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SERVICE WITH A SMILE: THE IMPACT OF RELIABILITY AND EMPATHY ON CUSTOMER SATISFACTION IN RIVERS STATE HOTELS

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Abstract: The quality of service and customer satisfaction are major contributors to the success of organizations in the hospitality industry. This study aims to examine the relationship between service quality and customer satisfaction in hotels located in Port Harcourt, Rivers State, Nigeria. The unique characteristics of services are discussed to understand the challenges of evaluating service quality. The study adopts theoretical and empirical reviews to provide a conceptual framework that helps to understand service quality and customer satisfaction. Using a sample size of 384 respondents, Pearson Product Moment Correlation (PPMC) analysis method is employed to test the hypotheses formulated. The results show that service quality dimensions, including service reliability, responsiveness, assurance, and customer empathy, are significant predictors of customer satisfaction as measured by customer loyalty and referrals. The study concludes that hotel staff should be trained to provide prompt services to their guests, and service assurance is critical to stimulate customers' repeated patronage behavior. The research has significant contributions to policy makers, hotel managers, customers, and other stakeholders in the hospitality industry.

Keywords: service quality, customer satisfaction, hotel, Port Harcourt, Rivers State, Nigeria, hospitality industry, service reliability, responsiveness, assurance, customer empathy

Introduction:

The hospitality industry is a service-oriented industry that places a premium on customer satisfaction. As such, hotel managers and practitioners must provide quality service to their customers to remain relevant in the highly competitive industry. The quality of service delivery and customer satisfaction is critical to an organization's performance and profitability. This is because customers act based on their intention to create or receive a particular outcome. [5] However, evaluating service quality is challenging because services have unique characteristics, including intangibility, inseparability, heterogeneity, and perishability.

This study aims to determine the relationship between service quality and customer satisfaction in hotels in Port Harcourt, Rivers State, Nigeria. The study uses a sample size of 384 respondents, and Pearson Product Moment Correlation (PPMC) is employed to test the hypotheses formulated. The study focuses on four key dimensions of service quality, including service reliability, responsiveness, assurance, and customer empathy. Theoretical and empirical reviews are employed to provide a conceptual framework that helps to understand the concepts of service quality and customer satisfaction. The theoretical review centers on The Theory of

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Reasoned Action, which posits that customers act based on their intention to create or receive a particular outcome. [5] The empirical review employs statistical tools to establish the relationship between service quality and customer satisfaction.

The study contributes to the literature on service quality and customer satisfaction in the hospitality industry. The findings have significant implications for policy-makers, hotel managers, customers, and other stakeholders in the hospitality industry.

Statement of the Problem

Most customers who patronize hotels complain of experiencing significant service failures arising from unclean rooms, cockroach infested rooms, faulty elevators, malfunctioning intercom, inadequate power supply, unfriendly staff, poorly prepared food, etc. which they attribute to lack of expertise of employees and management in providing quality and reliable services to their teeming customers, thereby leaving their customers unhappy and ill-motivated to make further patronage as they feel that they have been denied value for their money (Kumar, 2009; Lim, 2018). It is very important for these hotels to embrace and encourage customer complaints and use it as a strategy to provide better service and train its employees. However, Sousa and Voss (2015) noted that when service fails, a certain level of angry emotion will arise. It is therefore important that the employees are able to curb their emotions to avoid an escalation of the failure and the loss of customer loyalty and negative word of mouth.

