

**SERVICE QUALITY AND CUSTOMER SATISFACTION IN
HOTELS IN NAIROBI, KENYA**

CHARLES WATIKI

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DECLARATION

I declare that this research project is my original work and has never been submitted to any other university for assessment or award of a degree.

Signature.....Date.....

Charles Watiki

D61/61461/2010

This project has been submitted with my authority as the university supervisor.

Signature.....Date.....

Michael. K. Chirchir

School of Business,University of Nairobi

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DEDICATION

This is dedicated to my dear family;my wife Esther and my daughter Quinter for being patient with me during my absence. They provided me with moral support to complete the project.

TABLE OF CONTENTS

DECLARATION.....	ii
ACKNOWLEDGEMENTS	iii
DEDICATION.....	iv
LIST OF TABLES.....	viii
LIST OF FIGURES.....	ix
ABSTRACT.....	x
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the study.....	1
1.1.1 Service Quality.....	2
1.1.2 Customer Satisfaction.....	4
1.1.3 Hotel industry in Kenya.....	5
1.2 Statement of the problem.....	6
1.3 Research objectives.....	8
1.4 Value of the study.....	8
CHAPTER TWO: LITERATURE REVIEW.....	10
2.1 Introduction.....	10
2.2 Service Quality.....	10
2.3 Determinants of Service Quality.....	10
2.4 Measurements of Service Quality.....	14
2.4.1 Models for specific service settings.....	14
2.4.2 The SERVQUAL Model.....	15
2.4.3 Performance Only Model (SERVPERF).....	16

2.5 Empirical Studies on Service Quality.....	17
2.6 Customer Satisfaction.....	19
2.6.1 Factors affecting customer satisfaction.....	19
2.6.2 Empirical Studies on Customer Satisfaction.....	20
2.7 Relationship between Service Quality and Customer Satisfaction.....	21
2.8 Summary of Literature Review.....	22
2.9 Conceptual Framework.....	23
CHAPTER THREE: RESEARCH METHODOLOGY.....	25
3.1 Introduction.....	25
3.2 Research Design.....	25
3.3 Target Population.....	25
3.4 Sample Size.....	26
3.5 Data Collection.....	26
3.6 Data Analysis.....	27
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION.....	28
4.1 Introduction.....	28
4.2 Results.....	28
4.2.1 Respondents general information.....	28
4.2.2 Reliability of the results.....	31
4.3 Perception of factors influencing customer satisfaction.....	31
4.4 Service Quality and Customer Satisfaction.....	34
4.4.1 T Test for regression coefficients.....	34
4.4.2 Coefficient of determination, R ²	36

4.4.3 F Test for the full model.....	36
4.5 Discussion.....	37
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	39
5.1 Introduction.....	39
5.2 Summary of Findings.....	39
5.3 Conclusion.....	41
5.4 Recommendation.....	41
5.5 Limitations of the study and suggestions for Further Research.....	42
REFERENCES.....	43
APPENDICES.....	47

LIST OF TABLES

Table 2.1: Ten dimensions of service quality.....	11
Table 2.2: Five dimensions of service quality.....	12
Table 4.1: Respondents general information.....	29
Table 4.2: Factors influencing customer satisfaction.	32
Table 4.3: Regression coefficients of the five dimensions of service quality.....	44
Table 4.4: Regression statistics.....	36
Table 4.5: Test For significance.....	37

LIST OF FIGURES

Figure 2.1: Service quality and customer satisfaction relationship.....	23
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ABSTRACT

High level of competitiveness in the marketplace in which hospitality industries such as hotels function has been one of the main reasons why service quality and customer satisfaction have become of great importance. In the hotel industry, for example, satisfied customers tend to return and make profit to the hotel. The hotel's top management's main objective therefore, is on how to maximize customer satisfaction. This project had two objectives: To determine factors influencing customer satisfaction and to examine the relationship between service quality and customer satisfaction among hotels in Nairobi, Kenya.

Performance Only Model (SERVPERF) which was developed by Cronin and Taylor (1992) was used to develop a questionnaire which was later distributed to respondents from across hotels in Nairobi. Descriptive statistics and Regression analysis were used to establish the factors influencing customer satisfaction and bringing out the relationship between service quality and customer satisfaction. All the five service quality variables yielded positive relation with customer satisfaction. This means that service quality is strongly linked with customer satisfaction and the higher the service quality, the higher the customer satisfaction. The results further reveal that reliability dimension contributes most towards customer satisfaction followed by Empathy, Tangibles and Responsiveness. Assurance was seen to contribute the least. However all the dimensions were highly rated and therefore the hotels cannot afford to ignore any of the variable.

From the analysis, it was also established that service quality has a statistically significant effect on customer satisfaction with a coefficient of determination (R^2) of 74.2%. This implies that service quality contributes 74.2% of customer satisfaction while the other factors contribute 25.8%. The researcher recommended that future studies could look into the nature of these other factors that contribute 25.8% of customer satisfaction.

This study contributes to the existing studies examining service quality and customer satisfaction in the hotel industries. The results from the study could be helpful to the management of hotels in their policy formulation in the context of improving customer satisfaction and service loyalty. The researcher recommended that since this study focused only on hotels within Nairobi, future studies could look into more areas such as Mombasa and Naivasha which are key tourist sites.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

One of the most effective tools in hotel Industry success is service quality. Juran (1988) defines quality as “fitness for use” while in Crosby (1979) quality is defined as “conformance to requirements”. Mitra (2000) on the other hand views quality of a product or service as “the fitness of that product or service for meeting or exceeding its intended use as required by the customers”. Considering the hotel industry, bringing about quality has complication that differs from when tangible product is involved. Parasuraman et al., (1985) noted that it was inappropriate to use a product-based definition of quality when studying the service sector. They therefore developed the expression, “service quality”.

Service quality refers to the difference between customers' expectations of service and their evaluation of the services they received (Parasuraman, Zeithaml, and Berry, 1985). It is perceived as subjective since it relies on the judgement of the customer. However, it is an important concept in influencing the extent and nature of customer satisfaction experienced after service delivery. According to Gronroos (1984); service quality is dependent on two variables: expected service and perceived service. Expectations are beliefs about the level of service that will be delivered by a service provider and they are assumed to provide standards of reference against which the delivered service is compared (Bitner et al, 2003). If there is congruence between the performance and the expectations, then a customer is said to be satisfied.

Various models have been proposed to measure service quality. Lehtinen and Lehtinen (1982) proposed that service quality can be measured by its physical, corporate and interactive quality whereas Le Blanc (1992) suggested a variety of factors such as responsiveness, corporate image and accessibility as some of the factors used to evaluate service quality. However, the most popular model for measuring service quality is the SERVQUAL model developed by Parasuraman et al. (1985) and engenders five determinants of service quality presented in order of importance, reliability, responsiveness, assurance, empathy and tangibles.

This study focused on service quality and customer satisfaction: a case of hotel industry in Kenya. The hotel industry is highly service oriented as through the experiences, customers' form opinions by comparing the service encounters against their expectations. The hotel industry in Kenya is experiencing increasing competition with major international hotel brands increasingly setting up operations in Kenya. This is set to increase the competition in the hotel industry. To survive in this dynamic and highly competitive business environment the hotel operators will be forced to critically acknowledge the importance of service improvement in order to gain competitive advantage.

1.1.1 Service Quality

Service quality is defined as customer's perception of how well a service meets or exceeds their expectations (Parasuraman, Berry and Zeithmal 1985). Service quality is often judged by customers and not by the organization itself (Abbasi, Khalid, Azam and Riaz, 2010). Martin (1999) suggested that a service is characterized by attributes such as

intangibility, heterogeneity, perishability and inseparability which delineate a service from a good which further complicates the evaluation of the performance of a service. This creates the need for an organization to develop new models or use already existing models to measure the performance of the services and the perceptions that customers have towards the company.

Parasuraman *et al.* (1985) mention that if customer's expectations are superior to the performance of the service, the service quality is deemed to be unsatisfactory which results in dissonance on the part of the customer. The service will be considered excellent if perceptions exceed expectations. Parasuraman, Berry and Zeithmal (1988) developed an instrument, the SERVQUAL model, which was among the first models used to measure service quality. The model is based on five factors reliability, responsiveness, assurance, empathy and tangibles. The SERVQUAL model is built around the gap that exists between the services offered vis-à-vis the expected service quality as perceived by the customer.

