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## **Assessment of Customers' Expectations and Perceptions of Service Performance in the Hospitality Industry in Nigeria using SERVQUAL Model**

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### **ABSTRACT**

*This study assessed customers' expectations and perceptions of service quality in the hospitality industry in Nigeria using SERVQUAL MODEL. The main objective of the study was to assess the level of service quality in the hospitality industry in Anambra part of Nigeria. The specific objectives were to determine whether significant gap (if any) exist between customers' expectations and actual service performance and also its impact (if any) on managerial competitiveness in the hospitality industry. Three research questions and hypotheses were formulated. Descriptive research design was used for the study. The returned 232 copies of the questionnaire were utilized from nine selected hotels for analysis. Paired samples z-test was used to measure customers' expectations and actual service performance while one-sample z-test statistical technique was used to test the three hypotheses formulated for the study. All null hypotheses tested were rejected. The major findings revealed a significant gap between customers' expectations and actual service performance which has moderately impacted on the managerial competitiveness in the hospitality industry in Anambra part of Nigeria. The study concluded therefore that the meeting of customers' expectations will help close the resultant gap identified in this study for improved customers' satisfaction. The study recommends the institutionalization and operationalization of service quality strategies geared towards meeting of customers' expectations, should be the priority of hospitality firms for improved customers' satisfaction in Nigeria.*

**Keywords: Customer Expectations, Service Performance, Hospitality Industry, SERVQUAL**

### **INTRODUCTION**

The importance of services cannot be over-emphasized coupled with the fact that greater number of people are living in increasingly service-based economies. Hospitality industry has played an instrumental role in the lives of people and it is pertinent for hospitality firms to know what customers expect and actually perceived from them in order to enhance customers' satisfaction of services offered to them. The complex nature of service

## **Assessment of Customers' Expectations and Perceptions of Service Performance in the Hospitality Industry in Nigeria using SERVQUAL Model**

**Anetoh, John Chidume**

quality has generated issues, concerns and divergent views among the customers, firms, service providers, hotel attendants, businessmen and even academics about the best way to conceptualize and measure it. The quality of service determines the level of customer satisfaction in the hospitality industry. This highlights the importance of service quality for organizational survival and growth. Service quality according to Eshghi, Roy and Ganguli (2008) is seen as the overall assessment of a service by the customers. Parasuraman, Zeithaml and Berry (1985) capture it as the discrepancy between customer's perceptions of services offered by a particular firm and their expectations about firms offering such services. Palmer (2005) unravels that many analyses of service quality have attempted to distinguish between objective measures of quality and measures which are based on the more subjective perceptions of customers. A good quality of hotel services is considered as one which meets or exceeds customer's expectations of service. The rising competitive provision of hospitality services has led customers to become more selective in the quality of services they expect. The emphasis lies on the importance which customers attach to the quality of hospitality services in Nigeria. Hence, this study seeks to determine service quality gap level by assessing customers' expectations and actual service performance of hospitality industry in order to improve service quality for enhanced customers' satisfaction in Nigeria.

### **STATEMENT OF THE PROBLEM**

The motivation for this study emanated from the fact that many researchers have conducted different studies on service quality measured in terms of customer's satisfaction by assessing customers' expectations and service performance levels in the hospitality industry in different parts of the world, but a gap still exists in their varying findings. Akbaba (2006) came out with a moderately fair result when he measured the service quality of hotels in Turkey by comparing customers' expectations and actual service performance. Eijaz (2008) conducted a study on service quality measurement and customer satisfaction of the Luxury hotels in Khulna, Australia. The findings indicated, as a whole, that the hotel guests' perceptions of service quality provided by the hotel industry were lower than their expectations.

Sakun and Nopadol (2012) recorded moderately low perceived service quality when they measured the service quality of two hotels in Thailand. Nasiru, Okunola and Yina (2013) measured the service quality levels of 10 hotels in Ikeja, Lagos State. Their findings revealed that the perceived service quality in the area is below average. Regrettably, coming down to Anambra part of Nigeria, there is scanty record that shows the service

quality levels measured in terms of customer satisfaction by assessing customers' expectations and service performance. There is also no documented evidence that revealed the extent of comparability between customers' expectations and perceptions of service quality in the hospitality industry in Anambra part of Nigeria, notwithstanding the vibrancy of hospitality services in the environment characterized by change and instability (Suleiman, 2013). In the light of the above, this study seeks to measure hotels' service quality level by assessing customers' expectations and service performance and also evaluate the resultant gap (if any) on managerial competitiveness as well as offering means of close the identified gaps (if any) for improved customers' satisfaction.

### **OBJECTIVES OF THE STUDY**

The main purpose of this study is to assess the level of service quality in the hospitality industry in Anambra part of Nigeria. The specific objectives of the study are;

- i. to determine whether customers' perceptions of service performance are comparable with their expectations.
- ii. to investigate whether the resultant gap (if any) between customers' expectations and actual service performance is significant.
- iii. to evaluate whether the resultant gap (if any) has impacted on managerial competitiveness.

### **RESEARCH QUESTIONS**

Based on the objectives of this study, the following research questions are formulated;

- i To what extent do customers' perceptions of service performance comparable with their expectations?
- ii. How significant is the resultant gap (if any) between customers' expectations and actual service performance?
- iii. To what extent has the resultant gap (if any) impacted on managerial competitiveness?

