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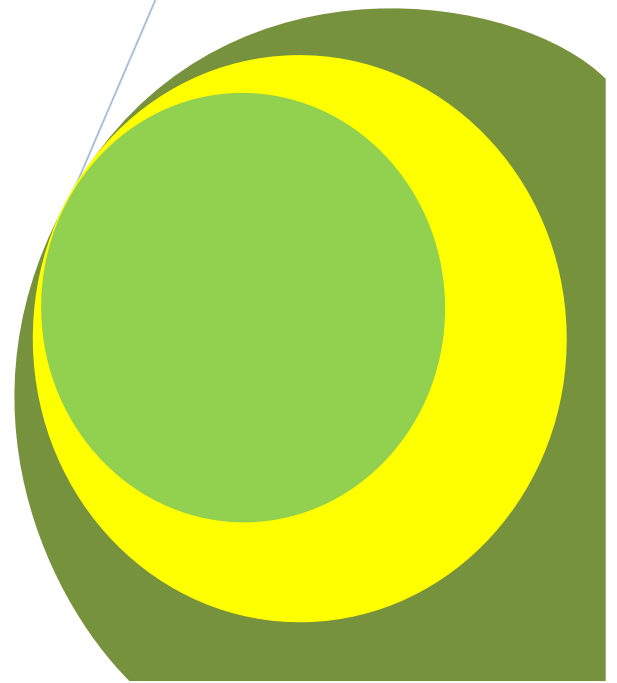
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## **The Relationship between Hotel Rating and Customer Outcomes: Customer Perceived Service Quality and Customer Satisfaction**

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# The Relationship between Hotel Rating and Customer Outcomes: Customer Perceived Service Quality and Customer Satisfaction

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## ABSTRACT

In this present milieu, the need to improve service quality and customer satisfaction is considered substantial due to stiff competition between businesses. Service quality and customer satisfaction can easily define organisational success. The study scrutinises the relationship between hotel rating and the customer outcomes; service quality and customer satisfaction. In this research paper, the quantitative research approach was used. A total of 60 hotel guests were taken as respondents for each of the selected hotels. The data was collected through questionnaires with structured questions. Perceived service quality and customer satisfaction levels were recorded highest for Rainbow Hotel (5 star), followed by Holiday Inn Hotel (4 star) and then Crown Plaza Hotel (3 star). This implies a positive relationship between hotel ratings the customer outcomes. It is judicious to believe that upgrading service quality increase customer satisfaction and ultimately results in improved hotel ratings.

**Keywords;** hotel star rating, service quality, customer satisfaction.

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## INTRODUCTION

Research by the WTO and the IH&RA (2004) stated that hotel rating systems were developed with the intention of protecting consumers. Later, the focus shifted to consumer information. Currently, competitive marketing pushes local and international hotels to seek standardization and tools to guarantee their service quality. More than 100 hotel rating systems are reported worldwide. This confuses customers' decisions on the reliability of ranking. According to Daily (2004), more than one hotel rating system confuses customers in making a choice, particularly when the same hotel is assigned different rating levels.

Various forms of hospitality concerns are opening up in Zimbabwe as investors try to tap the little disposable income in the distressed economic environment. Hotels, motels, guest lodges and so on, the entities assume varied titles but it is sometimes difficult to capture what they are outstanding at. Customers sometimes find it difficult when making a choice between hotel concerns. One can only hope the Zimbabwean authorities should stamp their foot in regulating standards for these business entities so that it is easier for consumers to make their choice from an informed position. There should be some form of grading so that customers will know what to expect from a particular hospitality concern. Callan (1989) referred to the report of Horwath and Horwath, which stated customer needs should be the grading scheme's priorities and should be placed above the hotel operator's needs. The question this research intends to answer is how hotel rating relates to service quality and customer satisfaction across hotels with different star ratings.

## LITERATURE REVIEW

Worldwide hotels are generally ranked by some kind of criteria which eventually will highlight the services offered and communicate some form of hotel status. A study by the Caribbean Tourism Organisation (2002) highlights the British hotel classification system.

### AA rating system (British System)

This system focuses on a consumer's perspective on accommodation properties. The objective was to introduce a classification system easily understood by the consumer. This system is part of the description of properties seen in travel books. The American version is the AAA system.

## **Minimum Requirements for AA Recognition**

### **One Star Hotels**

Hotels in this classification are likely to be small and independently owned, with a family atmosphere. Services may be provided by the owner and family on an informal basis. There may be a limited range of facilities and meals may be fairly simple. Lunch, for example, may not be served. Some bedrooms may not have en suite bath/shower rooms. Maintenance, cleanliness and comfort should, however, always be of an acceptable standard.