Most writers agree that customers' expectations are rarely concerned with a single aspect of the service package but rather with many aspects (Berry *et al.*, 1985). Service quality dimensions are the characteristics which customers use to evaluate service quality. Proper understanding of customers' perceptions along these dimensions is essential for hospitality organizations professionals to recognize the customer expectations. Aligning the services to meet customer expectations would result in reduced gaps in perceptions of service quality. Identification of the determinants of service quality should be a central concern for service management. Once customers' requirements are clearly identified and

understood, hotel operators are in a better position to anticipate and fulfill their customers' needs and wants (Juwaheer& Ross, 2003).

1.1.2 Customer Satisfaction

In close connection with service quality is customer satisfaction. Customer satisfaction is defined as the consumer's fulfillment response (Oliver, 1997). It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment. According to Williams et al., (2003), customers are satisfied when their judgment of the service they have received equals or exceed what they expected. If performance matches, the customer is satisfied and, if it exceeds expectations, even delighted (Kotler et al., 1996). If the performances fall short of expectations, the customer is dissatisfied. Proper understanding of the factors that influence customer satisfaction makes it easier for the service provider to design and deliver service offers that correspond to customer demands(Gibson, 2005).

The term service quality and customer satisfaction have been conceptualized similarly in the literature and therefore might be considered as one evaluative construct (Iacobucci et al; 1995). According to parasuraman et al, (1988), service quality is a global judgment relating to the superiority of the service, whereas satisfaction is related to a specific transaction. He concluded that the two construct are related in that incidents of satisfaction over time results in perception of service quality and therefore the two constructs can be measured by the same attributes.

1.1.3 Hotel industry in Kenya

The hotels play a central role in the country's tourism industry, yet the Coast lacks five-star hotels. According to the Economic Survey (2012), the tourism earnings in Kenya rose by 32.8% from 73.7 billion in 2010 to 97.9 billion in 2011. Out of these earnings, the hotel industry's establishments registered a net worth of over Ksh. 10 billion. The Kenya hotel and restaurant regulations of 1988 established standards upon which classification of hotels is based. Internationally, the classification of hotels and restaurants creates uniformity in the industry providing common elements in every class of hotel and restaurant that their clients should expect. The hotel business is regulated by two Acts of parliament namely: Hotels and restaurants Act (Cap 494) and the tourist Licensing Act (Cap 381). Vacation hotels, town hotels and lodges are classified into five classes denoted by stars, five being the highest and one being the lowest. These star-rated hotels enable both the domestic and international customers to understand the value of the services they are paying for. The hotels that are 5-star rated are expected to offer highest standards of facilities and services. According to the Kenya gazette, 13th June, 2003, vol.cv-no.62, Nairobi has seven 5-star hotels, nine 3-star hotels, five 2-star hotels and five 1-star hotels.

Kenya has the best developed hotel industries in Sub-Saharan Africa, offering an average of 31,400 beds per night (Kenya economic survey 2013). As a result there has been unprecedented entry of international Hotel brands in the Kenyan Hotel industry. Kenya is set to host nine new international hotels which are planning to put up 1437 hotel rooms to cater for growing demand for travel and accommodation in the country by 2015 (Kenya economic survey 2013). These hotels include Marriot,

Accor, Radisson blu, Park inn, Lonrho, Rezidor (2 hotels) and Hilton (2 new hotels)

Hotel occupancy in Kenya is relatively stable throughout the year, other than December due to Christmas and New Year celebrations in December and January which reduce demand during those months. Although the reasons for the visit to the country vary, with leisure being a significant driver, the market shows limited seasonality pattern. Nairobi's main source markets are the UK, the USA and Italy. Europe is the most important region accounting for 47% of total international arrivals in Nairobi. Arrivals from Asian markets are also becoming increasingly important especially China and India. In 2011, for example, arrivals from China and India grew by 31% and 24% respectively. This is partly due to large construction projects being undertaken by Chinese companies.

1.2 Statement of the Problem

For the hotel industry to achieve its objective of delivering quality service for its customers, it is imperative to study how the hotel can conceivably meet and even exceed customers' service delivery expectations (Doyle, 2000). Management of organizations seeks to know the level at which the customers are satisfied with their services and the kind of service quality levels their customers would like in order to offer the exactly what would be taken positively. Parasuraman et al. (1988) provided a list of five determinants of service quality as a result of their focus group studies with service providers and customers: Reliability, Responsiveness, Assurance, Empathy and Tangibles.

In a study to evaluate service quality dimensions that impact customer satisfaction, Harr (2008) concluded that assurance, empathy and tangibles are the most important to customers' evaluation of service quality and thus, may have a positive influence on

customer satisfaction. Krishna et al., (2010) after studying service quality and its effect on customer satisfaction in retailing in India concluded that customers have the highest expectations on promptness of service, accuracy of transactions and security issues.

Manyi (2011) while studying the relationship between customer satisfaction and service quality found out that all the five dimensions of service quality were significantly related to customer satisfaction. The outcome of the study suggested that to satisfy customers, organizations need to improve dimensions of service quality. These results were consistent with the findings by Akoko (2012). The researcher, however, pointed out that his research work targeted only a few service sectors due to time and money constraint and therefore the study results could not be generalized to other sectors such as the hotel industry.

Akoko (2012) studied service quality dimensions and customer satisfaction in Kenyan telecommunications industry and established that all the five service quality dimensions had positive impact on customer satisfaction. However, reliability dimension was considered to be having the highest impact while tangibility was considered to have the least impact. Similarly, the research work was limited to the telecommunication industry and therefore the results could not be generalized to the hotel industry

In a study carried out by Musyoka (2013) to establish whether there exists any relationship between service quality and library user satisfaction among universities in Kenya, it was established that service quality accounts for 73.9% of user satisfaction. He noted further that reliability dimension contributes most towards user satisfaction while empathy dimension contributes the least. The research was limited to libraries

and therefore not all inclusive and the results could not be generalized to cover the hotel industry.

The studies by Harr (2008), Krishna et al., (2010), Manyi (2011), Akoko (2012) and Musyoka (2013) were carried out across different technological and social-cultural contexts. The studies also gave conflicting results in regards to service quality dimensions impacting most on customer satisfaction. All the studies however had a consensus that there exists a relationship between service quality and customer satisfaction. The purpose of this study is to enhance this understanding in the Kenyan hotel industry by answering the question: What factors affect customer satisfaction?

1.3 Research Objectives

The research question is to be answered by achieving the following specific research objectives.

- i. To determine factors influencing customer satisfaction.
- ii. To examine the relationship between service quality and customer satisfaction among hotels in Nairobi, Kenya.

1.4 Value of the Study

The study aims to identify the relationship between service quality and customer satisfaction a case study of hotels in Nairobi, Kenya. These findings will lead to a better understanding of operations and quality dynamics involved in the hotel industry in Kenya and ultimately lead to customer satisfaction. The findings made from the study are significant as they will form basis for further research. Scholars and academicians will be

able to identify further areas for research on service quality in hotels in Kenya that will enhance better service delivery and organizational performance. Academicians will also make references and deductions from the findings and conclusions of the study since it will provide additional information to the body of literature in the field of service quality management.

The findings will also provide insights to the management of hotels in re-examining their services strategy development particularly in the context of increasing customer satisfaction and service loyalty. It will also provide an insight on the areas that need improvement, restructuring or general overhaul of the strategies used in service delivery and organizational performance.

The tourism industry in Kenya is currently facing slow progress and the hotels are losing a lot of revenue due to cancelled bookings. This study is important to policy makers both in the private and public sector of the industry since they stand to gain significant insights from the findings of this study. The information at their disposal on service quality and customer satisfaction will enable them formulate policies that relate to the hotel industry in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the theoretical framework and empirical studies related to service quality and customer satisfaction. In particular, the study covers literature related to the study as studied by other scholars. The literature is reviewed in two streams. First, literature on service quality and its measurement is reviewed. Then, literature relating to customer satisfaction is reviewed. Finally, literature relating to the relationship between service quality and customer satisfaction is reviewed and a conceptual framework of the study developed.

