

A STUDY ON SERVICE RELIABILITY IMPACT ON HOTEL BUSINESS

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ABSTRACT

Reliability and trustworthiness are the most vital success factors in any business to sustain, survive and succeed, this tag line also applicable for service industries like Hotels. Customer satisfaction is a collective outcome of perception, evaluation, and psychological reaction to the Service quality. Due to the increasing competition of Hotel business and the high demand of the customers, service quality is the fundamental factor to measure customer's satisfaction within such business. The primarily purpose of this study is to determine the influence of reliability dimension of 'Three Star Hotels 'customers satisfaction. Required data was collected through customers' survey. For conducting customers' survey likert scale based questionnaire was developed after review of literature. However, customers were selected by random sampling method and a sample size of 100 has been taken. The reliability of construct was tested by using Cronbach's alpha test, using SPSS 20. Cronbach's alpha coefficients were calculated 0.788 for the questionnaire survey. The findings show that there is a very strong relationship between quality of service (Reliability) and customer satisfaction. On the basis of the conclusion made, Reliability in Hotel business was representing the ability of the web site to fulfil customer requirement correctly, deliver promptly, and keep belongings secure.

1. INTRODUCTION

The reliability in services depends on customer satisfaction level with reference to expected service to perceived service in Hotels. This present research explores how to built reliability among customers mind with reference to service quality and how to change problem contained hotel to problem free hotel, hence customers may visit repetitively and which will increase overall satisfaction on a Hotel service. The study focusing on reliability with reference to employee dedicate towards service delivery to facilities provided as per expectations.

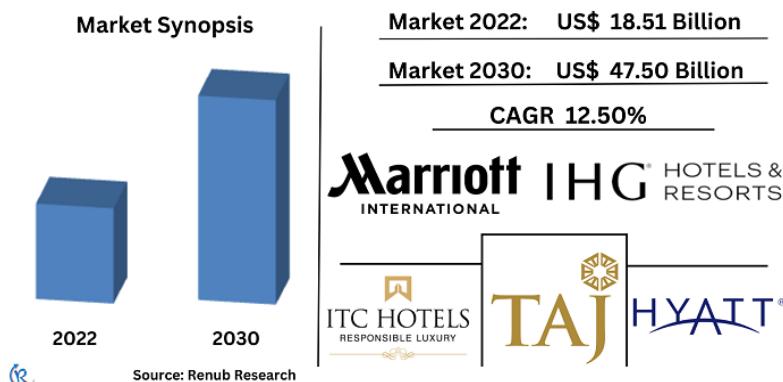
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The research also provides insights of reliability factors which have much impact on service reliability where customers can treat those factors are highly preferable and measurable with reference to reliability. It may start from check in of customer to check out of person followed by all associated services.

Hyderabad Hotel industry Overview:

Hyderabad is known for better tourist spot and also hub for IT/ITeS services. In this regard daily thousands of visitors visit the city for tourism and business purpose and most of the time they opt premium hotels to stay depend on their financial capability and sometimes corporate provide free stay for their employee who are arriving on business trip to the city. The daily / weekly bookings are for various business purposes by customers.

India Hotel Market



Source: Industry Source & Hotelivate Research ,2022

2. LITERATURE

Gupta Sachin (2007) in his research paper titles "Guest Satisfaction in restaurant performance" adopted some mathematical model to estimate their satisfaction level which are mostly used for predicting customer satisfaction factor in hotel industry. The researcher adopted two different models and the main theme of those models are, first one measuring satisfaction with reference to food quality and dining experience based on some pre designed attributes

and the second one is used to measure service quality and estimation of revisit probability by same guest. The study revealed that, repetitive visitors are contributing more profits by opting other associated services like travel assistance, shopping assistance and spa and other luxury services for their relax in hotel by trusting the hotel series a lot.

Salve Jessica (2009) authored a book titles “Brand Management in Hotel Industry and its potential for Achieving Customer Loyalty” identified a strong correlation between brand name and customer loyalty. The author decided to measure these relations with the help of 10 top hotels in the Bombay city and designed structured questionnaire with the help of 15 contents which are supporting for brand related elements and customer perception factors and these contents also included some of the Europe and Greece cultural related factors, because the intercontinental visitors opinions also contribute valid point. In her study the author identified the branding is acting as power to attract visitors and tourist and mouth reference also playing vital role in this regard.