### **Two Star Hotels**

In this classification hotels will typically be small to medium sized and offer more extensive facilities than at the one star level. Some business hotels come into the two star classification and guests can expect comfortable, well equipped, overnight accommodation, usually with an en-suite bath/shower room. Reception and other staff will aim for a more professional presentation than at the one star level, and offer a wider range of straightforward services, including food and drink.

### **Three Star Hotels**

At this level, hotels are usually of a size to support higher staffing levels, and a significantly greater quality and range of facilities than at the lower star classifications. Reception and the other public rooms will be more spacious and the restaurant will normally also cater for non-residents. All bedrooms will have fully en suite bath and shower rooms and offer a good standard of comfort and equipment, such as a hair dryer, direct dial telephone, toiletries in the bathroom. Some room service can be expected, and some provision for business travellers.

### **Four Star Hotels**

Expectations at this level include a degree of luxury as well as quality in the furnishings, decor and equipment, in every area of the hotel. Bedrooms will also usually offer more space than at the lower star levels, and well designed, coordinated furnishings and decor. The en-suite bathrooms will have both bath and fixed shower. There will be a high enough ratio of staff to guests to provide services like portage, 24-hour room service, laundry and dry-cleaning. The restaurant will demonstrate a serious approach to its cuisine.

### **Five Star Hotels**

Here you should find spacious and luxurious accommodation throughout the hotel, matching the best international standards. Interior design should impress with its quality and attention to detail, comfort and elegance. Furnishings should be immaculate. Services should be formal, well supervised and flawless in attention to guests' needs, without being intrusive. The restaurant will demonstrate a high level of technical skill, producing dishes to the highest international standards. Staff will be knowledgeable, helpful, well versed in all aspects of customer care, combining efficiency with courtesy.

### **Previous studies**

Hotel ratings according to Callan (1995) benefited consumers by an easy comparison between hotels in various destinations which compete in a healthy fashion. The customer, nevertheless, did not perceive the grades of any hotel rating system as a strongly important indicator in the selection of a hotel. They identified the hotel rating as only a moderately important tool in selecting a hotel. Callan also revealed statistics proving two-thirds of customers in three to five star (or other symbols) hotels used a rating system more often than those in one and two star levels. He also commented that whatever the classification and grading schemes were, they were beneficial to both the customers and the hotel industry for assistance in improving facilities and service quality at a given price.

In the same breath, a study by Zhiang and Zhao (2010) found out that five-star hotels were rated the highest on all the attributes including the customer satisfaction. Five-star hotels target at the high income consumers. These consumers do not concern much about price; they pursue a joy of high quality of facilities and service and the convenience to reach the attractions and downtown area when they stay at hotels. Analysis found that the budgets for five-star hotels were higher than those for hotels with lower stars. Customer satisfaction with services was also higher for five star hotels.

## Hotel rating and Service quality

Service quality is considered the life of hotel (Min & Min, 1996). Hotel performance is directly allied to service quality improvement. There is a significant relationship that exists between improvement in service quality and hotel performance change (Narangajavana & Hu, 2008). High level development tools are used for the satisfaction of multiple users about service and quality (Hope & Wild, 1994). The key problem lies with hotel manager is to retain and fascinate customers (Shi & Su, 2007).

According to Nasiru et al (2013) the hospitality industry in Nigeria has come of age and it has witnessed improvement over the years especially in terms of superstructure and infrastructure but it has not been so in service delivery that meets the satisfaction of the patrons. There are complaints on the levels of services rendered that are not satisfactory and charges that are not commensurate to value of products and services obtained. Poor service delivery is a common phenomenon in our hotels today in Nigeria and in Lagos state in particular this has constituted a great concern for patrons, who daily complaints of non-satisfaction from the majority of hotels including those that claimed to be five star hotels. It is therefore imperative to posit that;

H1: Hotel rating is positively correlated with improving service quality.

## Hotel rating and Customer satisfaction

In the services sector industry, a key element of customer satisfaction is the nature of the relationship between the customer and the provider of the products and services. Thus, both product and service quality are commonly noted as a critical prerequisite for satisfying and retaining valued customers. A customer is satisfied when an offering performs better than expected and is dissatisfied when expectations exceed performance (Bolton & Drew, 1991).