2.2 Service Quality

Researchers proposed different views on the definitions of service quality. Service quality is defined as a comparative function between consumer expectations and actual service performance (Parasuraman et al., 1985). On the other hand, Parasuraman et al., (1988) defined service quality as the ability of an organization to meet or exceed customer expectations. According to Cronin & Taylor (1994), service quality is a form of attitude representing a long-run overall evaluation of service. As observed by Chang, Chen and Hsu (2002), the traditional notion of service quality by Parasuraman et al., (1985) is most commonly accepted.

2.3 Determinants of Service Quality

When purchasing goods, the customer employs many tangible aspects to judge quality; style, hardness, color, label, feel and package. However, when purchasing services fewer

tangible aspects exist. In the absence of tangible evidence on which to evaluate quality, customers must depend on other aspects. Service quality dimensions are the aspects/characteristics which customers use to evaluate service quality.

A research by Parasuraman et al., (1985) identifies ten determinants that influence customers' perceptions of service quality as reliability, responsiveness, tangibility, communication, credibility, security, competence, courtesy, understanding and access. The description of the ten determinants of service quality is given in Table 2.1.

Table 2.1: Ten dimensions of service quality

Dimension	Description
Tangibility	Physical evidence of service (facilities, tools, equipments)
Responsiveness	Willingness or readiness to provide service, timeliness
Reliability	Getting it right first time, honoring promises, dependability.
Communication	Keeping customers informed in a language that they can understand
Credibility	Honest, trustworthiness, having customer's best interest at heart
Security	Physical and financial; confidentiality
Competence	Possession of the skills and knowledge required to perform the service
Courtesy	Politeness, respect, friendliness, clean and neat appearance.
Understanding	Knowing the customer, his needs and requirements.
Access	Ease of approach and contact

Source: Adapted from Parasuraman, Zeithml and Berry (1985)

In a follow-up study, Berry et al., (1988) found a high degree of correlation between, on the one hand, communication, competence, courtesy, credibility and security, and, on the other, between access and understanding; and so they created the two broad dimensions of assurance and empathy, that is, five consolidated dimensions:-reliability, responsiveness, tangibles, assurance and empathy (Parasuraman et al., 1988). These dimensions were then used as a basis for the development of a service quality measurement instrument; SERVQUAL model (Zeithaml et al., 1988). Table 2.2 demonstrates the five service dimensions customers care about.

Table 2.2: Five dimensions of service quality

Dimension	Description
Tangibles	Physical facilities, equipment and appearance of personnel.
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service
Assurance	Knowledge and courtesy of employees and their ability to inspire trust and confidence
Empathy	Caring, individualized attention the firm provides its customers.

Source: Adapted from Parasuraman, Zeithaml and Berry (1988)

Johnston et al., (1990) tested the comprehensiveness of Parasuraman et al's (1985) service quality determinants using management perceptions of service and suggested a refined list of 12 determinants of service quality as access, appearance/aesthetics, availability, cleanliness/tidiness, comfort, communication, competence, courtesy, friendliness, reliability, responsiveness and security. The limitation of their work lay in

the fact that the empirical investigation drew only on management perception of service quality unlike Parasuraman et al., (1988) who used customer data in order to identify the determinants of service quality.

Johnston and Silvestro (1990) included the customer's perspective to the 12 service quality dimensions and identified 5 additional dimension to create 17 dimensions as access, appearance/aesthetics, availability, cleanliness/tidiness, comfort, communication, competence, courtesy, friendliness, reliability, responsiveness, security care, commitment, attentiveness/helpfulness, functionality and integrity (Johnston et al., 1990). These dimensions are described in details in appendix 1.

Gronroos (1990) identified three dimensions of service quality as technical quality of the service ("what" service is provided), which can be assessed by the customer like the technical dimensions of a product, functional quality which represent how the service is provided and the image of the service provider which moderates both technical and functional quality to arrive at a perceived level of service. He argued that functional quality is an important dimension of perceived service than technical quality because service quality lies in improving the functional quality of a firm's service process by managing the staff-customer interaction and transactional relationships. He observed that a favorable image is an asset for any firm because it has an impact on customer perception of the operation of the firm.

These authors and many others who have postulated service quality dimensions appear to have based their work on Parasuraman et al., (1985) and Parasuraman et al., (1988) well publicized work. For the purpose of this study, therefore, the researcher adopted

Parasuraman et al's (1988) dimensions of service quality i.e. Reliability, Responsiveness, Access, Empathy and Tangibles. The five dimensions of service quality developed by Parasuraman, Zeithmal and Berry (1988) are the most acknowledged and applied in diversity of service industries (Nathan.D. and Saghier.N. (2013).

2.4 Measurement of Service Quality

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

2.4.1 Models for specific service settings

Different researchers have developed alternative measures of service quality for specific service settings. Knutson et al., (1991) developed LODGSERV model to measure service quality in the lodging industry. The model is based on the five original SERVQUAL dimensions and contains 26 items. Getty and Thompson (1994) on the other hand developed LODGEQUAL model to measure service quality in the hotel industry. The model identified three dimensions, namely tangibles, reliability and contact. DINESERV model was developed by Stevens, Knutson and Patton (1995) to measure service quality in restaurants. It contains 29 items and five SERVQUAL dimensions. Another model, DIVEPERF, was developed by O'Neill et al., (2010) to assess perceptions of diving services. The model consists of five SERVQUAL dimensions and 27 items. All of these

models represent modifications of the SERVQUAL instrument, aiming to improve its original methodology.

2.4.2 The SERVQUAL Model

The model was developed by Parasuraman, Zeithaml and Berry (1988) as a tool of identifying service quality shortfall. This model is based on the premise that customers can evaluate a firm's service quality by comparing their perception of its service with their own expectations.

The model measures customer expectations and perceptions of service quality. The quality gap (Q) is calculated by subtracting the expectation (E) from the perception (P) value i.e. $P-E=Q$. Summation of all the Q values provide an overall quality rating which is an indicator of relative importance of the service quality dimensions that influence customers' overall quality perceptions. SERVQUAL is a standardized instrument that has been applied across a broad spectrum of service industries.

The SERVQUAL scale (Questionnaire) has two sections: one to measure customer expectations in relation to a service segment and the other to measure perception regarding the organization whose service is being assessed. SERVQUAL comprises a 22 items (Likert-type) with five dimensions of reliability, responsiveness, assurance, empathy and tangibles. From the 5 dimensions, 22 statements are derived, each measuring both the expectations and perceptions of customers towards the quality of services of the organization being assessed. The customers are required to rate, on a 5-point Likert scale, the degree to which they feel the service provider should deliver for an excellent service. Another identical scale is provided adjacent to the first one in which the

respondents rate the actual quality of service delivered to them by an organization based on their perceptions. For each statement, the difference between perception and expectation is calculated; the averages of the obtained score being the SERVQUAL score (Parasuraman et al., 1988).

2.4.3 Performance Only Model (SERVPERF)

SERVPERF was developed by Cronin and Taylor (1992) in their empirical work which involved the modification of SERVQUAL with respect to conceptualization and measurement of service quality. They developed a performance based measure of service quality called “SERVPERF” illustrating that service quality is a form of consumer attitude. SERVPERF measures service quality based solely on performance. Cronin and Taylor (1992) argued that performance is the measure that best explains customers’ perceptions of service quality, so expectations should not be included in the service quality measurement instrument. SERVPERF looks at the attributes of the 5 dimensions, worded the same as SERVQUAL but does not repeat the set of statements as expectation items. SERVPERF therefore comprises a 22 items (Likert-type) with five dimensions of reliability, responsiveness, assurance, empathy and tangibles. 22 statements are then derived to measure the perceptions of customers towards the quality of services of the organization being assessed.

This research adapted the SERVPERF tool to measure service quality among hotels in Nairobi Kenya.

2.5 Empirical Studies on Service Quality

Different models have been advanced concerning service quality in the service organizations with an aim of establishing the relationship between service quality and customer satisfaction. From the earlier research work, Parasuraman et al., (1988), five determinants of service quality were identified as reliability, responsiveness, assurance empathy and tangibles. Ten studies carried out using the Servqual questionnaire revealed that Reliability is the most critical dimension when measuring the relative importance of the five dimensions followed by Responsiveness, Assurance, Empathy and finally Tangibles (Parasuraman et al., 1991)

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

Musili (2009) studied the perceived quality of passenger services provided by the rift valley railway consortium and found out that courtesy and friendliness of staff, security and driving expertise are the most important dimensions to the customers. He further

noted that the general performance was poor with 37.5% of respondents registering disappointment with the service.