To sum up, the relationship between reliability and satisfaction is complex. Some authors have described it as Siamese twins (Danaher and Mattsson, 1994; Jamali, 2007). Even though, the studies left out with many unanswered questions and there is a need to identify link between reliability and customer turnover ratio.

3. METHODOLOGY

Objectives:

- 1) To examine the Service Reliability impact on Hotels performance.
- 2) To study various reliability factors, those are influence Hotel reputation.
- 3) To determine most influencing reliability factors in hotel sector. .

Hypothesis:

H_{01} : There is no significant association between Luggage safety and their opinions on Service reliability.

H_{02} : There is no significant association between enough general items in rooms and their opinions on reliability.

H_{03} : There is no significant association between equipments working efficiency in room and their opinions on service reliability.

Sample:

Reputed 10 ‘Three Star Hotels’ in Hyderabad which are in hospitality service from last 15 years are considered as sample for the proposed study, hotels like ITC Kakatiya, Western Ashoka and Katriya Hotels are name a few are considered as sample.

List of Surveyed “Three Star Hotels” in Hyderabad.

Sl. No	Hotel Name & Address
1.	Marriott Executive Apartments Hyderabad, Tankbund, Secunderabad.
2.	Taj Krishna Hyderabad, Banjara Hills
3.	Vivanta Hyderabad, Begumpet
4.	Oakwood Residence Kapil Hyderabad
5.	Sheraton Hyderabad Hotel
6.	Novotel Hyderabad Convention Centre
7.	ITC Kakatiya, Hyderabad - a Luxury Collection Hotel
8.	Taj Banjara Hyderabad
9.	Taj Falaknuma Palace
10.	Hotel La Serene(a unit of Serenity Inn), Madhapur, Hyderabad-

Source: Primary Data

Sample Size:

A sample of 100 Hotel customers opinion was considered for data collection with the help of questionnaire in various above listed Hotels in Hyderabad.

Sampling Technique:

Random Sampling technique was adopted for the data collection process by visiting reputed 10 ‘Three Star Hotels’ in Hyderabad city.

4. DATA ANALYSIS

Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
.788	9

Inference: Cronbach's alpha has been run for to check their reliability dimension of Reliability. The above table displays some of the results obtained. The alphas for the all items are $0.788 > 0.7$ indicates very good internal consistency among the given items.

Factor Analysis

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.683
Bartlett's Test of Sphericity	Approx. Chi-Square	326.310
	df	36
	Sig.	.000

Factor Analysis is a data reduction technique. It also helps in structure detection among the variables and further helps in studying the underlying crucial factors that cause the maximum variation. Before we proceed for factor analysis first the researcher tested the eligibility of the data by checking KMO- Bartlett's test which is a measure of sampling adequacy. The KMO value is $0.683 > 0.5$ (accept for sampling adequacy) Bartlett's Test of Sphericity indicates a measure of the multivariate normality of set of variables (Sig. value is less than 0.05 indicates multivariate normal and acceptable for factor analysis).

Total Variance Explained									
Comp onent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.62	40.276	40.276	3.625	40.276	40.276	3.098	34.424	34.424
2	1.17	13.042	53.318	1.174	13.042	53.318	1.467	16.299	50.723
3	1.13	12.622	65.940	1.136	12.622	65.940	1.370	15.218	65.940
4	.977	10.857	76.797						
5	.769	8.539	85.337						
6	.539	5.992	91.329						
7	.374	4.152	95.481						
8	.216	2.405	97.886						
9	.190	2.114	100.000						

Extraction Method: Principal Component Analysis.

Rotated Component Matrix ^a			
	Component		
	1	2	3
11.Room service was prompt & consistent	.082	.764	.176
12.My reservation was handled efficiently	.144	.714	.041
13.Enough towels, soap, etc ., were found in m y room	.779	.250	.102
14.Wake -u p calls were received as promised	.589	.452	-.330
15.TV, A/C, lights, and other mechanical equipment worked properly	.747	.126	.265
16.Safety for Luggage and valuable belongings	.894	.033	.158

17.Meeting arrangements were carried out as planned	.822	.062	.130
18.The employees did what they said they would do	.065	.289	.724
19.As per my request, I have received the type of room as per my requirement	.282	-.053	.762
Extraction Method: Principal Component Analysis.			
Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

The Principal Component Matrix Gives The Component Matrix Which Is Rotated Using The Varimax Rotation Technique Which Gives The Rotated Component Matrix. Rotation Of Factors Helps In The Better Interpretation Of Factors. Since The First Factor In The Rotated Component Matrix Is Heavily Loaded With Safety For Luggage And Valuable Belongings And Meeting Arrangements Were Carried Out As planned. The factor loading values are 0.894 and 0.822 respectively. The first factor represents Safety for Luggage and valuable belongings and meeting arrangements were carried out as planned. The second factor is heavily loaded with the Room service was prompt & consistent (0.764) and customers reservation was handled efficiently (0.714). The final list of 03 factors which collectively account for 65.94 % of the variance in the data is shown below .