### **RESEARCH HYPOTHESES**

The following hypotheses are formulated in their null structure to guide the study;

- HO<sub>1</sub>: Customers' perceptions of service performance are not different from their expectations.
- HO<sub>2</sub>: There is no significant resultant gap between customers' expectations and actual service performance.
- HO<sub>3</sub>: The resultant gap (if any) has not impacted on managerial competitiveness.

**Anetoh, John Chidume**

## **SIGNIFICANCE OF THE STUDY**

The hoteliers, owners, managers and other stake holders in the hotel industry are to benefit from this study as it enables them take managerial actions and decisions relating to service quality, customers expectations and actual service experiences. The study is of great benefit to customers in solving the complex issues related to service quality and performances as well as other behavioural areas such as customer satisfaction, loyalty, retention, expectations and perceptions. It helps to close the gap between customer's expectations and actual service performance since the hoteliers are meant to be more knowledgeable on how to improve service quality for utmost customers' satisfaction. The study serves as a reference source for future researchers on the same or related issues. It is of great value to academic community and the general public. Lastly, the resultant vibrancy in the hospitality industry is expected to benefit government through tax.

## **SCOPE AND DELIMITATION OF THE STUDY**

The study is limited to assessing customers' expectations and perceptions of service quality in the hospitality industry in Anambra part of Nigeria using servqual model. The study also focuses on service quality; concepts, dimensions, customers' expectations, customer perceptions of service performance, evaluate the resultant gaps and its effects on managerial competitiveness as well as devising means of closing identified gaps (if any) for improved customers' satisfaction.

## **REVIEW OF RELATED LITERATURE**

### **Conceptual Framework**

#### **Definition of Services**

According to Zeithaml and Bitner (2003) "Services include all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeliness, comfort or health) that are essentially intangible concerns of its first purchaser". Agbonifoh, Ogwo, Nnolim and Ekerette (1998) define services as "the services offered for sale in its own right rather than as an adjunct to or accompaniment to tangible products or objects". Palmer (2005) defines services as "the production of an essentially intangible benefit, either in its own right or as a significant element of a tangible product, which through some form of exchange, satisfies an identified need". American Marketing Association (1960) defines services as "activities, benefits and satisfactions, which are offered for sale or are provided in connection with the sale of goods". Ubanagu and Ndubisi (2004) see services as those intangibles offered for sale that directly satisfy consumers' needs on their own right instead of serving as augment to other

tangible products". Kotler (1991) defines service "as any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything".

### **THE SPECIAL CHARACTERISTICS OF SERVICES**

Services have four unique characteristics that distinguish them from goods (Palmer, 2005). They are as follows:

**a. Intangibility:** It refers to the total lack or perception of a service's characteristics before and after it is performed. The term was first used in 1963 and is the most radical characteristic of services, from where the others emanate. Ndubisi (2008) points out that services unlike tangible goods cannot be smelt, heard, touched, seen, tasted and felt before consumption. Ugonna (2008) defines it "as anything that cannot be held, touched, seen, tasted or smelt before the purchase decision as services lack physical possession. Ugonwenyi (2006) suggests that since there is no physical product, services are sold on the basis of benefits. Achison (2000) writes that it cannot be protected through patents, readily displayed or communicated, there is difficulty in setting prices. According to Ubanagu and Ndubisi (2004) to attract patronage from consumers, marketers must be able to transform intangible services to concrete benefits. Moreover in hotels, marketers are challenged to add physical evidence and imagery in a way that would "tangibilize the intangible". Intangibility ends up to total lack of perception of a service's features before and after it is performed. Services unlike tangible goods cannot be touched, smelt, seen, tasted and felt before consumption. It lacks physical possession.

**b. Inseparability:** It refers to simultaneous production and consumption of services. The production process of services has been called "servuction" process (Eiglier and Langeard, 1997). Ugonna (2008) suggests that a consumer cannot have a hair cut produced today for consumption at a later time. Ubanagu and Ndubisi (2004) contribute that the provider of a service becomes a part of the service offer and if the consumer is also present as in banking, the resultant seller/buyer relationship shows the special features or characteristics of service marketing. Eiglier and Langeard (1997) opine that customer plays a role in the servuction and the delivery process as he/she is present when the service is produced. Ndubisi (2008) in his view that inseparability makes it very difficult to compare services and the said comparison becomes even more difficult because of the short life span of services. The consumption of a service is said to be inseparable from its means of production. Producer and consumer must interact in order for the benefits of the service to be realized as both must normally meet at a time and place that is mutually convenient in order that the producer can directly pass on service benefits.

**Anetoh, John Chidume**

**c. Variability/Heterogeneity:** Variability refers to the potential for high fluctuations in the performance and the quality of services, caused by the interaction between the service employee and the customer. The heterogeneity of service entails the performance of the employees delivering one same service varies between different hours of the day from employee to employee and from service company to service company. Kotler and Armstrong (2006) observe that a major characteristic of services is that their quality may vary greatly, depending on who provides them and when, where and how. Ndubisi (2008) suggests that services are highly variable and non-quantifiable unlike the physical products which after production could be counted and the materials needed for their production must have been determined beforehand. However, since services depend on the people who provide them, their quality varies with the providers' capabilities and day-to-day job performance. According to Ugonna (2008) services are challenging because the quality of a service is often inconsistent. To sum it up, variability of service refers to the potential for high fluctuations in the performance and the quality of services, caused by the interaction between the service employee and the customer. Services depend on the providers, when, where and for whom it is produced. Human beings vary so the quality of services they render are not consistent.