A study by Krishna et al., (2010), established that customers have the highest expectations on promptness of service, accuracy of transactions and security issues. The researcher advised managers to prioritize on attention to details and promptness in addressing customer complaints. The researcher noted that customers' expectations and perceptions are subjective and the findings can only be generalized to a pre-defined market and economic scenarios.

Kiange (2011) investigated managers' perception of customer expectations in hotel industry in Kenya. The results showed that assurance, empathy and tangibles were regarded as the most important factors affecting service quality. This research was however limited to managers' perception of customer expectations and failed to take into account customer's expectations. The result of the study therefore, does not represent the voice of the customer. More study therefore needs to be carried out to establish whether the manager's perception of customer expectations matches customers' expectations.

Kangogo et al., (2013) studied effect of customer satisfaction on performance of the hotel industry in the western tourism circuit of Kenya. The customers reported to be satisfied with reservation, reception, food quality and beverage quality. Costs, security and hotel amenities on the other hand registered fair ratings while provision of personalized services registered dissatisfaction. The researcher also noted that customer satisfaction has positive impacts on market share, service quality, hotel image, sales turnover, and that lack of customer satisfaction results in customer and employee turnover.

2.6 Customer Satisfaction

Tse&Wilton, (1988) defined customer satisfaction as “the consumer’s response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption”. Woodruff and Gardial, (1999) defined customer satisfaction as “the evaluative reaction to how particular product performed when compared to how he or she anticipated that it would perform”. Kotler et al., (2002) on the other hand defined Customer satisfaction as the extent to which a product’s perceived performance matches a buyer’s expectations. Failure to meet these expectations leads to dissatisfaction. These definitions consider satisfaction as an overall post-purchase evaluation by the customer.

2.6.1 Factors affecting Customer Satisfaction

According to Valerie, Zeithaml and Bitner (2005), customer satisfaction is influenced by a host of issues such as product and service features, customer emotions, perception of equity and fairness and other customers, family members, friends and co-workers. According to Tulel et al, 2006, the customer service a brand offers and the fairness of the price it charges determines the level of satisfaction among its customers than any other measures. Parasuraman, Zeithaml and Berry, 1988 identified 22 factors that influences customer satisfaction as Physical facilities, Equipment, Appearance of hotel employees, Communication materials, Timeliness of service, Problem solving interest, Efficient service, Consistency of service, Accuracy of records, Problem resolution time, Prompt attention to guest’s requests, Willingness to help, Flexibility of employees, Behavior of employees, Safety and security, Courtesy of employees, Competence of employees,

Individualized attention, Convenient operating hours, Personal attention from employees, Concern towards guest interest and Understanding guest specific needs.

2.6.2 Empirical Studies on Customer Satisfaction

Lawrence C. Voss (2006) studied customer satisfaction among four star hotels in Spain, Germany and England. The results revealed that many customers were satisfied with the ability of staff to speak a foreign language, friendliness of staff, condition of premise, room comfort and the ease of obtaining information. Areas of dissatisfaction included respect shown by staff, ease of contacting a staff member, extra personal attention, multilingual magazines, international newspaper and TV programs in own language. Overall, customer satisfaction was high in all the hotels.

Mbungwana Christine Lungiswa (2009) conducted a customer satisfaction survey in hotels in Cape Town. The research identified areas of satisfaction as, wellness/spa experience, guest entertainment, maintenance of grounds and swimming pool experience. Areas of dissatisfaction were identified as delivery of luggage, switch board and message service, attention to special requests and dinner experience.

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Similarly, Mburu et al., (2013) studied the determinants of customer satisfaction in the Kenyan banking industry. The customers reported to be satisfied with the accuracy and timeliness of bank statements and staff understanding of customer needs. Entertainment & refreshment to customers, adequacy of bank's networks and readiness of bank staff to respond to customer requests registered elements of dissatisfaction. He further noted that customer satisfaction can lead to higher rates of retention of the Kenyan bank customers.

2.7 Relationship between Service Quality and Customer Satisfaction

Some researchers argue that service quality is an antecedent of customer satisfaction (Churchill and Suprenant, 1982) while others argues that satisfaction represents an antecedent of service quality (Carman, 1990; Boltonand Drew, 1991). However, the majority of recent publications believe that service quality is an antecedent to customer satisfaction (Carrillat et al., 2007 &Zeithaml et al., 2008).

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

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

improve customer satisfaction, organizations need to improve the dimensions of service quality.

Akoko (2012) studied service quality dimensions and customer satisfaction in Kenya telecommunications industry and established that all the five service quality dimensions had positive impact on customer satisfaction. However, reliability dimension was considered to be having the highest impact while tangibility was considered to have the least impact. He suggested that all service quality dimensions should be improved and allocated more resources since they positively affect customer satisfaction.

In a study carried out by Musyoka (2013) to establish whether there exists any relationship between service quality and library user satisfaction among universities in Kenya, it was established that service quality accounts for 73.9% of user satisfaction. He noted further that reliability dimension contributes most towards user satisfaction while empathy dimension contributes the least.

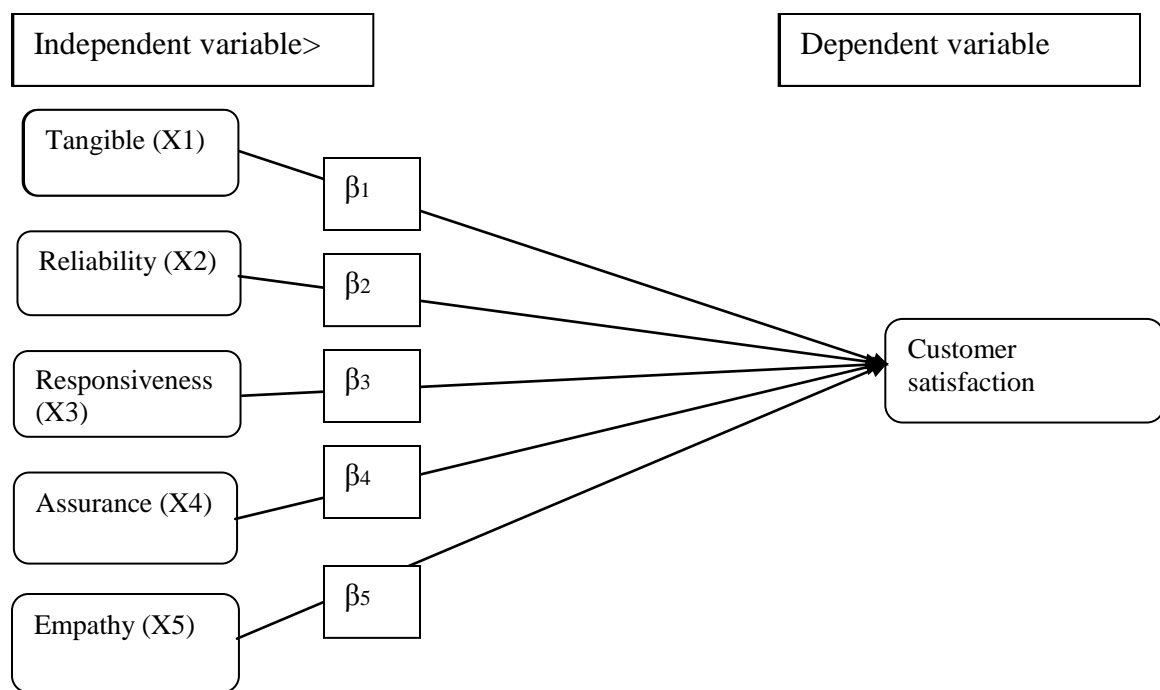
2.8 Summary of Literature Review

A review of literature on service quality indicates that the relative importance of the dimensions of service quality is dependent on the industry in which service quality is being measured. The review also highlights the need to examine the extent to which the services provided meets customers' needs. In the hotel industry, a review of the existing literature has shown that customer satisfaction is highly depended on service quality (Janet (2011), Harr (2008) & Krishna et al., (2010).

2.9 Conceptual Framework

Based on the literature reviewed, a theoretical framework for this study was developed and is shown in Figure 2.1, the major objective of the study being to analyze the relationship between service quality and customer satisfaction.

Figure 2.1: Service quality and customer satisfaction relationship framework.