Conceptual Framework

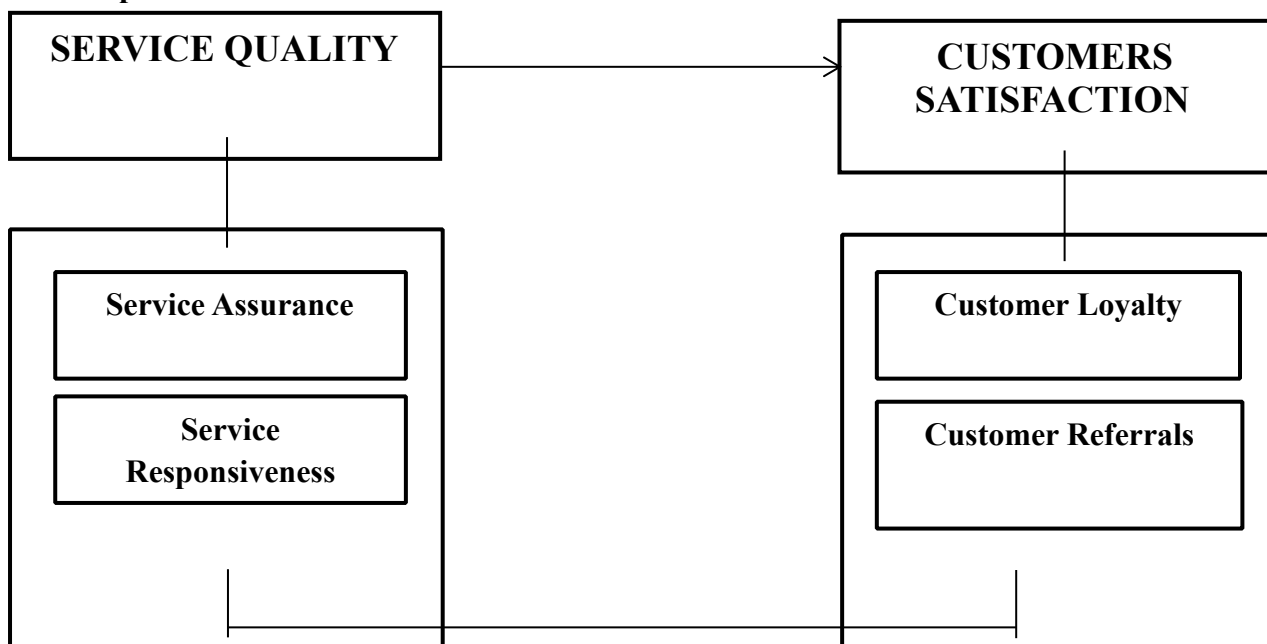


Fig. 1.1: Conceptual framework of service quality and customer satisfaction Source: Parasuraman et al. (1983)

Aim and Objectives of the Study

The aim of the study was to determine the relationship between service quality and customer satisfaction of hotels in Rivers State. The study was guided by the following specific objectives:

- To establish the extent to which service assurance relates with customer loyalty of hotels in Rivers State.
- To examine the extent to which service assurance relates with customer referrals of hotels in Rivers State.

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c) To investigate the extent to which service responsiveness relates with customer loyalty of hotels in Rivers State.

d) To examine the extent to which service responsiveness relates with customer referrals of hotels in Rivers State.

Research Questions

The following research questions were developed to guide this study:

a) To what extent does service reliability relate with customer loyalty of hotels in Rivers State?

b) To what extent does service responsiveness relate with customer referral of hotels in Rivers State?

c) To what extent does service assurance relate with customer loyalty of hotels in Rivers State?

d) To what extent does service assurance relate with customer referral of hotels in Rivers State?

Research Hypotheses

The following hypotheses were formulated to guide the study:

H₀₁: There is no significant relationship between service responsiveness and customer loyalty of hotels in Rivers State.

H₀₂: There is no significant relationship between service responsiveness and customer referrals of hotels in Rivers State.

H₀₃: There is no significant relationship between service assurance and customer loyalty of hotels in Rivers State.

H₀₄: There is no significant relationship between service assurance and customer referrals of hotels in Rivers State.

REVIEW OF RELATED LITERATURE Theoretical Review

This study is underpinned by the theory of Reasoned Action (1960) by Martin Fishbein and Icek Ajzen.

This theory was created by Martin Fishbein and Icek Ajzen in the late 1960s. The Theory of Reasoned Action centers its analysis on the importance of attitude in the decision-making process. The core of the theory posits that consumers act on a behavior based on their intention to create or receive a particular outcome. In this analysis, consumers are rational actors who choose to act in their best interests. Furthermore, customers evaluate alternatives by comparing various brands and this evaluation is mainly based on the functional and psychological benefits they offer. This implies that an organization needs to grasp the benefits customers seek and also find out other brands customers consider. After evaluation is done, the customer is set to decide on his or her choice, and it must be noted that this decision does not necessarily lead to purchasing; hence, organizations use different techniques to ensure actual purchase. The last stage a consumer goes through is the after buying assessment which enables the buyer to compare the goods or services they purchased and product features such as brand, price and quality. At this stage, customers compare their expectations to the perceived value, thus influencing the decision to continue purchasing the good or not. It is worth noting that availability of information on products greatly affects this decision (MacInnis, 2014).

Marketers can learn several lessons from the Theory of Reasoned Action. First, when marketing a product to consumers, marketers must associate a purchase with a positive result, and that result must be specific. Marketers must understand that long lags between initial intention and the completion of the action allows consumers plenty of time to talk themselves out of a purchase or question the outcome of the purchase.

Concept of Service Quality

Service quality is considered one of the important factors contributing to the overall profitability of firms. This importance is explained by two core functions. First, service quality is one of the few factors that plays a vital role in differentiating services and providing service firms to gain competitive advantage by attracting more customers and contributing to the market share. Second, service quality is regarded as a key factor to retain customers (Venetis & Ghauri, 2004).