**d. Perishability:** It refers to the fact that services cannot be saved, stored, resold or returned. The supply and demand for services is very difficult to synchronize. According to Adirika, Ebue and Nnolim (2001) services are usually consumed simultaneously at the point of their production and as a result possess very short life span that makes them more perishable. That is why services cannot be stored. Ubanagu and Ndubisi (2004) suggest that the inability to store services makes scheduling of production imperative in services marketing, since there is no inventory to fall back on in the case of increased demand for the service product. Ugonwenyi (2006) observes that when a service is over, it is over for ever. Ugonna (2008) sees perishability as the impossibility of storing unused service for future use as inventory of services is different from that of goods. According to Kotler and Keller (2006) services cannot be stored, so their perishability can be a problem when demand fluctuates. Therefore, demand or yield management is critical. The right services must be available to the right customers at the right places at the right times and right prices to maximize profitability. Palmer (2005) opines that perishability of service portrays that services cannot be saved, stored, resold or returned. Services are usually consumed simultaneously at the point of their production and as a result possess very short life span that makes them more perishable. When a service is over, it is over forever as it cannot be recouped.

## **THE CONCEPT OF QUALITY**

The vision and philosophy of quality in meaningful words and concepts are part of the difficulty and confusion as quality is an elusive concept. Evans (1995) sees quality as the totality of features and characteristics. Juran (1986) captures that quality refers to fitness for use. Crosby (1979) sees quality as conformance to requirements. Quality could be defined as an acceptable standard of anything be it products, materials or personnel. The prevailing complex nature of today's business environment and outputs requires preventive and customer-driven systems whereby true quality product or service emanates from a holistic approach to quality (Mojekeh, 2010). Moreover, once quality is mentioned what really occurs to mind is good, excellence, merit and fitness for purpose or function. Bank (1992) opines that quality is a management philosophy that emphasizes the involvement of every employee to achieve satisfaction through continuous process improvement. Peter and Waterman (1982) found quality to be an important element in the pursuit of excellence as they opined that excellent organizations were above all, brilliant on basics. Quality may be seen as freedom from variations.

## **SERVICE QUALITY CONCEPT**

Service quality can be defined as the difference between customer's expectation for service performance prior to the service encounter and their perception of the service received. Parasuraman et al.,(1985) observe that the understanding of service quality must involve acknowledging the characteristics of service which are intangibility, heterogeneity, perishability and inseparability. Ladhari (2008) supports that by opining that in that way, service quality would be easily measured. Service quality is defined according to Eshghi et al.,(2008) as the overall assessment of a service by the customer. Okpara (2012) observes that the nature of services is somewhat more complex than generally observed. Its prevalence moves in tandem with a country's level of economic development. Anyanwu (2013) opines that service firms have the opportunity to build long-term relationships because customers conduct their transaction directly with the service provider.

Kotler and Armstrong (2010) state that service quality is harder to define and judge than product quality. Douglas and Connor (2003) emphasize that the consumer who has developed heightened perception of quality has become more demanding and less tolerant of assumed shortfalls in service or product quality and identify the intangible elements (inseparability, heterogeneity and perishability) of a service as the critical determinants of service quality perceived by a customer. The level of quality to which a service is designed is a crucial element in the total service offering. Moreso, as a result of intangible nature of services, the difficulties associated with

**Assessment of Customers' Expectations and Perceptions of Service Performance in the Hospitality Industry in Nigeria using SERVQUAL Model**