Applying to the hospitality industry, there have been numerous studies that examine attributes that travellers may find important regarding customer satisfaction. Atkinson (1988) found out that cleanliness, security, value for money and courtesy of staff determine customer satisfaction. Knutson (1988) revealed that room cleanliness and comfort, convenience of location, prompt service, safety and security, and friendliness of employees are important. Barsky and Labagh (1992) stated that employee attitude, location and rooms are likely to influence travellers' satisfaction. A study conducted by Akan (1995) showed that the main determinants of hotel guest satisfaction are the behaviour of employees, cleanliness and timeliness. Choi and Chu (2001) concluded that staff quality, room qualities and value are the top three hotel factors that determine travellers' satisfaction. Providing services that customers prefer is the starting point for providing customer satisfaction. A relatively easy way to determine what services customer prefers is simply to ask them. According to Gilbert and Horsnell (1998), and Su (2004), guest comment cards (GCCs) are commonly used for determining hotel guest satisfaction. GCCs are usually distributed in hotel rooms, at the reception desk or in some other visible place. Therefore it is logical to suggest that;

H2: Hotel rating is positively correlated with high levels of customer satisfaction.

## MATERIALS AND METHODS

The study was conducted on three selected hotels in Zimbabwe with different classifications as provided by the Zimbabwe Tourism Authority (2013). They are Rainbow Towers (5 star), Holiday Inn (4 star) and Cresta Jameson (3 star). There was a deliberate effort to leave out 1 star and 2 star hotels as they do not offer all the services provided by the other hotels. Hotels selected for this study offer boarding and lodging services.

The research used a survey method which employed a questionnaire as a data collection instrument. A total of 60 questionnaires were distributed per hotel. The research subjects were guests who resided at the selected hotels. The questionnaire structure which was adapted from Wiersma (1995) utilised the standard Likert scale, from 1 (very unsatisfied), 2 (Unsatisfied), 3 (Moderately satisfied), 4 (Satisfied) and 5 (Very satisfied). Four items of customer satisfaction that were measured include: cleanliness and comfort, courtesy of staff, safety and security and prompt service. The mid level of the likert scale of 2.5 was used to categorise the respondents' overall satisfaction level into either satisfied or unsatisfied. Levels > 2.5 were deemed satisfied and levels < 2.5 unsatisfied.

A serviquial instrument developed by Parasuraman et al (1988) was adopted for measuring perceived service quality. The SERVQUAL instrument has got five dimensions of perceived service quality which are tangibles, assurance, responsiveness, empathy, and reliability. Ratings were done on a five point likert scale ranging from 1 (poor) to 5 (excellent). The mid level of the likert scale of 2.5 was used to categorise the respondents' overall perception of service quality. Levels > 2.5 signify high service quality rating and levels < 2.5 low service quality rating.

## RESULTS AND DISCUSSION

### Satisfaction with service quality

The results in Table 1 reveal that despite varying levels of satisfaction with service quality variables all guests were overall satisfied. However guests of Rainbow Towers were most satisfied, followed closely by guests of Holiday Inn and lastly Cresta Jameson.

Table 1: Service Quality Factors for Selected Hotels with respect to Customer Satisfaction (N = 60)

Servqual Factors	Satisfaction means		
	Rainbow Towers	Holiday Inn	Cresta Jameson
<b>Tangibles</b>	4.02	4.53	4.02
<b>Assurance</b>	4.66	4.54	4.12
<b>Reliability</b>	4.54	4.61	3.71
<b>Responsiveness</b>	4.65	4.60	3.71
<b>Empathy</b>	4.59	4.54	4.02
<b>Weighted Average</b>	4.49	4.56	3.92

### Customer satisfaction

For all the four variables of customer satisfaction all the hotels scored favourably. Tables 2, 3, 4 and 5 present responses on customer satisfaction per each variable.

Table 2: Satisfaction with cleanliness and comfort (N = 60)

Item	Responses	Responses by percentage		
		Rainbow Towers	Holiday Inn	Crown Plaza
Cleanliness and comfort	Strongly agree	53.3	43.3	45
	Agree	30	35	28.3
	Neutral	16.7	21.7	23.3
	Disagree	0	0	3.3
	Strongly Disagree	0	0	0
Means		4.37	4.22	4.15

Table 3: Satisfaction with courtesy of staff (N = 60)

Item	Responses	Responses by percentage		
		Rainbow Towers	Holiday Inn	Crown Plaza
Courtesy of staff	Strongly agree	51.7	48.3	45
	Agree	35	30	30
	Neutral	13.3	21.7	25
	Disagree	0	0	0
	Strongly Disagree	0	0	0
Means		4.38	4.27	4.20

