

Service Quality and Sustainable Development in the Hotel Industry in Owerri Municipal Area of Imo State: A Study of Pinewood Hotel Limited

Onyeike, Iheanyi Samuel, Ph.D¹; Echereobia, Nkiruka Justina, Ph.D²; Egbeh, Placid
Chukwurah, Ph.D³

^{1, 2 & 3} Department of Marketing,
Federal Polytechnic Nekede, Owerri.

¹ +2348033427247, samuelonyeike@gmail.com

Abstract

Research Objective: Service quality is an assessment of how well a delivered service matches the expectations of the client/customer. Sustainable development refers to the kind of development that meets the needs of the present without compromising the ability of the future generations to meet their own needs. This study examined the effect of three dimensions of service quality (Assurance, Tangibles and Reliability) on sustainable development in the hotel industry in Owerri Municipal area of Imo State.

Methodology: Three research questions and three hypotheses were formulated in the study. Related literature was revealed on select dimensions of service quality and sustainable development. The study adopted the descriptive research design. A self-administered questionnaire was used to collect primary data from 100 customers of Pinewood hotel, Owerri. The research instrument was found to be valid. The researchers used a convenient sampling technique. Data were analyzed using SPSS and Multiple linear regression analysis.

Findings: The findings from multiple linear regression analysis showed a significant and positive relationship between the three dimensions of service quality and sustainable development in Pinewood hotel Limited Owerri.

Recommendations: The researchers recommended that players in the hotel industry should strive to improve on their overall service quality delivery that would lead to environmental, social and economic stewardship

Key words: Service quality, Service expectations, Service perceptions, Sustainable development.

1.0 INTRODUCTION

1.1 Background of the study

Service quality and sustainable development are attracting increased attention in the marketing plans and strategies of many service operators (Onuoha 2011). The increased competition in the hotel industry and awareness of consumers of their rights have put pressure on service providers to improve the quality of their services to satisfy their customers. Service

quality is an assessment of how well a delivered service matches the expectations of the client/customer.

Service quality in most service industries is measured by the SERVQUAL Model proposed and designed by (Parasuraman, Zeithaml & Berry., 1985;1991). Parasuraman et al. (1985) defined service quality as a function of the differences between expectation and performance along ten major dimensions. In later research, Parasuraman et al. (1988) revised and defined the service quality in terms of five dimensions: Tangibility Reliability, Assurance Responsiveness, and Empathy. Although the five dimensions recommended earlier provide a framework of customer expectations and perceptions. In order to ascertain the present position, every organization should concentrate on its own research to measure the relative importance of the service dimensions among the customers and also with market segments by comparing its performance with that of competitors in the Industry.

Sustainable development on the other hand is the kind of development that ensures that the present generation in quest of meeting their needs does not compromise the need of the future ones to meet their own needs. The most often quoted definition of sustainable development is the one expressed during **the World Commission on Environment and Development** in 1987, chaired by Gro Harlem Brundtland. This definition stated that “*mankind has the ability to ensure sustainable development, meaning that the present necessities are met without compromising the ability of future generations to meet their own needs*”. Sustainable development implies the integration of the three essential and inseparable aspects of development: the **Environmental, Economic and Social dimensions**

This implies that the hotel industry should not seek for its own perpetuity at the cost of other sectors. Hotel development should be made consistent with the general tenets of sustainable development by determining specific principles(Dutta & Dutta, 2009). . Therefore, a need exists to understand the interplay between the economic, environmental and social systems of the hotel industry in Imo state with focus on Pine wood Hotel, Owerri.

Pinewood Hotel is a strong brand in the provision of hotel services in Owerri, Imo state. The hotel is mainly into Active Life, Associations, Banquet Halls and offering , Swimming Pool, , Bar Services, and Conference Facilities.

1.2. Statement of the problem

The hotel industry in Owerri is growing with a lot of new entrants on a daily basis. Due to this intensive competitive situation, it is necessary for all the hotels to maintain improved service quality to the customers by providing acceptable levels of service that meet their expectations and sustainable development. Ukwuoma(2008) discovered that most customers place a lot of emphasis on the quality service dimensions in their choice of hotels. Customers are often evaluating and comparing the entire services put forward by the various hotels in the competitive market. Any lack in the services or in the quality may cause dissatisfaction among them and may lead to switching over to the competitors thereby causing a horrible

condition to the organization. The burden of this study is to examine the present quality of service delivery by Pinewood hotel and confirm whether it is meeting the customers expectations and its impact on sustainable development.