**Anetoh, John Chidume**

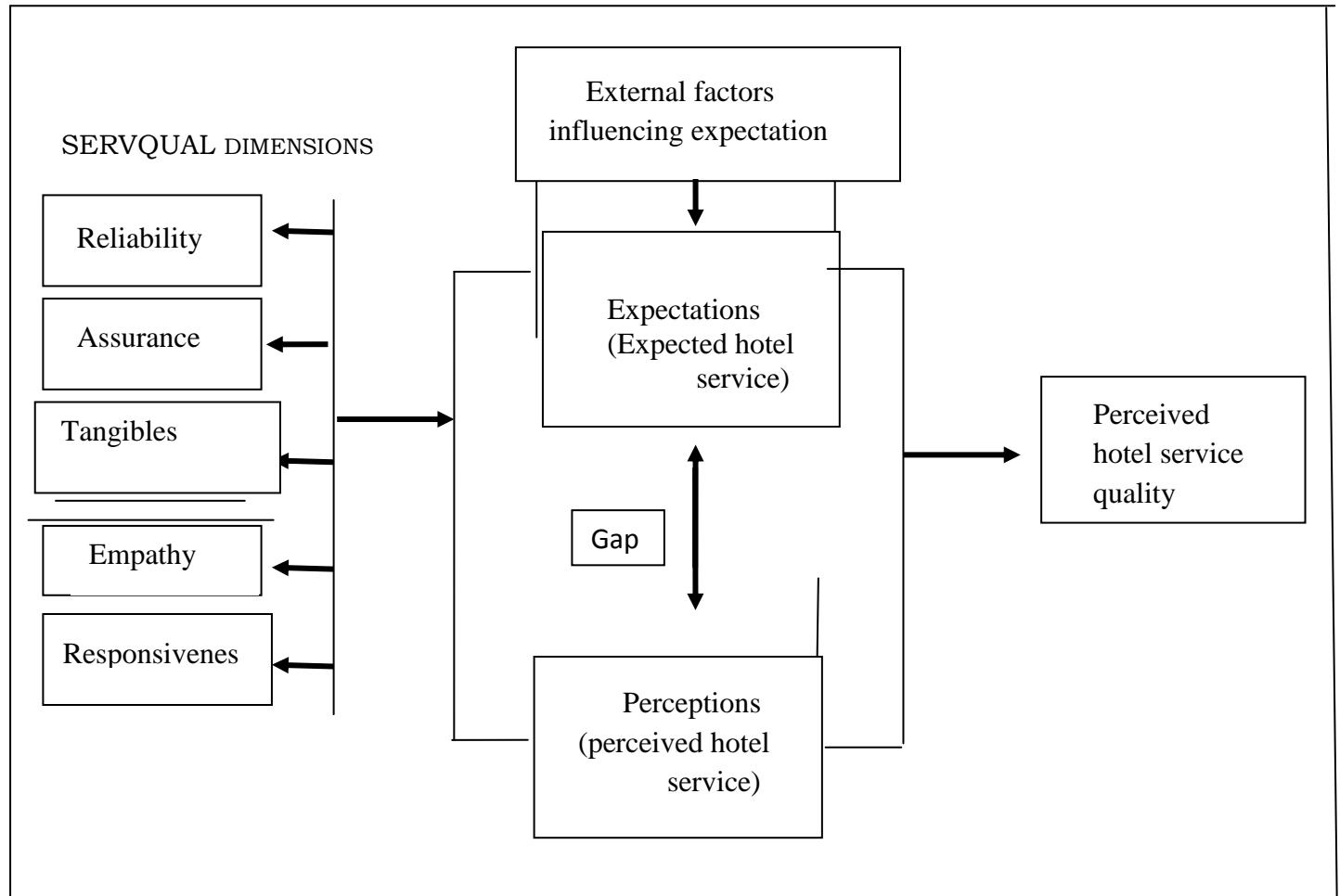
quantification of standards make it much more difficult for organization to monitor and maintain a consistently high standard of service. Customer expectations form an important element of quality. A service that fails to meet the expectations of one customer may be considered by him to be of poor quality, while another customer receiving an identical service, but not holding such high expectations, may consider the service to be of a high quality (Palmer, 2005). Crosby (1984) defined quality as conforming to requirements. Juran (1982) sees quality as fitness for use. Palmer (2005) argues that if quality is defined as the extent to which a service meets customers' requirements, the problem remains of identifying just what those requirements are. He added that the general absence of easily understood criteria for assessing quality makes articulation of customers' requirements and communication of the quality level on offer much more difficult than in the case for goods.

**THEORETICAL FRAMEWORK**

This study is anchored on two theoretical framework namely; Servqual theoretical framework by Kumar, Kee and Manshor (2009) and Discrepancy theory by Elsevier (1999).



**(a) Servqual Theoretical Framework By Kumar, Kee And Manshor (2009)**



**Source:** Kumar, M., Kee, F.T. and Manshor, A.T. (2009). Determining the Relative Importance of Critical Factors in Delivering Service Quality, 19(2), 211-228.

This theoretical framework was propounded by Kumar, Kee and Manshor (2009). The theory states that the difference between customer's expectations and service performance is the gap which is the determinant of customer's perceived hotel service quality. That the expectations of customers are subject to external factors which are under the control of the service provider. The gap represents the difference between customer's expectations and perceptions of service performance measured using the servqual dimensions.

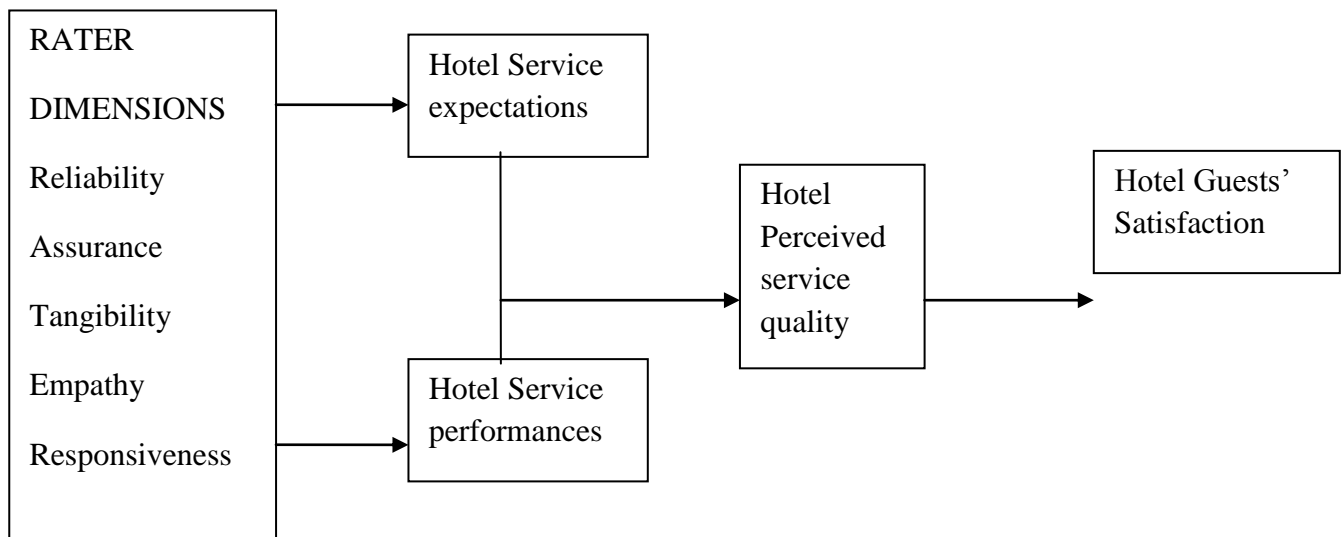
**(b) Discrepancy Theory** (Elsevier, 1999): is a seconded framework for this study. This theory provides that consumer's satisfaction judgment stems from the result of customer's perception of the difference