Source: Adapted from Jalal (2012)

The dependent variable in this research is overall customer satisfaction while the independent variable is service quality which measures the level of customer satisfaction. The type of customer will act as a moderating variable in the conceptual framework. The dimensions included in this variable are reliability, responsiveness, assurance, empathy and tangibility.

The mathematical expression for the regression model represented by this conceptual framework is given as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

or

$$\text{User satisfaction} = \beta_0 + \beta_1 * \text{Tangibles} + \beta_2 * \text{Reliability} + \beta_3 * \text{Responsiveness} + \beta_4 * \text{Assurance} + \beta_5 * \text{Empathy} + \epsilon$$

Where, Y is the dependent variable representing Customer Satisfaction whereas X1, X2, X3, X4 and X5 are the independent variables, that is, Tangibles, Reliability, Responsiveness, Assurance and Empathy respectively. β_0 is a constant (the intercept of the model) and β_i are regression coefficients of X_i which indicates the amount of change in Y given a unit change in X_i variables while ϵ is the error term.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter sets out various stages that were followed in completing the study. These stages are research design, target population, sampling design, data collection instruments, data collection procedures and data analysis.

3.2 Research Design

The researcher applied a descriptive design to study service quality and customer satisfaction from the customer's perspective in star rated hotels within Nairobi. The research design was chosen because the study was not confined to the collection and description of the data, but sought to determine the existence of certain relationships among the research variables. In this study, it was used to establish the relationship between the determinants of service quality and customer satisfaction among star rated hotels in Nairobi Kenya. The studies by Stromgren (2007), Krishna et al., (2010), Janet (2011), Musyoka (2013), Mburu et al., 2013 adopted this research design and specific research objectives were sufficiently achieved.

3.3 Target Population

In this study, the population that was targeted comprised the guests of star rated hotels in Nairobi Kenya. According to the Kenya gazette, 13th June, 2003, vol.cv-no.62, Nairobi has seven 5-star hotels, nine 3-star hotels, five 2-star hotels and five 1-star hotels with a total bed capacity of 6200 beds as indicated on See appendix 3. According to a research

carried out by Muna et al., (2013), Nairobi hotels are expected to have an average occupancy rate of 55% in year 2014. See appendix: 3. In this regard the projected number of guests per day is 3412 guests.

3.4 Sample size

This study adapted the formula developed by Glenn (2009) to determine the sample size.

$$\text{Sample size, } n = N / (1 + N(e)^2)$$

Where e = Margin of error (0.05) and N is the population (3412)

Therefore;

$$\text{Sample, } n = N / (1 + N(e)^2) = 3412 / (1 + 3412(0.05)^2) = 358 \text{ respondents}$$

A minimum of 358 questionnaires were therefore distributed proportionately among the respondents from the star rated hotels in Nairobi as indicated in appendix 3.

3.5 Data Collection

Primary data was used for this study. The data was collected using a standardized questionnaire comprising of 22 statements derived from the works of Cronin and Taylor (1992) which involved the modification of SERVQUAL. The questionnaire was modified to include a section that was used to measure factors influencing customer satisfaction. The questionnaire comprised three parts. The first part required the respondents to give their demographic information. The aim of this part was to provide information on the type of the customer. The second part required them to rate the extent to which they believed the indicated factors influences customer satisfaction. Part three of the questionnaire required the respondents to rate their perception levels with the services

provided by the hotels. Likert type scale ranging from 1 to 5 was adapted. The researcher administered a questionnaire to each member of the sample population using a drop and pick later method.

3.6 Data Analysis

Prior to processing the responses, the completed questionnaires were edited for completeness and consistency. Quantitative data collected was then analyzed and interpreted in line with the study objectives through use of statistical package for social sciences (SPSS).

The first research question was answered using the data collected from part II of the questionnaire. The mean (weighted average) and standard deviation were used to analyze the data from the responses received. Linear Regression model was used to realize the second objective. The mathematical expression for the regression model is given as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where, Y is the dependent variable representing Customer Satisfaction and X_1 , X_2 , X_3 , X_4 and X_5 are the independent variables representing the 5 service quality dimensions, that is, Tangibles, Reliability, Responsiveness, Assurance and Empathy respectively. α is a constant (the intercept of the model) and β_{is} are regression coefficients of X_{is} variables while ε is the error term.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the results obtained from data analysis, interpretations and discussion of findings. The study results are analyzed and interpreted in line with the objectives which were to determine factors that influence customer satisfaction and to examine the relationship between service quality and customer satisfaction among hotels in Nairobi, Kenya.

4.2 Results

The study targeted the guests of selected rated hotels in Nairobi County. The respondents in the rated hotels were of different nationalities across the globe. Due to ample time and accessibility of the hotels the survey yielded a 100% response rate in the research process. The questionnaires were examined for errors and omissions then used for analysis.

4.2.1 Respondents general information

The study sought to find out the distribution of respondents in five categories named; gender, nationality, age, purpose of visit and the number of visits to the hotel. The results are highlighted in Table 4.1.

Table 4.1: profile of respondents

Gender	Percentage
Male	47%
Female	53%
Nationality	Percentage
Kenya	28%
Rest of Africa	20%
Europe	15%
USA	11%
Middle East	8%
Asia	11%
Others	7%
Age	Percentage
18 – 25	7%
26 – 35	22%
36 – 45	31%
46 – 55	34%
Over 55 years	6%
Purpose of the visit	
Airline crew	14%
Leisure	27%
Business	25%
Meeting	17%
Others	17%
Number of visits to hotel	
First Visit	14%
2 – 5	53%
6 – 10	23%
10>	10%

Source: Research data (2014)

From the above table the respondents' general information was as follows: females accounted for 53% of all the respondents while males were 47%. The study sought to find out the nationality of the respondents; Kenyan respondents constituted the highest percentage of the respondents at 28% while respondents from other destinations in Africa constituted 20%. Respondents from Europe constituted 15% and American respondents constituted 11%. Respondents from Middle East constituted 8% while respondents from Asia and other destinations constituted 11% and 7% respectively.

The study further sought to find out the age distribution of respondents and the findings were reported as follows: 18 – 25 age bracket constituted 7%, 26 – 35 age bracket constituted 22%, 36 – 45 age bracket constituted 31%, 46 – 55 age bracket constituted 34% and lastly age bracket rated as over 55 years received a mere 6%.

The study also captured the purpose of visit and the findings were as follows; 14% of the respondents were part of the airline crew, 27% of respondents were in the country for leisure while another 25% of respondents were in Nairobi for business related issues. Finally meetings and other purposes both constituted 17% each. Finally the number of visits the respondents had visited the rated establishments and the results were as follows; first time visitors constituted 14%, respondents who had visited the establishment between 2 – 5 times constituted a large 53%, respondents who have visited the establishments 6 -10 times constituted 23% while those who visited more than 10 times constituted 10%.

4.2.2 Reliability of the results

Mitchell (1996) outlines three common approaches to assessing reliability in addition to comparing the data collected with other data from other sources. They are test re-test; internal consistency and alternative form. In our study the method adopted was the test re-tests method. The test re-test estimates of reliability were obtained by correlating data collected with those from the same questionnaire collected under as near equivalent conditions as possible. The questionnaire was pretested twice to respondents in the rated hotels.

4.3 Perception of factors influencing customer satisfaction

The first objective sought to find out factors influencing customer satisfaction. Respondents were asked to rate the factors on a scale of 1 to 5 ranging as 1 = strongly disagree, 2 = disagree, 3= neutral, 4 = agree and 5= strongly agree. A five point likert scale was used to interpret the respondent's responses.

According to the scale those factors which were not considered at all were awarded 1 while those which were extremely influencing satisfaction were awarded 5 within the continuum are 4 for fairly influencing satisfaction, 3 for neutral and 2 for somewhat influencing satisfaction.

The mean (weighted average) and standard deviation were used to analyze the data from the responses received as shown in Table 4.2.

Table 4.2 Factors influencing customer satisfaction.

