	2	3	4	5		1	2	3	4	5

Please indicate your responses from 1-5 by **circling** for the overall quality rate and stated if you have any comment, please dictate on the space provided for the comment:

Part III- Over all Service Quality

How would you rate the overall Service Quality based on Customers Expectation and Perceived Service provided by the Hotel? (please circle your answer)				
Low				
High				
	1	2	3	
4	5			
Other comments (if any)				

You have reached the end of the questionnaire.

Thank you.

APPENDIX I

Time Schedule

Date to Start Progress Report	April 10, 2019
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Date to End Progress Report	End of , March, 2020
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Proposed Activities	Month														
	2019										2020				
	Apr	Mar	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Meeting with the advisor	X														
Concept note Writing and Submitting	X	X	X												
Approval of the Title		X													
Proposal Writing		X	X	X	X										
Review of related literature				X	X	X	X	X							
Development of Questionnaires						X	X	X							

Questionnaires Approval and Comment incorporation								X	X	X					
Printing and submission of Questionnaires							X	X	X						
Collection of Questionnaires									X	X					
Data analysis and interpretation									X	X	X				
Research Report Writing											X				
Submission of Draft Report											X				
incorporate the comments from the advisor											X				
Submission of Final Report											X				

APPENDIX II

Budget Plan

Overall Budget Plan for the whole duration of the thesis Completion

Budget Items	First Quarter In Birr	Second Quarter In Birr	Third Quarter In Birr	Fourth Quarter In Birr	Total Budget In Birr
1. Administration/ Secretarial Cost	50.00	100.00	500.00	0.00	1600.00
2. Equipment(Printer, Dongle, and Other(Office Equipment's)	0.00	0.00	2000.00	4000.00	6000.00
3. Travel and meeting costs (Traveling and Conference/Meeting Cost)	0.00	400.00	0.00	1000.00	1400.00
4. Consumables(Office Supplies Purchase of data, periodicals, book.	200.00	0.00	400.00	100.00	700.00
5. Dissemination and Knowledge Exchange costs/Internet Cost	300.00	0.00	700.00	0.00	1000.00
6. Other costs (e.g. Coffee and Tea....etc	100.00	0.00	300.00	200.00	600.00
7. Overheads (if applicable)	0.00				0.00
T O T A L	650.00	500.00	3900.00	5300.00	10,350