## Assessment of Customers' Expectations and Perceptions of Service Performance in the Hospitality Industry in Nigeria using SERVQUAL Model

Anetoh, John Chidume

between service performance and his expectations. That satisfaction and service quality are function of a customer's perception and expectations. Hence, when expectation and perception are equal, service quality is satisfactory. Positive service quality perception leads to increased satisfaction while negative service quality perception leads to increased dissatisfaction. Therefore, this study is anchored on the two theoretical framework stated above which serve as the foundation for assessing customers' expectations and perceptions of service quality in the hospitality industry in Nigeria.

### A CONCEPTUAL MODEL OF HOSPITALITY SERVICE QUALITY



**Source:** Parasuraman, A., Zeithaml, V. and Berry, L.L. (1985). A Conceptual Dimensional Model of Service Quality, *Journal of Marketing*, 49, 41-50.

### SERVQUAL Model

The operationalization of this study is hinged on SERVQUAL model. This model was developed in America to assess the determinants of service quality in the hotel industry. The model was developed by Parasuraman, Zeithaml and Berry in 1985 and was later redefined in 1988, 1991 and 1994 which led to the development of a service quality model- SERVQUAL. This model compares expectations and perceptions of customers regarding a particular service performance. Many researchers have used this model to study service quality in different sectors of the service industry (Avkiran, 1994; Babakus and Boller, 1992; Cronin and Taylor, 1994; Fick and Ritchie, 1991; Newman, 2001; Smith, 1995). According to Buttle (1996) SERVQUAL

is a model for assessing and managing service quality. According to Christopher, Payne and Ballantyne (2002) SERVQUAL has been said to be insightful and remain a practical framework to use in service quality management. East (1997) observed that SERVQUAL measures service quality through customer's expectations ie what firms should provide in the industry being studied and their perceptions viz how a given service provider performs against these criteria.

According to Palmer (2005) this type of model is often referred to as a disconfirmation model. However, SERVQUAL is based upon a generic 22-item questionnaire encapsulated to cover five broad dimensions of service quality in the hotel industry. These five dimensions in 1991 were designed to be known as RATER. The acronym of RATER implies:

R = Reliability (dependability, accurate performance).

A = Assurance (competence, courtesy, credibility, security).

T = Tangibles (appearance of physical elements).

E = Empathy (easy access, good, communications, customer understanding).

R = Responsiveness (promptness and helpfulness).

Reliability is defined as the ability of a service supplier to promptly deliver a good quality of service (Al Rousan, 2011; Parasuraman et al., 1985; Tat & Raymond, 1999). Assurance means the confidence bestowed on the service quality given to customers which is based on the capability to activate trust and confidence of the product or service provided. Tangibility is the service dimension that makes a product or service practical and usable for customers (Al Rousan, 2011; Parasuraman et al., 1985). Empathy is the service quality manner that stresses on the contacting of guest's as personalized. Responsiveness is the agreeableness to help guest by providing immediate service as soon as a request is received. The service providers will give quick and prompt attention to all their guest requests, questions and suggestions (Al Rousan, 2011; Knutson et al., 1990; Parasuraman et al., 1985). However, measures of service quality can be derived quite simply by subtracting expectation scores from perception scores. Palmer (2005) observes that these scores can be weighted to reflect the relative importance of each aspect of service quality. He suggested that SERVQUAL results can be used to identify those facets of a service for which the company is particularly good or bad. The result can be used to monitor service quality over time, to compare performance with that of competitors, to compare performance or to measure customer satisfaction with a particular service industry. SERVQUAL model uses the expectancy disconfirmation approach associated with identifying customer expectation versus what they actually experienced. It focuses on the comparison of the service performance with the customer's expectations (Gilbert et al., 2004).

**Anetoh, John Chidume**

### **Customer Perceptions**

According to Parner (2010) perception is seen as an approximation of reality. That is our brain attempts to make sense out of the stimuli to which we are exposed. Kotler and Armstrong (2004) sees perception as a process by which people select, organize and interpret information to form a meaningful picture to the world. They further posited that people can form different perception of the same stimulus because of the three perceptual processes: selective attention, selective distortion, and selective retention. Selective attention is the tendency for people to screen out most of the information to which they are exposed. Boone and Kurtz (2004) define perception as the meaning that a person attributes to incoming stimuli gathered through the five senses : sight, hearing, touch, taste and smell. Perception is how an individual sees and interpret what he experiences in life within his micro and macro environment (Ndubisi, 2008). Anyanwu (2005) defines perception as the entire process by which an individual becomes aware of his environment and interpret it so that it will fit into his own frame of references.