1.3 Objectives of the Study

The major objective of the study is to determine the effect of service quality on sustainable development in the hotel industry with particular reference to Pinewood Hotel, Owerri based on three out of the five dimensions of the SERVQUAL Model of Parasuraman, et al. (1988)

Specifically the objectives of the study are to:

1. determine the effect of the “Assurance” component of service quality on sustainable development of Pinewood hotel Owerri.
2. determine the effect of the “Tangibles” component of service quality on sustainable development of the hotel .
3. determine the effect of the “Reliability” component of service quality on sustainable development of the hotel.

1.4 Research Questions

The following research questions guided the study;

1. To what extent does the “Assurance” component of service quality affect sustainable development of Pinewood hotel, Owerri?
2. To what extent does the “Tangibles” component of service quality affect sustainable development of the hotel ?
3. To what extent does” Reliability” component of service quality affect sustainable development of the hotel ?
- 4.

1.5 Hypotheses of the Study

The following hypotheses guided the study;

- HO₁. There is no significant relationship between the “Assurance” component of service quality and the sustainable development of Pinewood hotel. Owerri
- HO₂. There is no relationship between the “Tangibles” component of service quality and the sustainable development of the hotel.
- HO₃. There is no relationship between” Reliability” component of service quality and sustainable development of the hotel.

1.6. SCOPE OF THE STUDY

The geographical scope of the study; covered Pinewood Hotel.Owerri out of the numerous hotels in Owerri Municipal area, . **The content scope** was limited to three dimensions of service quality out of the five conventional areas of focus popularized by (Parasuraman,etal 1988), and the domains of Sustainable development

The unit scope was drawn from the guests that lodged in the hotel during the period of the study.

2.0 REVIEW OF RELATED LITERATURE

In this section, the researchers reviewed related literature on the variables of the study . It comprised of conceptual, theoretical and empirical reviews

2.1 Conceptual Review

2.1.1 The Assurance dimension of Service Quality

Parasuraman, et al. (1988) identified the concept of assurance in the service quality as building customer trust and confidence. It stems from competence, credibility and sincerity. A strong disposition to honesty, expertise and integrity are paramount in customer satisfaction(Elangovan, , & Sabitha, 2011). In the hotel industry the delivery of quality services is an element of strategic differentiation and this fact is related to the evolution of consumer habits and the rise of competitiveness among tourism companies (Aaker, & Jacobson,1994)

2.1.2: The Tangibles dimension of Service Quality;

The tangibles dimension refers to the first impressions customers form about a business which often ignored affect the overall service delivery effort of the firm. A well- maintained physical infrastructure conveys a strong image of professionalism and care. Tangibles include facilities, equipment , communication materials etc.

2.1.3: The Reliability dimension of Service Quality;

This is an essential part of customer satisfaction. Customers treasure consistency and accuracy in service delivery.. Reliability of a firm in pursuing this concept could be appraised from performance, problem resolution, .record keeping. Timeliness etc perspectives.

2.2.4: Domains of Sustainable development;

Onuoha(2011) explained the major domains of sustainable development as ; Environmental Sustainability, Economic Sustainability and Social Sustainability

Environmental Sustainability entails the capacity to preserve over time the three basic functions of the environment: the resource supply function, the waste receiver function and that of direct usefulness. Economic Sustainability means the capacity of an economic system to generate a constant and improving growth of its economical indicators. Social Sustainability can be defined as the ability to guarantee welfare (security, health, education), equitably distributed among social classes and gender.

The concept of sustainable development grew further out of dissatisfaction with entrenched policies of continuous economic growth and unequal distribution of benefits and costs orchestrated by most business enterprises (Ofir. & Simonson. 2001,; Cronin & Taylor, 1992).

2.2 Theoretical Review

In this section, the researcher evaluated some theories or models considered relevant to the study of service quality. However ,this study is anchored on the service Quality (SERVQUAL) Model of Parasuraman et al., (1988). However the researchers deemed it necessary to expose other models in the service industry.