No	Factor	N	Mean	Std deviation	
1	communication materials	358	4.21	0.717	Fairly influencing satisfaction.
2	Timeliness	358	4.09	0.716	
3	Willingness to help	358	4.02	0.812	
4	Equipment	358	4.01	0.728	
5	Understanding guest specific needs	358	3.99	0.712	
6	Physical facilities	358	3.98	0.721	
7	Problem solving interest	358	3.98	0.871	
8	Employee appearance	358	3.89	0.827	
9	Accuracy of records	358	3.82	0.672	
10	Problem resolution time	358	3.78	0.712	
11	Prompt attention to request	358	3.77	0.722	
12	Flexibility of employees	358	3.77	0.672	
13	Concern towards guests interests	358	3.77	0.672	
14	Assurance ,safety and security	358	3.72	0.777	
15	Individualized attention	358	3.72	0.621	
16	Convenient operating hours	358	3.72	0.716	
17	Personal attention from employees	358	3.62	0.711	
18	courtesy of employees	358	3.61	0.726	
19	Consistency of service	358	3.28	0.726	Neutral
20	Competence of employees	358	3.22	0.726	
21	Efficient services	358	2.89	0.917	
22	Behaviour of employees	358	2.87	0.716	

Source: Research data (2014)

According to the researcher, those factors with a mean between 0.5 and 1.5 were not influencing customer satisfaction, those factors with a mean greater than 1.6 but less than

2.5 were somewhat influencing customer satisfaction. From the respondents' summary in table 4.2 above, there was no score between 0.5 and 1.5 therefore all the factors mentioned above influenced customer satisfaction fair extent. The factors with a mean greater than 2.6 but less than 3.5 were neutral and they include, efficient services (M=2.89), Consistency of service (M=3.28), Behavior of employees (M=2.87) and lastly competence of employees (M=3.22).

The factors with a mean greater than 3.6 but less than 4.5 were fairly influencing satisfaction. The factors that were found to be fairly satisfaction were, physical facilities (M=3.98), equipment (M=4.01), employee appearance (M=3.89), communication material (M=4.21), timeliness (M=4.09), Problem solving interest (M=3.98), Accuracy of records (M=3.82), Problem resolution time (M=3.78), Prompt attention to request (M=3.77), willingness to help (M=4.02), flexibility of employees (M=3.77), safety and security (M=3.72), courtesy of employees (M=3.61), individualized attention (M=3.72), convenient operating hours (M=3.72), personal attention from employees (M=3.62), and lastly concern towards guests (M=3.77).

The factors with a mean greater than 4.6 would be termed as extremely influencing customer satisfaction. There was no mean score greater than 4.6 hence it can be extrapolated that none of the factors listed above were perceived to be extremely influencing customer satisfaction.

The standard deviation was also used to analyze the responses. The higher the standard deviation, the higher the level of dispersion among the respondents. The standard deviation for all the factors listed was less than 1 meaning there was general consensus

by the respondents. A standard deviation of more than one would mean there was no consensus among the respondents.

4.4 Relationship between Service Quality and Customer Satisfaction

The second objective of this study sought to examine the relationship between service quality and customer satisfaction among hotels in Nairobi, Kenya. The following linear regression model was adapted by the researcher to help determine the nature of the relationship: $y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4 X_4 + \beta_5X_5 + \varepsilon$: where y is the dependent variable (customer satisfaction), β_0 is the constant (intercept), β is are the regression coefficients and x_1, x_2, x_3, x_4, x_5 are tangibles, reliabilities, responsiveness, assurance and empathy.

4.4.1 T Test for regression coefficients

Table 4.3: Regression coefficients of the five dimensions of service quality

Coefficients	Std Error	T-Stat	P-value	Lower 95	Upper 95	
Intercept	6.3226	0.05	90.362	0.000	5.886	6.236
Tangibles x ₁	0.867	0.06	3.621	0.026	0.061	0.001
Reliability x ₂	0.916	0.05	2.601	0.362	0.521	0.026
Responsiveness x ₃	0.865	0.08	4.261	0.891	0.143	0.013
Assurance x ₄	0.813	0.04	4.193	0.026	0.261	0.124
Empathy x ₅	0.879	0.053	0.023	0.041	0.141	0.613

Source: Research data (2014)

From the research findings, the following values were obtained; $\beta_0=6.322$, $\beta_1=0.867$, $\beta_2=0.916$, $\beta_3=0.865$, $\beta_4=0.813$, $\beta_5=0.879$.

The regression model can therefore be expressed as follows:

$$Y = 6.322 + 0.867X_1 + 0.916X_2 + 0.865X_3 + 0.813X_4 + 0.879X_5 + \varepsilon$$

Therefore:

Customer satisfaction = 6.322 + 0.867 Tangibles + 0.916 Reliability + 0.865

Responsiveness+ 0.813 Assurance + 0.879Empathy + ε

At 5% level of significance, three variables i.e. Tangibles, Assurance and Empathy were statistically significance since their p-values were below the acceptable threshold of 0.05. However, Reliability and Responsiveness were statistically insignificant since their p values were above the acceptable threshold.

From the research findings, positive effect was found on all the dimensions of service quality i.e. tangibles, reliability, responsiveness, assurance and empathy with regression coefficients of 0.867, 0.916, 0.865, 0.813 and 0.879 respectively. These findings suggests that a unit increase in tangible dimension, taking all the other variables constant at zero would result to a 0.867 increase in customer satisfaction. Similarly, a unit increase in reliability would result to a 0.916 increase in customer satisfaction. A unit increase in responsiveness would result to a 0.865 increase in customer satisfaction. A unit increase in assurance would result to a 0.813 increase in customer satisfaction. Finally, a unit increase in Empathy would result to a 0.879 increase in customer satisfaction. These findings also suggest that taking all variables constant at zero, the effect to customer satisfaction would be 6.322.

These findings further indicate that reliability contributes most towards customer satisfaction followed by Empathy, Tangibles and Responsiveness. Assurance was seen to contribute the least. However, all the dimensions were highly rated by the respondents and therefore the service industry cannot ignore any of the dimensions as they influence customer satisfaction though at different levels.

4.4.2 Coefficient of Determination, R^2

The coefficient of determination is a number that indicates how well data fit a statistical model. It is a measure of how well observed outcomes are replicated by the model. From the analysis, the five dimensions of service quality contribute 74.2% towards customer satisfaction as represented by the coefficient of determination (R^2). Other factors contribute 25.8% towards customer satisfaction. Table 4.5 shows the regression results.

Table 4.4: Regression statistics

<i>Multiple R</i>	0.86153726
<i>R Square(R2)</i>	0.74224645
<i>Adjusted R square</i>	0.731245143
<i>Standard error</i>	0.243548651
<i>observations</i>	358

Research data (2014)

4.4.3 F Test for the Full Model

Analysis of variance (ANOVA) is a statistical model used to compare two or more variables for statistical significance. In this study, ANOVA was used to establish whether there exist a significance relationship between service quality (Independent variable) and customer satisfaction (Dependent variable). From the analysis, significance $F=0.000$, which is less than $p=0.05$ and therefore the model is statistically significant. This implies that the model can be used for prediction purposes.

Table 4.5: Test for significance

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>significance F</i>
Regression	5	61.2368547	16.36256	59.68913	0.000
Residual	327	27.6587253	0.38732		
Total	358	72.356212			

Source: Research data (2014)

4.5: Discussions

This study has examined the factors influencing customer satisfaction among guests of hotels in Nairobi, Kenya. From the analysis, 17 factors which fairly influence customer satisfaction were identified as the status of hotel’s physical facilities, status of hotel’s equipment, employee appearance, communication material, timeliness, Problem solving interest, Accuracy of records, Problem resolution time, Prompt attention to request, willingness to help, flexibility of employees, Assurance of safety and security, courtesy of employees, individualized attention, convenient operating hours, personal attention from employees, and lastly concern towards guests.

The results of the regression analysis indicate that reliability contributes most towards customer satisfaction followed by Empathy, Tangibles and Responsiveness. Assurance was seen to contribute the least. However, all the dimensions were highly rated by the respondents and therefore the service industry cannot ignore any of the dimensions as they influence customer satisfaction though at different levels. Reliability dimension constitutes error free records, timeliness of service delivery, sincere interest in solving guest’s problems and the efficiency of the service.

The results obtained were also statistically significant since the p -value for Tangibles, Assurance and Empathy was <0.05 . However, reliability and responsiveness registered a p -value >0.05 and therefore were considered to be statistically insignificant. The results of this study are consistent with the findings of Stromgren (2007), Musyoka (2013) and Akoko (2012) who found out that reliability dimension has the highest impact on customer satisfaction.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter is the synthesis of the entire study and presents a summary of findings, conclusions drawn therefore and recommendations.