### **Service Quality and Customer Expectations in the Hotel Industry**

Customer satisfaction reflects the expectations and experiences that the customer has with the service. Expectations reflect both past and current service evaluation and use experiences. Customers hold both explicit and implicit performance expectations for attributes, features, and benefits services. Expectations dictate the nature of customer satisfaction. Smith (2012) advocates the seven customer expectations which are critical before measuring customer satisfaction. They are; explicit expectations, implicit expectations, static performance expectations, dynamic performance expectations, technological expectations, interpersonal expectations and situational expectations. Palmer (2005) observed that it is not good for services to simply maintain their existing level of quality because customers' expectations are likely to have moved on. Company that strives to improve its performance may find its quality ratings falling if its customer's expectations have moved ahead faster than its performance improvement.

### **Management of Service Quality Gaps**

Managing service quality is attempting to close the gap. According to Parasuraman et al., (1989) the key to ensuring good service quality is meeting or exceeding what consumers expect from the service for ultimate customer satisfaction. Palmer (2005) suggests ways of closing the gap; the formulation and communications of services mix to potential customers must be as realistic as possible, that service companies must recognize that the relationship between service quality and customer satisfaction is dynamic,

that service firms should try to improve on their service offer, that non-marketing dominated factors need to be considered as their presence may have the effect of raising expectations. Babalola (2003) in his contribution suggested that one of the major ways to differentiate a service firm is to deliver consistent higher quality service than competitors. A wise manager knows which quality tool to use at the right time in order to increase the number of people they please. Davis and Heineke (2003) state that everyone in a service organization needs to understand that satisfying customers requires everyone to be involved. Ishikawa (1989) in his own contribution suggested that the first concern of any company should be the happiness of people who are connected with it. Ogunnaike, Obamiro and Ogbari (2011) posit that a good service manager should know the first component in service quality management which entails gaining a thorough understanding of the customer's needs and expectations.

### **STRATEGIES FOR CLOSING CUSTOMERS' EXPECTATIONS VERSUS PERCEPTIONS GAPS ACCORDING TO BERRY, PARASURAMAN & ZEITHAML (2003)**

**Listening:** Understand what customers want through continuous learning about the expectations of customers.

**Reliability:** Reliability must be a service priority and very important dimension of service quality.

**Basic Service:** Hotel service companies must keep promises and delivery values.

**Service Design:** Develop a holistic view of the service while managing its many details.

**Recovery:** Hotel service firms should encourage customers to complain and respond quickly to their problems.

**Surprising Customers:** Hotel firms and other service organizations should surprise customers with courtesy, competence, commitment etc.

**Fair Play:** Hotel service providers must make special efforts to be fair, and demonstrate fairness.

**Team Work:** Hoteliers should try to deliver service with care and attentiveness.

**Employee Research:** Employee research should be conducted when the need arises for possible solution to their problems.

**Anetoh, John Chidume**

**Servant Leadership:** Hotel service industry should have inspired leadership style throughout their organizations for excellent performance.

**Sources:** Berry, Parasuraman, and Zeithaml (2003).

## **SERVICE QUALITY GAP AND MANAGERIAL COMPETITIVENESS IN HOTEL INDUSTRY**

Managers in the service sector are under increasing pressure to demonstrate that their services are customer-focused and that continuous performance improvement is being delivered. Babalola (2013) observes that the problem with most indigenous hotels is the inability of their managers to apply marketing principles to prolong and promote their business through service quality strategies. Given the financial and resource constraints under which service organizations must manage; it is essential that customer expectations are properly understood and measured. Familugba (2000) states that meeting customer's service requirements require; staff training and retraining. He suggests that hotel managers should train their staff in order to ensure that hotel guests derive utmost value for their money. Babalola (2003) suggests that managers of hotel should be competitive effective in order to be successful in serving their customers more than the generic product with a cluster of value satisfaction that will differentiate his total offerings from those of his competitors. However, one of the most important factors affecting hotel business performance is the improvement in service quality which is important for creating financial benefit leading to a long-term competitive advantage for the hotel (Zhang et al., 2011). This information then assists a manager in identifying cost-effective ways of closing service quality gaps and of prioritizing which gaps to focus on; a critical decision given scarce resources.

## **EMPIRICAL REVIEW**

Sakun and Nopadol (2012) conducted a study by measuring service quality dimensions of Hotel Industry in Thailand. Their study focused on hotel service quality based on the application of 29-items SERVQUAL indicators. They studied and compared two hotel types; namely the Boutique and the Business hotels in Thailand. The study applied a self-administered questionnaire to measure the expectations and perceptions of service quality characteristics of hotels in Thailand. A total of 108 usable questionnaires were analyzed. The analysis showed that the service quality of hotels in Thailand was moderately low. Hotels were not able to deliver services as expected. Also, the customer expectation of the services of the Boutique hotels was higher than that of the Business hotels. Akbaba (2006) studied the service quality of hotels in Turkey by analyzing the expectations and

actual perceptions of service quality based on 29 characteristic indicators, which were applied from SERVQUAL. His findings revealed moderately fair perceived service quality and also that the most important dimension reflecting the overall needs of service quality was tangible service attributes. In Banking sector, Moala (1998) conducted a study aimed at measuring the service quality provided by commercial banks in Jordan based on bank customers' point of view. The study found that the actual level of banking services quality is low compared with the level of quality expected by customers in their banking services. The study recommended that the departments of commercial banks should adopt programs to develop and improve the quality of their services.