2.2.1 The SERVQUAL(Service Quality) Model

Parasuraman et al., (1988) proposed a service quality model for the first time and they said service quality can be measured through a functional quality dimension which has five components (tangibility, reliability, responsiveness, assurance, empathy). This model identifies the gaps of service quality of the service organization which describe five gaps during the service expectation till the actual service delivery.

The first gap is the service providers do not know the expectations of the customers about the service.

The second gap is that the service provider does not recognize the standard of service that the customer expects.

Specifications of the service and delivery of service is the third gap.

The fourth gap is related to delivery of the service.

The last and final gap is the customer's expectation about the service and the perceived service.

2.2.2 SERVPERF (service performance) Model

Cronin and Taylor (1992) developed a different model called performance only model to measure the service quality. They claimed that SERVPERF (service performance) is more suitable and accurate than SERVQUAL. They also claimed that SERVPERF needs fewer items than SERVQUAL to measure the service quality of any service company and better service quality influences customer satisfaction.

2.3 Empirical Review

In this section, the researchers espoused some past findings related to the study

Ukwuoma(2008) examined the influence of environmental factors (economic, social and cultural) on the measurement of service quality and satisfaction in restaurant settings in Port Harcourt city The researcher adopted a cross sectional survey design and administered 120 questionnaires to customers who patronized the restaurant over the duration of the study. With partial metric invariance, latent mean comparisons revealed that regardless of expectations, Port Harcourt respondents reported lower quality perceptions and satisfaction ratings when performance was high and higher satisfaction ratings when performance was low. Thus, there is some evidence that Port Harcourt consumers are more conservative in their evaluations of superior service but are less critical (or more forgiving) of inferior service. Findings also revealed their low awareness of the impact of environmental factors on their consumption habits except for tangibles(physical evidence).

Ajomiwe(2013) in a similar study on the effect of service quality on sustainable development in Abia hotels, Aba found that operations in the hotel industry were to a large extent dependent on a significant interface between service quality delivery and sustainability. The study adopted research methods using primary data from surveys of people who patronize the tourism industry. The technique used was descriptive analysis and simple linear regression. The results showed that the public perception of hotel services with indicators assurance, tangibles and, reliability, was low in terms of sustainable development

3.0 METHODOLOGY

3.1 Research Design

The descriptive research design was used in this study, to measure the relationship between the independent variables Assurance(AS),Tangibles(TS) and Reliability(RS) and the dependent variable (Sustainable Development(SD) of the study. Questionnaires, and research of records were used to obtain primary and secondary data.

3.2 Population and Sampling size of the Study

The population of this study was drawn from a select customer of Pinewood Hotel totaling 100.

3.3 Sampling Technique

The selection of respondents was based on a non-probability convenience sampling technique.

3.4 Research instrument

The questionnaire was adopted from (Parasuraman et al., 1988). It consists of 15 questions across the three out of the five dimensions of service quality (Assurance, Tangibles and Reliability,)and five questions on Sustainable Development. A five (5)-point Likert scale from “strongly disagree” to “strongly agree “was used in the collection of data. The questionnaire has two portions, part one consists of the questions regarding the information of the respondents, and part two was planned to inspect the perception of customers regarding the service quality of the hotel.

3.5 Method of Data Analysis

Data collected from the respondents in Pinewood hotel were analyzed using SPSS multiple regression technique,

3.5 Reliability of the measuring instrument;

The Cronbach alpha of three out of the five dimensions of SERVQUAL is greater than 0.70 which shows that there is an internal consistency in the dimensions of SERVQUAL. It ranged from 0.70 to 0.91. So the reliability of the study was good.

4.0 PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Presentation of Data

Data for this study were collected from one hundred(100) guests who lodged at Pinewood hotel, Owerri during the period of the study. They completed and duly returned the study questionnaire

4.2.Data analysis

The multiple regression analysis was used in the analysis of questionnaires and tests of hypotheses. The Result of the Regression of “service quality” Y on X₁ to X₃

The summarized result of the computer-aided regression analysis of field survey data is reported in Table 4.1 below.

Table 4.1 Result of the Multiple Regression Analysis of Y on X₁ to X₅.