5.2 Summary of Findings

The study set out to examine factors influencing customer satisfaction and the relationship between service quality and customer satisfaction in rated hotels in Nairobi, Kenya. Data was collected through a structured questionnaire which was issued to each respondent. All the 358 questionnaires issued to the respondents were returned back resulting to a 100% response rate. From the analysis, the following findings were arrived at.

The results from the study show that there are 17 factors which fairly influence customer satisfaction. These were the factors with a mean greater than 3.6 but less than 4.5 and included, status of hotel's physical facilities, status of hotel's equipment, employee appearance, communication material, timeliness, Problem solving interest, Accuracy of records, Problem resolution time, Prompt attention to request, willingness to help, flexibility of employees, Assurance of safety and security, courtesy of employees, individualized attention, convenient operating hours, personal attention from employees, and lastly concern towards guests.

The results further indicated that the status of communication materials, timeliness of service, the willingness of the hotel employees to help guests, the status of hotel

equipment and understanding of guests specific needs were the top five factors in influencing customer satisfaction. The factors with a mean greater than 4.6 would be termed as extremely influencing customer satisfaction. However, there was no factor with a mean greater than 4.6. Therefore, none of the factors listed above were perceived to be extremely influencing customer satisfaction. These results therefore suggest that there could be other factors that extremely influence customer satisfaction other than the 22 factors used in this study. Future studies should therefore explore the existence of these factors.

Of the five dimensions of service quality used for the study, three were found to be statistically significant with p-values of less than 0.05. These were Tangibles, Assurance and Empathy. Reliability and Responsiveness were found to be statistically insignificant since they had p-values greater than 0.05. The result of the regression analysis established that all the five dimensions had a positive effect on customer satisfaction though at varying degree. Reliability was found to have the greatest impact on customer satisfaction followed by Empathy, Tangibles and Responsiveness. Assurance was seen to contribute the least. All the five dimensions were highly rated by the respondents. This means that service quality is strongly linked with customer satisfaction and the higher the service quality, the higher the customer satisfaction. The results of this study are consistent with the findings of Stromgren (2007), Musyoka (2013) and Akoko (2012) who found out that reliability dimension has the highest impact on customer satisfaction.

5.3 Conclusion

This study set out to determine the factors influencing customer satisfaction and the relationship between service quality and customer satisfaction. From the above findings, 17 factors fairly influencing customer satisfaction were identified. Of these factors, the top five factors were identified as communication material, timeliness of service, willingness to help, status of hotel equipment, Problem solving interest and status of physical facilities. This implies that the hotels can improve the level of customer satisfaction by committing more resources towards improving the factors with the highest impact.

The results also show that the service quality dimensions have different impact in influencing customer satisfaction. Reliability dimension was found to have the highest impact followed by Empathy and Tangible. Responsiveness and Assurance were seen to influence customer satisfaction the least. However, all the five dimensions were highly rated and it was concluded that the rated Hotels offers high quality of services in all the five major areas.

5.4. Recommendations

This study recommends that the 17 factors fairly influencing customer satisfaction should be enhanced by all the hotels in Nairobi in order to increase guest's satisfaction with their services. The hotels should also enhance the five dimensions of service quality due to their positive impact on customer satisfaction. When allocating resources, reliability dimension should be given more allocation since it has the highest impact on customer

satisfaction. Similarly, the status of communication materials should also be emphasized since it's the main factor influencing customer satisfaction

5.5. Limitations of the study and suggestions for Further Research

The study had the following limitations. First, the study was conducted in Nairobi city only hence its findings might not be generalized to all hotels in Kenya. Thus future studies should consider examining the same variables using more hotels that cut across the various major categorizations in terms of clients served, size and location. Second, the study did not attempt to compare the views of the customers and those of employees in terms of service quality. Thus future studies should try to check whether there is any gap in ratings of customers and employees so that internal management can adjust their strategies to remedy any gaps. Finally, the study did not find any factor extremely influencing customer satisfaction. Thus future studies should try to check whether there exist other factors which could extremely influence customer satisfaction.

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APPENDICES

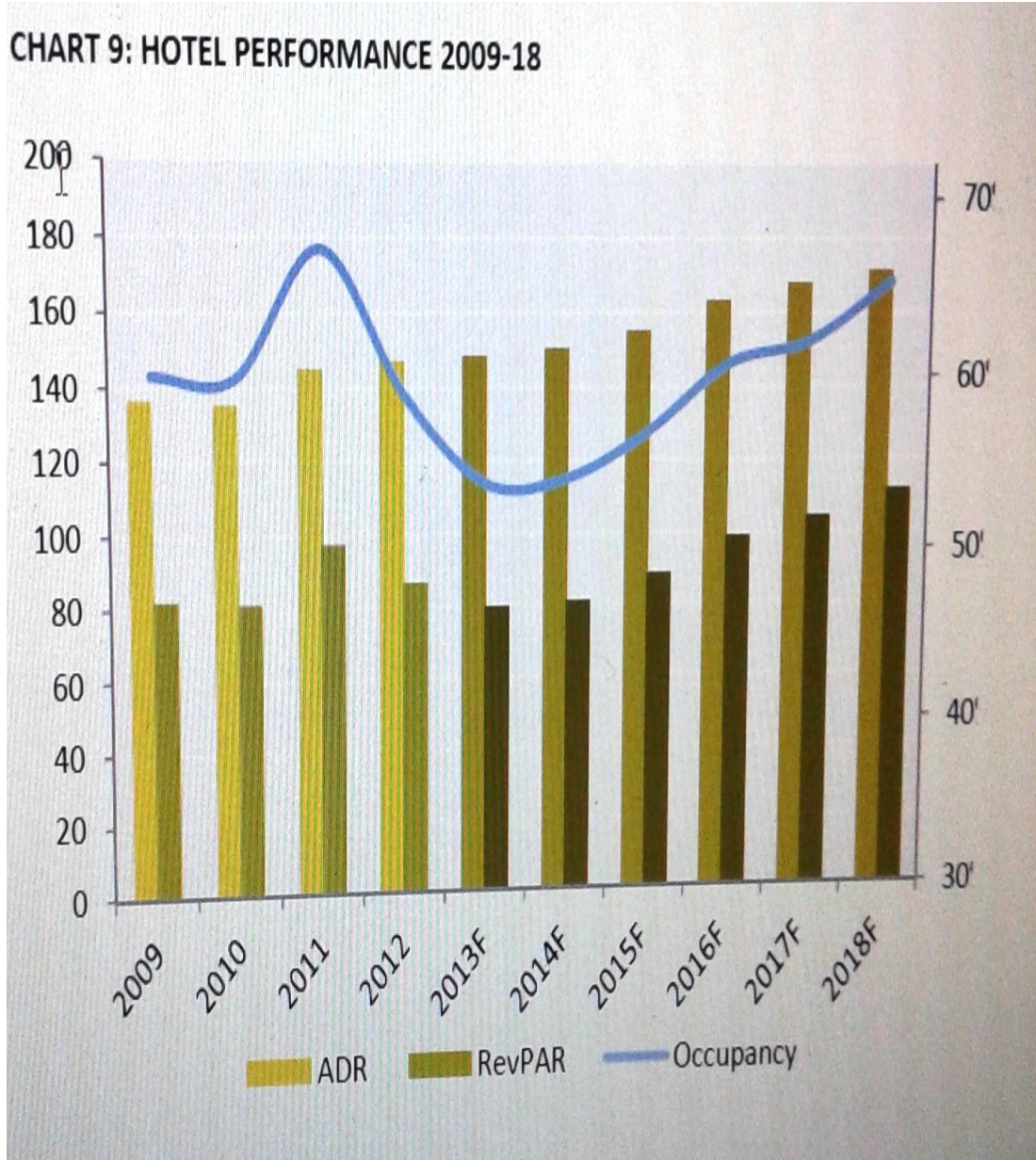
Appendix 1: Definitions of the 18 determinants of service quality.