Table 4: Satisfaction with safety and security (N = 60)

Item	Responses	Responses by percentage		
		Rainbow Towers	Holiday Inn	Crown Plaza
Safety and security	Strongly agree	51.7	43.3	43.3
	Agree	33.3	36.7	26.7
	Neutral	15	20	23.3
	Disagree	0	0	6.7
	Strongly disagree	0	0	0
Mean		4.37	4.23	4.07

Table 5: Satisfaction with prompt service (N = 60)

Item	Responses	Responses by percentage		
		Rainbow Towers	Holiday Inn	Crown Plaza
Prompt service	Strongly agree	50	43.3	41.7
	Agree	38.3	38.3	28.3
	Neutral	11.7	18.3	25
	Disagree	0	0	5
	Strongly disagree	0	0	0
Means		4.38	4.25	4.07

### Overall customer satisfaction

The weighted averages of hotel guests' responses regarding the customer satisfaction indicators are all positive as shown in Table 6 below.

Table 6: Overall customer satisfaction (N = 60)

Customer satisfaction items	Satisfaction means		
	Rainbow Tourism	Holiday Inn	Crown Plaza
Cleanliness and comfort	4.37	4.22	4.15
Courtesy of staff	4.38	4.27	4.20
Safety and security	4.37	4.23	4.07
Prompt service	4.38	4.25	4.07
Weighted Average	4.38	4.24	4.12

From the table, guests of all hotels are satisfied with their respective hotels. However the satisfaction level was highest for Rainbow Hotel followed by Holiday Inn and then Crown Plaza. This corresponds with the guests' satisfaction levels of service quality in Table 1 above. This asserts the point that there is a direct relationship between service quality and customer service.

### Summary of Hotel rating, Service Quality and Customer satisfaction data

Table 7: Summary of Hotel rating, Service Quality and Customer satisfaction data

Hotels	Star Rating	Mean Score for Service Quality	Mean score for Customer satisfaction
Rainbow Towers	5	4.49	4.38
Holiday Inn	4	4.56	4.24
Cresta Jameson	3	3.92	4.12

Table 7 reveal that Rainbow Inn has the highest scores for service quality and customer satisfaction, followed by Holiday Inn and then Crown Plaza.

### Correlation for hotel rating and customer outcomes

A Pearson correlation performed on the three constructs, indicate a significant relationship between hotel rating and customer outcomes; service quality and customer satisfaction. The results of the Pearson correlation are indicated in Table 8.

Table 8 Pearson correlation for hotel rating and customer outcomes

		Hotel rating	Service quality	Customer satisfaction
Hotel rating	Pearson Correlation	1	.812	.999
	Sig. (2-tailed)		.397	.028
	N	3	3	3
Service quality	Pearson Correlation	.812	1	.785
	Sig. (2-tailed)	.397		.425
	N	3	3	3
Customer satisfaction	Pearson Correlation	.999	.785	1
	Sig. (2-tailed)	.028	.425	
	N	3	3	3

\*. Correlation is significant at the 0.05 level (2-tailed).

There is an 81.2 percent correlation between hotel rating and service quality with a significance value of  $p=0.397$  suggesting a significant relationship between hotel rating and service quality. There is a 99.9 percent relationship between hotel rating and customer satisfaction with a significance value of  $p=0.028$  suggesting a strong significant relationship between hotel rating and customer satisfaction. The overall impression is that hotels with more stars offer better services quality and greater customer satisfaction than those with lesser stars.

### CONCLUSIONS

This study can be of great use to hotel guests in providing direction on how to assess hotels with different star ratings. The primary objective is to understand the relationship between hotel rating and customer outcomes: perceived service quality and customer satisfaction.

Findings indicate a positive relationship between hotel rating and perceived service quality and customer satisfaction. The findings are consistent with a similar study by Jiang and Zhao (2010). Also, a positive correlation relationship was established between perceived service quality and customer satisfaction. This is supported by Callan (1995). It can be concluded that perceived service quality and customer satisfaction are positively correlated with hotel rating.

### COMPETING INTERESTS

The authors normally patronise three star hotels. This may have had a bearing on their assessment of 3 star hotels.

### AUTHORS' CONTRIBUTIONS

The corresponding author conceived and designed the study alone. Together with the co-author they collected, analysed, interpreted the data and compiled the final document.

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