Eijaz (2008) conducted a study on service quality and customer satisfaction in Luxury hotels of Khulna city in Australia. A total number of 19 factors connected with measurement of service quality and customer satisfaction were investigated, analyzed, and evaluated. The findings indicated, as a whole, that the hotel guest' perceptions of service quality provided by the hotel industry were lower than their expectations. Nasiru, Okunola and Yina (2013) conducted a study to evaluate service quality delivery and customers' satisfaction in some selected hotels in Ikeja, Lagos State. They studied 10 out of 27 registered hotels in Ikeja. A structured questionnaire was used to collect necessary data. 58 out of 100 copies of questionnaire distributed were returned for analysis. The findings revealed that customers' perceived service quality in the hotels studied was below average. Also that the hotels were not giving their customers the needed satisfaction due to the fact that what hoteliers perceived as customers' service quality differed from the guests' expectations

## **METHODOLOGY**

This study adopted a descriptive research design. The population of this study is the lodging guests of the 9 selected hospitality firms (3 hotels from each of the 3 senatorial zones) in Anambra part of Nigeria. The hotels are; White Castle Hotel Neni, Trig-Point Hotel Nibo, Marble Arch Awka, Basco Hotel Ihiala, Bethel Hotel Nnewi, Vonic Hotel Ekwulobia, Dolly Hills Hotel Onitsha, Omambala Hotel Nsugbe and Top Rank Hotel Onitsha. The sample size was 243 selected using convenience sampling technique. Primary data source was utilized in the course of collecting data for this study. The instrument used in this study for data collection is questionnaire. The validity of the instrument for this study was sought through content and construct validity. However, the instrument for this study was validated by four research experts. The reliability of the instrument for this study was established through a trial study. However, the reliability result of 0.983 generated using Cronbach alpha Correlation proved the internal consistency of the instrument. The researcher distributed 243 copies of questionnaire to

## **Assessment of Customers' Expectations and Perceptions of Service Performance in the Hospitality Industry in Nigeria using SERVQUAL Model**

**Anetoh, John Chidume**

the lodging guests of the 9 selected hotels. Z-test statistic technique was used to measure customers' expectations versus perceptions of service performances of hotels under study. Formulated hypotheses were tested using z-test statistical technique at 0.05 significant level with the help of SPSS software package.

**Decision Rule:** where  $P > 5\%$ , we accept  $H_0$  and where  $P < 5\%$ , we reject  $H_0$ . Also, reject  $H_0$  if computed z- test value is greater than the critical z-value of 1.960, otherwise, accept  $H_0$ .

SERVQUAL model as propounded by Parasuraman et al (1994) was adopted to measure customers' expectations and perceptions of service performance of the selected hospitality firms. Thus

$$SQ_i = \sum_{j=1}^k |E_{ij} - P_{ij}|$$

Where:

$SQ_i$  = Perceived service quality of customer 'i'

$K$  = Number of service attributes

$P$  = Perception of customer 'i' with respect to performance of a hotel firm on attribute 'j'

$E$  = Expectation of customer 'i' for attribute 'j' that is the relevant norm.

### **DATA PRESENTATION, ANALYSES AND DISCUSSION OF FINDINGS**

Out of 243 copies of questionnaire distributed to the respondents, 232 copies representing 95.5% response rate were properly filled and returned for the analyses while 11 copies representing 4.5% unresponse rate were not returned for the analysis. Paired Samples Z-test statistic was utilized in the measurement of customers' expectations and service performance of hospitality firms under study. The formulated hypotheses were tested using one sample Z-test.



**Table 4a: Summary of Customers' Expectations and Service Performance Statistics Result**

<b>Servqual Dimensions</b>	<b>Mean Expectations</b>	<b>Mean Performance</b>	<b>Mean Gap</b>	<b>P-value Result</b>	<b>Interpretation</b>
ERR1 – PRR1	4.56	3.18	1.379	0.000	Significant gap
ERR2 – PRR2	4.59	3.39	1.198	0.000	Significant gap
ERR3 – PRR3	4.51	3.44	1.073	0.000	Significant gap
ERR4 – PRR4	4.56	3.38	1.181	0.000	Significant gap
ERR5 – PRR5	4.58	3.54	1.043	0.000	Significant gap
EAA1 – PAA1	4.56	3.35	1.216	0.000	Significant gap
EAA2 – PAA2	4.56	3.44	1.125	0.000	Significant gap
EAA3 – PAA3	4.53	3.33	1.198	0.000	Significant gap
EAA4 – PAA4	4.59	3.36	1.224	0.000	Significant gap
ETT1 – PTT1	4.62	3.28	1.332	0.000	Significant gap
ETT2 – PTT2	4.57	3.49	1.078	0.000	Significant gap
ETT3 – PTT3	4.56	3.66	0.901	0.000	Significant gap
ETT4 – PTT4	4.59	3.73	0.853	0.000	Significant gap
EEE1 – PEE1	4.53	3.44	1.095	0.000	Significant gap
EEE2 – PEE1	4.47	3.33	1.147	0.000	Significant gap
EEE3 – PEE2	4.54	3.44	1.099	0.000	Significant gap
EEE4 – PEE4	4.52	3.39	1.129	0.000	Significant gap
EEE5 – PEE5	4.63	3.48	1.155	0.000	Significant gap
ERsRs1 – PRsRs1	4.55	3.29	1.259	0.000	Significant gap
ERsRs2 – PRsRs2	4.50	3.17	1.332	0.000	Significant gap
ERsRs3 – PRsRs3	4.48	3.23	1.254	0.000	Significant gap
ERsRs4 – PRsRs4	4.65	3.58	1.069	0.000	Significant gap
<b>Service Quality</b>	<b>Overall Expectations Mean = 4.5568</b>	<b>Overall Performance Mean =3.4055</b>	<b>Overall Gap Mean = 1.1514</b>	<b>0.000</b>	<b>Significant gap</b>