Determinant	Description
Access	The physical approachability of service location, including the ease of finding one's way around the service environment.
Aesthetics	Extent to which the components of the service package are agreeable or pleasing to the customer, including both the appearance and the ambience of the service environment, the appearance and presentation of service facilities, goods and staff.
Attentiveness/ helpfulness	The extent to which the service, particularly of contact staff, either provides help to the customer or gives the impression of interest in the customer and shows a willingness to serve.
Availability	The availability of service facilities, staff and goods to the customer. I
Care	The concern, consideration, sympathy and patience shown to the customer.
Cleanliness/ tidiness	The cleanliness, neat and tidy appearance of the tangible components of the service package, including the service environment, facilities, goods and contact staff.
Comfort	The physical comfort of the service environment and facilities
Commitment	Staff's apparent commitment to their work, including the pride and satisfaction they apparently take in their job, their diligence and thoroughness.
Communication	The ability of the service providers to communicate with the customer in a way he or she will understand.
Competence	The skill, expertise and professionalism with which the service is executed.
Courtesy	The politeness, respect and propriety shown by the service, usually contact staff, in dealing with the customer and his or her property.
Flexibility	A willingness and ability on the part of the service worker to amend or

	alter the nature of the service or product to meet the needs of the customer.
Friendliness	The warmth and personal approachability of the service providers, particularly of contact staff, including cheerful attitude and the ability to make the customer feel welcome.
Functionality	The serviceability and fitness for purpose or “product quality” of service facilities and goods.
Integrity	The honesty, justice, fairness and trust with which customers are treated by the service organization
Reliability	The reliability and consistency of performance of service facilities, goods and staff.
Responsiveness	Speed and timeliness of service delivery.
Security	Personal safety of the customer and his or her possessions while participating in or benefiting from the service process.

Source: Johnston and Silvestro (1990)

Appendix 2: Projected occupancy rate for Nairobi Hotels from 2009 to 2018



Source: <http://www.hvs.com>

Appendix 3: Number of star rated hotels in Nairobi and respective bed capacity

	Hotel Category	Number of Beds	Number of Guests with average occupancy of 55%	Percentage of the sample	Number of samples
No	Five Star Hotels				
1	Hotel Intercontinental	770	424	12%	45
2	Laico Regency Hotel	388	213	6%	22
3	Hilton Hotel	353	194	6%	20
4	The Norfolk Hotel	334	184	5%	19
5	Nairobi Serena	283	156	5%	16
6	The Stanley	434	239	7%	25
7	Safari Park Hotel	285	157	5%	17
	Three Star Hotels				
1	The Bounty Hotel	100	55	2%	6
2	Fair View Hotel	163	90	3%	9
3	Marble Arch Hotel	77	42	1%	4
4	Landmark Hotel	242	133	4%	14
5	Holiday Inn	342	188	6%	20
6	Windsor Golf Country club	260	143	4%	15
7	Nairobi Safari Club	282	155	5%	16
8	Utalii Hotel	105	58	2%	6
9	Ambassadeur Hotel	190	105	3%	11
	Two Star Hotels				
1	Panafric Hotel	46	25	1%	3
2	Silver Spring Hotel	188	103	3%	11

3	Hotel Boulevard	140	77	2%	8
4	Six Eighty Hotel	680	374	11%	39
5	Sports View Hotel	104	57	2%	6
	One Star Hotel				
1	Fig Tree Hotel	60	33	1%	4
2	Milimani Hotel	90	50	1%	5
3	Hotel Southern Blue	112	62	2%	7
4	Blue Hut Hotel	100	55	2%	6
5	Karibu Hotels	72	40	1%	4
	TOTALS	6200 Beds	3412 Guests	100	358

Source: Source: Kenya gazette, 13th June, 2003, vol.cv-no.62,

Appendix 4: Research Questionnaire

PART 1: RESPONDENT GENERAL INFORMATION

This part is on general information about you as respondent. Please provide answers to the following questions by ticking (√) against the most suitable alternative or giving narrative responses in the spaces provided. Your response shall be accorded all the confidentiality it deserves and will only be used for academic purposes.

Name of Hotel.....

Gender: Male [] Female []

Age: 18-25 [] 26-35 [] 36 – 45 [] 46 – 55 [] above 55 []

Nationality: Kenya [] Rest of Africa [] Europe [] USA [] Middle East [] Asia []

Other (Specify).....

Purpose of Visit: Airline crew [] Leisure [] Business [] Meeting/Conference []

Other (Specify).....

Number of visits to this hotel: First visit [] 2 to 5 visits [] 6 to 10 visits [] more than 10 visits []

PART II: FACTORS INFLUENCING CUSTOMER SATISFACTION

This part concerns the factors that influence your satisfaction with hotel services. Please show the extent to which you think each factor influences your satisfaction with the hotel services. Do this by putting a tick (√) in the appropriate box. A “1” means you strongly disagree while a “5” means that you strongly agree. You may tick any of the number in the middle that shows how strong your feelings are. There are no rights or wrong answers.

No	Please indicate the extent to which you agree that the following factors influence guest satisfaction with hotel services.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Hotel’s Physical facilities	1	2	3	4	5
2	Hotel’s Equipment	1	2	3	4	5
3	Appearance of hotel employees	1	2	3	4	5
4	Communication materials	1	2	3	4	5
5	Timeliness of service	1	2	3	4	5

6	Problem solving interest	1	2	3	4	5
7	Efficient service	1	2	3	4	5
8	Consistency of service	1	2	3	4	5
9	Accuracy of records	1	2	3	4	5
10	Problem resolution time	1	2	3	4	5
11	Prompt attention to guest's requests	1	2	3	4	5
12	Willingness to help	1	2	3	4	5
13	Flexibility of employees	1	2	3	4	5
14	Behavior of employees	1	2	3	4	5
15	Safety and security	1	2	3	4	5
16	Courtesy of employees	1	2	3	4	5
17	Competence of employees	1	2	3	4	5
18	Individualized attention	1	2	3	4	5
19	Convenient operating hours	1	2	3	4	5
20	Personal attention from employees	1	2	3	4	5
21	Concern towards guest interest	1	2	3	4	5
22	Understanding guest specific needs	1	2	3	4	5

PART III: PERCEPTION ON THE QUALITY OF SERVICE

This part concerns how you feel about aspects of service quality levels at the hotel. Please tick (√) in the appropriate box to show the extent to which you believe the hotel has features described by the statement. A “1” means you strongly disagree while a “5” means that you strongly agree. You may tick any of the number in the middle that shows how strong your feelings are.

Dimension of service quality	Please indicate the extent to which you agree with the following statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
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1.1: Tangibles	The Hotel has good looking facilities.	1	2	3	4	5
1.2: Tangibles	The Hotel's physical facilities are visually appealing.	1	2	3	4	5
1.3: Tangibles	The Hotel's employees are neat appearing	1	2	3	4	5
1.4: Tangibles	The materials associated with the service (such as pamphlets) are visually appealing.	1	2	3	4	5
2.1: Reliability	When the hotel promises to do something by a certain time it does so.	1	2	3	4	5
2.2: Reliability	When you have a problem the hotel shows a sincere interest in solving it.	1	2	3	4	5
2.3: Reliability	The hotel performs the service right the first time.	1	2	3	4	5
2.4: Reliability	The hotel provides its services at the time it promises to do so.	1	2	3	4	5
2.5: Reliability	The hotel insists on error-free records.	1	2	3	4	5
3.1: Responsiveness	The hotel employees tell you exactly when services will be performed.	1	2	3	4	5
3.2: Responsiveness	The hotel employees give you prompt service.	1	2	3	4	5
3.3: Responsiveness	The hotel employees are always willing to help you.	1	2	3	4	5
3.4: Responsiveness	The employees are never too busy to respond to your requests.	1	2	3	4	5
4.1: Assurance	The behavior of hotel employees instills confidence in customers.	1	2	3	4	5
4.2: Assurance	You feel safe in your transactions with the hotel.	1	2	3	4	5
4.3: Assurance	The hotel employees are consistently courteous with you.	1	2	3	4	5
4.4: Assurance	The hotel employees have the knowledge	1	2	3	4	5

	to answer your questions.					
5.1: Empathy	The hotel gives you individual attention.	1	2	3	4	5
5.2: Empathy	The hotel's operating hours are convenient to its customers.	1	2	3	4	5
5.3: Empathy	The hotel has employees who give you personal attention.	1	2	3	4	5
5.4: Empathy	The hotel has your best interest at heart.	1	2	3	4	5
5.5: Empathy	The hotel employees understand your specific needs.	1	2	3	4	5

Source: Cronin and Taylor (1992)