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There was plenty of research conducted regarding ‘quality’ in the past two decades; however, it is important to note that there are quite a lot of different conceptualizations of quality (Holbrook, 1994). With respect to marketing and economics, quality is often understood as relying on the properties and features of the product. With regard to operations, management quality is viewed as having two main properties, “fitness of use (it refers to whether the product or service does what it is supposed to do and possesses features that meet the needs of customers) and reliability (it represents to what extent the product is free from deficiencies)” (Wang & Lo, 2002). The service literature defines quality as “the overall assessment” (Parasuraman *et al.*, 1988). The traditional definition of service quality measures the difference between customers’ expectations and perceptions of service (Grönroos, 1984; Parasuraman *et al.*, 1988).

Zeithaml *et al.*, (1990) designed the service quality model (SERVQUAL); it has five dimensions to measure the service quality: reliability, responsiveness, assurance, empathy and tangibleness. This model is commonly used as a diagnostic tool to measure customer service and perceived satisfaction. Reliability is the capacity of the company to deliver its promises in time. Responsiveness relates to what extent customers perceive service providers’ ability to solve their issues timely. Assurance defines the sense of trust among customers delivered by the service providers’ employees. Empathy refers to care and importance given to each customer, to understand his or her needs and preferences and to articulate them. Tangibility is the presence of facilities, personnel and communication tools used by the organization to offer services (Parasuraman *et al.*, 1988).

Service Responsiveness and Customer Satisfaction

According to Ding (2017), responsiveness is one of the service quality factors that is applied by organizations such as hotels to improve their customer satisfaction. It is defined as the interests expressed in giving brief administration to clients when needed. Moreover, it is established that eagerness or status of representatives to give the wanted customers benefit without wasting time also affects positively the level of customer loyalty (Alkhawaldeh & Eneizan, 2018; Kumar & Kumar, 2017). Customers who have become accustomed to the immediacy of the internet have little patience with companies or representatives who do not respond quickly. Being responsive and accessible is key when you want to be known for excellent customer service (MacGillivray, 2016). Charles-Davies (2018) observed that responsiveness is a major hallmark for guaranteeing customer referral behavior. A customer who is well attended to will no doubt be a worthy positive advocate of the company. They will most likely narrate their good experience to family, friends and cronies when the need arises. In fact, Kheng *et al.* (2012) found a positive relationship between responsiveness and customer satisfaction.

Service Assurance and Customer Satisfaction

Paul (2016) characterized assurance as the learning and great behavior or affectionateness of managers and employees. Moreover, it is likewise considered because the capability of workers with the help to motivate belief and certainty will firmly assure customers’ loyalty (Alsakarneh, 2018; Kumar & Kumar, 2017). That is why Bolton and Drew (1991) suggested “service quality has significant effects on customer loyalty.” Service assurance is very important in any business; it enables them to gain the trust and confidence of the customers. This is a way of preventing mistakes or defects in manufactured products and avoiding problems when delivering solutions or services to customers. With this they are able to get the full satisfaction of their clients and to encourage repeated patronage. Service assurance guarantees customer satisfaction and helps to eliminate complaints. To gain customer confidence and to achieve customer satisfaction, the firm must be able to assure the customers of reliable services. Good customer service requires quality service and timely response to complaints with the best corrective and preventive action to fulfill customers’ demand.

Empirical Review

Anams (2019) conducted a study to investigate the effect of Service Failure Recovery Strategies and Firms Survival of Hospitality Industries in Port Harcourt Metropolis. The study adopted descriptive research design.

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The population of the study is the customers of Novotel and Swiss Spirit Hotel & Suit in Port Harcourt Metropolis. Two hotels were selected purposively while a random sample size of 384 customers from both hotels was chosen to take part in the study. Data was collected by the use of questionnaire. Three research questions were posed and three hypotheses were tested. Data was analyzed using mean and standard deviation while chi-square (χ^2) was used to test the stated hypotheses at 0.05 level of significance. Findings revealed that sincere apology and assurance influences customer loyalty in Novotel and Swiss Spirit Hotel & Suit situated in Port Harcourt Metropolis to a very high extent. Findings also revealed that compensation and quick response also influences customer satisfaction in Novotel and Swiss Spirit Hotel & Suit situated in Port Harcourt Metropolis to a high extent, while complaints and feedback management always lead to customer retention in Novotel and Swiss Spirit Hotel & Suit situated in Port Harcourt Metropolis to a very high extent. The study concluded that there is a significant positive relationship between service failure recovery strategies and firms' survival of hospitality industries in Port Harcourt Metropolis.