Variable	Coefficient	t-statistic	p-value	Standard Error
Y (SD)	15.479	6.76	0.00	2.288
X ₁ (AS)	0.318	2.598	0.011	0.122
X ₂ (TS)	0.431	4.413	0.000	0.098
X ₃ (RS)	0.201	2.298	0.024	0.087

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Intercept = 15.479; Multiple Correlation Coefficient (R) = 0.675; Coefficient of Determination (R²) = 0.456

Source: Multiple regression analysis of field survey data-2025.

The model (regression equation) generated from the computer analysis output summarized above is:

$$Y = 15.479 + 0.318AS + 0.431(TS) + 0.201(RS) \dots \dots \dots \text{(Equation. 4.1)}$$

With the knowledge of the values of the independent variables provided in Equation 4.1, the service quality (SQ) can easily be estimated. The coefficients in the fitted model (Equation 4.1), indicate the marginal effect of each of the independent variables on “sustainable Development”, when all the other independent variables are held constant. The coefficient therefore represents an increase in Y when one independent variable is increased by one unit, while holding the other independent variables constant. The positive coefficients of the three independent variables indicate a positive marginal effect on “Sustainable development”. For example, the coefficient of X₁(AS) is b₁ = 0.318, which means that “Sustainable development” is increased by 0.318 (32%), when “Tangibles” (X₁) is increased by one unit. Similar interpretations can be made for the coefficients of the other independent variables.

The multiple correlation coefficient of R = 0.675 indicates above average positive relationship between “Sustainable development” and the three contributing service quality dimensions. The multiple coefficient of determination R² of 0.456, indicates the proportion of the variance in “sustainable development” explained by all the independent variables X₁ to X₃. The R² value of 0.456 can be interpreted to mean that Assurance, Tangibles and Reliability jointly account for 45.60% of the variance in “sustainable development”. 54.40% of the variance is unexplained by this study. The t-values (column 3, Table 4.1) are used to test the statistical significance of each of the three independent variables on “Service quality”. The Standard Error (SE) (column 4, Table 4.1) is a measure of the total sampling error of the correlations. It is a combination of the standard error of the estimate and the standard error of the regression line. Standard Errors are summed by adding their squares.

The regression analysis reported the results of statistical tests as probability values (p values) summarized in column 4, Table 4.1 above. The p-value is the probability of observing a sample value as extreme as, or more extreme than, the value actually observed, given that the null hypothesis is true. The p-value is compared to the significance level (α), and on this basis the null hypothesis is either rejected or not rejected. If the p-value is less than the significance level, the null hypothesis is rejected (if p-value < α, reject null). If p value is greater than or equal to the significance level, the null hypothesis is not rejected (if p-value > α, null

hypothesis is not rejected. In column 4, Table 4.1 above, all the three independent variables are statistically significant as they have p-values less than 0.05. Tangibles ($p = 0.000$) is the most statistically significant, followed by Assurance ($p = 0.011$). Reliability ($p = 0.024$) is the least significant. This means that the three independent variables, although statistically significant, make varied degrees of contributions to the value of sustainable development. With these results, all the three null hypotheses were rejected which entails that the three dimensions of service quality investigated have a positive relationship with sustainable development of Pinewood Hotel, Owerri.

5.0 CONCLUSION, SUMMARY OF FINDINGS AND RECOMMENDATIONS

5.1 Conclusion

The study concluded that there is a significant relationship between the select dimensions of Service quality and sustainable development. It is vital to incorporate all sustainable development actions into standard service operating procedures.

5.2 Findings

The findings from the study revealed a significant relationship between the three service dimensions of Assurance (AS), Tangibles(TS) and Reliability(RS) with sustainable Development(SD). “Tangibles” is the principal service component used by customers of Pinewood Hotel to assess sustainable development in terms of cleanliness of the rooms and ambience of their environment, greenness of their food and waste management strategy. Ranked next by the customers is assurance through the courtesy and confidence exhibited by the hotel staff when issues of sustainable development were raised.

5.3 Recommendations

The researchers recommended that the hotel should enshrine the dimensions of service quality in its overall customer satisfaction and competitive strategy for the following reasons;

- First, this will help the employees to work as per Sustainable Development guidelines.
- Second, it will ensure that new employees will not see any other way of approaching their work.
- Third, it will instill a Sustainable Development culture throughout the hotel and entice all employees to live with the strategy and eventually stimulate them to propose new ideas to the work practices of the hotel.

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