**Source:** SPSS Computations from Returned Questionnaire

**Assessment of Customers' Expectations and Perceptions of Service Performance in the Hospitality Industry in Nigeria using SERVQUAL Model**

Anetoh, John Chidume

**Z-Test Table 4b: One-Sample Descriptive Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
To what extent do customers' perceptions of service performance different from their expectations?	232	3.37	1.296	.085
How significant is the resultant gap (if any) between customer's expectations and actual service performance?	232	3.66	1.094	.072
To what extent has the resultant gap (if you have identified any) impacted on managerial competitiveness in the hospitality industry in Nigeria?	232	2.57	1.160	.076

**Source:** SPSS Computations from Returned Questionnaire

**Table 4c: One-Sample Test Result for Hypotheses Tested**

	Test Value = 0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
To what extent do customers' perceptions of service performance different from their expectations?	39.608	231	.000	3.371	3.20	3.54
How significant is the resultant gap (if any) between customer's expectations and actual service performance?	50.895	231	.000	3.655	3.51	3.80
To what extent has the resultant gap (if you have identified any) impacted on managerial competitiveness in the hospitality industry in Nigeria?	33.793	231	.000	2.573	2.42	2.72

**Source:** SPSS Computations, 2016.

## DISCUSSION OF RESULTS

Based on research objective, research question and hypothesis no.1 tested, the z-test result as shown in the above table revealed that the p-value is 0.000 which is less than 0.05 the stipulated significant level; thus showing a significant difference which is not in accord with the null hypothesis. From the z-test result as shown in table 4c, the p-value is 0.000 which is less than 0.05 thereby showing a significant difference on comparability between customers' expectations and actual service performance. Also, since the computed z-test value result of 39.608 is greater than the critical z-value of 1.960;  $H_{01}$  is rejected and  $H_{a1}$  accepted. The conclusion deduced is that customers' perceptions of service performance of hospitality firms are not comparable with their expectations. The implication is that there is a gap (difference) between customers' perceptions of service performance and their expectations. This is in line with the findings of the study done by Eijaz (2008) as well as that of Sakun and Napadol (2012) that observed the incomparability of actual service performance with their expectations. In addition, the result of tested hypothesis which proved that there is a gap is in agreement with the descriptive statistics result of customers' expectations (overall mean 4.5568) and actual service performance (overall mean 3.4055) measurement with overall mean gap of 1.1514. Moreso, in line with research objective, question and hypothesis no. 2 tested using z-test statistic; based on the z-test result as shown in table 4c, the p-value is 0.000 which is less than the stipulated significant level of 0.05; thus showing that the identified gap between customers' expectations and actual service performance is significant. Also, since the computed z-test value result of 50.895 is greater than the critical z-value of 1.960; the  $H_{02}$  is rejected and  $H_{a2}$  accepted. Based on that, we conclude that there is a significant resultant gap between customers' expectations and actual service performance. This implies that the gap (difference) between customers' perceptions of service performance and their expectations is significant. The result is in accordance with the findings of Nasiru, Okunola, and Yina (2013).

Based on the research objective, question as well as hypothesis no.3 tested, the z-test result as shown in the table 4c indicated that the p-value is 0.000 which is less than 0.05 the stipulated significant level; thus showing a significant difference which did not augur with the null hypothesis. Also, since the computed z-value result of 33.793 is greater than the critical z-value of 1.960; the  $H_{03}$  is rejected and  $H_{a3}$  accepted. Therefore, the conclusion is that the resultant gap has impacted on managerial competitiveness in the hospitality industry. This implies that the resultant gap has impacted significantly on managerial competitiveness, although at moderate impact level as demonstrated from the responses of majority of the respondents.

**Anetoh, John Chidume**

### **SUMMARY OF FINDINGS**

Based on the analysis result, the following findings are made;

1. Customers' perceptions of service performance are not comparable with their expectations.
2. There is a significant resultant gap between customers' expectations and actual service performance.
3. The resultant gap has impacted significantly on managerial competitiveness in the hospitality industry, although at moderately impact level.

### **CONCLUSION DRAWN FROM THE FINDINGS**

Based on the findings, we conclude that the service quality expectations level exceeded that of actual performance level in the hospitality industry. There is a significant gap between customers' expectations and actual service performance which has moderately impacted on the managerial competitiveness in the hospitality industry. The study concludes therefore that the understanding and meeting of customers' expectations will help close the resultant gap identified in this study for utmost customers' satisfaction.

### **RECOMMENDATIONS**

Based on the findings and conclusion drawn from the findings, we make the following recommendations;

1. The institutionalization and operationalization of service quality strategies geared towards meeting of customers' expectations should be the priority of hospitality industry for improved customers' satisfaction in Nigeria.
2. Hospitality industry should endeavour at all times to ensure that the gap between customers' expectations and actual service performance is closed for utmost customers' satisfaction.
3. The implementation and operationalization of customer-oriented services should be the priority of hospitality industry in order for them to remain competitive in business.

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**Assessment of Customers' Expectations and Perceptions of Service Performance in the Hospitality Industry in Nigeria using SERVQUAL Model**

**Anetoh, John Chidume**

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**Anetoh, John Chidume**

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