In yet another study by Renner and Ezekiel-Hart (2022) who investigated the relationship between service quality delivery and customer patronage of deposit money banks in Port Harcourt, Rivers State. The population of the study comprised 22 registered deposit money banks in Rivers State through the Central Bank of Nigeria. Given a population of 22 banks, which is less than thirty (30), the study adopted a census approach and undertook a study of the entire 22 banks with a focus on the. To generate data for the study, two hundred and twenty (220) copies of questionnaires were given to the twenty-two registered banks in the frame of ten (10) copies per bank. The data collected for this study were analyzed through descriptive and inferential statistics. The Spearman Rank Order Correlation Technique was employed to test the various hypotheses formulated through the aid of Statistical Package for Social Sciences (SPSS). The result of the findings showed a significant relationship between service quality delivery and customer patronage of deposit money banks in Port Harcourt. The study therefore concluded that effective service quality delivery is a panacea for customer patronage. The study recommended that deposit money banks in Nigeria, particularly those in Rivers State, should be responsive in terms of their service delivery as it would enhance customer patronage.

Charles-Davies (2018) investigated the impact of product quality and customer brand loyalty in Port Harcourt. The selected products for the survey included refrigerator (Samsung brand), generator (Sumec brand) and television set (LG brand). The study adopted descriptive research design. A sample size of 384 persons was randomly selected while 293 questionnaires were successfully retrieved and used for the analysis. Three research questions were posed and three hypotheses were tested. Data was analyzed using SPSS version 21 to analyse the mean and standard deviation while t-test statistics was used to test the stated hypothesis at 0.05 level of significance. Findings revealed that product durability positively impacts on customers' purchase behavior to a high extent. Product performance positively impacts on brand referral to a high extent. Brands that have aesthetic designs are easily associated to a high extent.

Methodology

The study adopted descriptive survey research design. The population of the study comprised all customers of registered hotels in Rivers State (**Source:** Rivers State Tourism Development Agency, RSTDA, 2019. www.rstda.com.ng). This implies that the study population is infinite in nature. A sample size of three hundred and eighty-four (384) was adopted. The various hypotheses formulated were tested using Pearson Product Moment Correlation (PPMC) at 0.05 level of significance.

Data Analysis and Presentation

In this section, the data obtained in the questionnaire were presented in tables and interpreted. A total of three hundred and eighty-four (384) copies of the questionnaire were administered to the respondents (supervisors and receptionists) of hotels in Port Harcourt.

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Questionnaire Distribution and Retrieval

| Questionnaire Distribution | Questionnaire Not Useful | Questionnaire Retrieval | Useful |
|----------------------------|--------------------------|-------------------------|--------|
| 384 | 368 | 358 | 10 |

Source: Survey Data, 2022.

The table above shows the order in which copies of the questionnaire were administered to the respondents (supervisors and receptionist) of hotels in Port Harcourt and their collection rate. From the table, out of the 384 copies of the questionnaire administered to the respondents, 368 copies were retrieved and 358 copies were used for the study.

Bivariate Analyses Hypothesis 1

Ho₁: There is no significant relationship between service responsiveness and customer loyalty of hotels in Rivers State.

Computation of Relationship Between Service Responsiveness and Customer Loyalty of Hotels in Rivers State

| Variables | ΣX | ΣX^2 | DF | r-cal | r-crit | Dec | ΣY | ΣY^2 | ΣXY |
|------------------------|------------|--------------|------|--------|--------|---------|------------|--------------|-------------|
| Service Responsiveness | 949 | 33566 | | | | | | | |
| Customer Loyalty | 30577 | 356 | 0.93 | 0.1946 | Reject | Loyalty | 580 | 40966 | |

$p > 0.05$

*significant

N = 358

The calculated r was 0.93 and the critical value of r was 0.1946. This means that the calculated r is statistically significant at $p > 0.05$, since it is greater than the critical value of r. Therefore, the hypothesis (Ho₁) is rejected and the conclusion is that there is a significant relationship between service responsiveness and customer loyalty of hotels in Rivers State.

Hypothesis 2

Ho₂: There is no significant relationship between service responsiveness and customer referrals of hotels in Rivers State.