SI. NO.	Factor Name	Common Factor Name	Factor loading value
1	Safety for Luggage and valuable belongings		0.894
	meeting arrangements were carried out as planned		0.822
2	Room service was prompt & consistent		0.764
	customers reservation was handled efficiently		0.714
3	As per request, customer have received the required room		0.762
	The employees did what they said they would do		0.724

Hypothesis Testing

H_{01} : There is no significant association between Luggage safety and their opinions on Service reliability.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.750 ^a	12	.054
Likelihood Ratio	20.047	12	.066
Linear-by-Linear Association	2.870	1	.090
N of Valid Cases	100		

a. 13 cells (65.0%) have expected count less than 5. The minimum expected count is 1.20.

The above chi square value is greater than 0.05 (0.054 > 0.05) , hence the null hypothesis is accepted, hence there is a significant relationship between luggage safety and Service reliability in ' Three Star Hotels' which means customers are more concern about safety of their belongings to decide service reliability..

H_{02} : There is no significant association between enough general items in rooms and their opinions on reliability.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.380 ^a	12	.221
Likelihood Ratio	17.210	12	.142
Linear-by-Linear Association	1.622	1	.203
N of Valid Cases	100		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is 1.20.

The above chi square value is greater than 0.05 ($0.221 > 0.05$), hence the null hypothesis is accepted, hence there is a significant relationship essential items in room and Service reliability in ' Three Star Hotels', items like soap, towels and shampoos are deciding factors for service reliability.

H_{03} : There is no significant association between equipments working efficiency in room and their opinions on service reliability.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.484 ^a	12	.017
Likelihood Ratio	20.855	12	.053
Linear-by-Linear Association	2.284	1	.131
N of Valid Cases	100		

a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is 1.30.

The above chi square value is less than 0.05 ($0.17 < 0.05$), hence the null hypothesis is **rejected**, hence there is no significant relationship between equipment working and reliability in 'Three Star Hotels', which means some equipments are ignorable, if those are not essential like TV, Fridge etc..

Chi-Square Test Results

Null Hypotheses	Sig. Value	Result
H_{01} : There is no significant association between Luggage safety and their opinions on Service reliability.	0.054	Accepted
H_{02} : There is no significant association between enough general items in rooms and their opinions on reliability.	0.221	Accepted
H_{03} : There is no significant association between equipments working efficiency in room and their opinions on service reliability.	0.017	Rejected

5. DISCUSSION OF RESULTS

The study revealed regarding service reliability with reference to Hotel sector indicating that, most of the three star hotels are fail to regain the existing customers and unable to hold the customer for longer period. It may due to customer budget problems or may be service deficiency, where the visitor are not receiving expected service form them. Therefore the Hotel industry in Hyderabad need to Reengineer their reposition and marketing strategies and customer delight strategies which will have long term impact .

The Customer taste and preferences are honoured according to their culture and same need to be resembled with service executives while delivering service. The Hotel managers need to be trained properly in adopting new culture and taste preference of consumer's day to day basis. The management also redesign their Hotel environment like a amusement park , so the customers and their family members with kids and old aged people can feel homely environment followed by children's and elderly care by executives. The study also expressed the main conclusions based on factors influencing reliability in hotel industry. Researcher found that cultural tourism has been emerging in new dimensions and creative tourism is one of its parts, which has offered possibilities of self development in tourists. Author described various demand and supply challenges in cultural tourism and agreed that present economic, social and environmental changes of the world economy are going to affect the consumer behavior in Hospitality industry and managers should study these factors to gain competitive advantages. The authors achieved their objectives by conducting a survey using structured questionnaires.100 respondents were selected for the study and it was found that innovation came out to be one of the important factors which influenced the consumer's decision positively to purchase hotel services.

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