Computation of Relationship Between Service Responsiveness and Customer Referrals of Hotels in Rivers State

| Variables | ΣX | ΣX^2 | DF | r-cal | r-crit | Dec | ΣY | ΣY^2 |
|------------------------|------------|--------------|-------|-------|--------|--------|------------|--------------|
| Service Responsiveness | 7084 | 0980 | | | | | | |
| Customer Referrals | 896 | 33098 | 32004 | 0.86 | 0.1946 | Reject | | |

$p > 0.05$

*significant

N = 358

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Table 4.8 above shows that the calculated r was 0.86 and critical value of r was 0.1946. This shows that the calculated r is statically significant at $p > 0.05$, since it is greater than the critical value of r . The hypothesis (H_{02}) is therefore rejected (that is, not accepted) and the conclusion is that there is a significant positive strong relationship between service responsiveness and customer referrals of hotels in Rivers State.

Hypothesis 3

H₀₃: There is no significant relationship between service assurance and customer loyalty of hotels in Rivers State.

Computation of Relationship Between Service Assurance and Customer Loyalty of Hotels in Rivers State

| Variables | ΣX | ΣX^2 | DF | r-cal | r-crit | Dec | ΣY | ΣY^2 |
|-------------------|------------|--------------|-------|--------------|---------|--------|------------|--------------|
| ΣXY | | | | | | | | |
| Service Assurance | 916 | 23024 | | | | | | |
| | | 356 | | | | | | |
| Customer Loyalty | 757 | 37450 | 32176 | 0.60 | 0.1946 | Reject | | |
| $p > 0.05$ | | | | *significant | N = 358 | | | |

In Table 4.10, the calculated r was 0.60 and the critical value of r was 0.1946. This means that the calculated r is statistically significant at $p > 0.05$, since it is greater than the critical value of r . Therefore, the hypothesis (H_{03}) is rejected and the conclusion is that there is a significant relationship between service assurance and customer loyalty of hotels in Rivers State.

Hypothesis 4

H₀₄: There is no significant relationship between service assurance and customer referrals of hotels in Rivers State.

Computation of Relationship Between Service Assurance and Customer Referral of Hotels in Rivers State

| Variables | ΣX | ΣX^2 | DF | r-cal | r-crit | Dec | ΣY | ΣY^2 | ΣXY |
|--------------------|------------|--------------|-------|--------------|---------|--------|------------|--------------|-------------|
| Service Assurance | 85437434 | | | | | | | | |
| | | 356 | | | | | | | |
| Customer Referrals | 752 | 37082 | 32700 | 0.87 | 0.1946 | Reject | | | |
| $p > 0.05$ | | | | *significant | N = 358 | | | | |

In Table 4.5, the calculated r was 0.87 and the critical value of r was 0.1946. This means that the calculated r is statistically significant at $p > 0.05$, since it is greater than the critical value of r . Therefore, the hypothesis (H_{04}) is rejected and the conclusion is that there is a significant relationship between service assurance and customer referral in hotels in Rivers State.

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DISCUSSION OF FINDINGS Service Responsiveness and Customer Referrals

The analysis revealed that there is a significant relationship between service responsiveness and customer referrals of hotels. The grand mean of 2.56 is an indication that service responsiveness has a significant relationship with customer referrals of hotels in Rivers State. The result is in conformity with Reynolds (2019) who observed that serving people is the foremost activity in hospitality, and being expertly served is the reasonable expectation of hotel guests. However, MacGillivray (2016) submitted that being responsive and accessible is key when you want to be known for excellent customer service. He affirmed that responsiveness is a major hallmark for guaranteeing customer referral behavior.

Service Assurance and Repeated Patronage

There is a significant relationship between service assurance on customer loyalty, customer referral and customer repeated purchase in hotels in Rivers State. The result of the analysis shows that $r\text{-calculated} = 0.60, 0.87, 0.79 > r\text{-critical} = 0.1946$ at 0.05 level of significance. This finding is in line with the study of Camarero and Carrero (2007) who asserted that perceived service assurance seems to be positively related to customers' likelihood of making repeated patronage and it increases their attitudes toward the service provider.

CONCLUSION

The empirical results of this study confirmed that all the dimensions of service quality (assurance and service responsiveness) were found to be significant predictors of customer satisfaction as measured by customer loyalty and referrals. Since all the dimensions of service quality are significant predictors of customer satisfaction, it is therefore concluded that the aim of service quality is to optimize the customer satisfaction through gaining the loyalty of the current customers in a multi-channel environment and ensure they are completely satisfied.

RECOMMENDATIONS

Based on the findings of this study and the conclusion made, the following recommendations are put forward:

1. The hotel staff and employees should be well cultured and trained to provide prompt services to their guests when called upon to do so as service responsiveness is seen as a major tool for guaranteeing customer referral behavior.
2. Since there are many hotels in the market providing the same or similar services, it is very important not only to attract but also to keep the customers in the long run through service assurance; this will help to stimulate customers' repeated patronage behaviour.

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