

AN EMPIRICAL STUDY ON THE GAPs ANALYSIS IN HOSPITALITY INDUSTRY (WITH SPECIAL REFERENCE TO TAJ GROUP OF HOTELS)

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ABSTRACT

Background: *In hospitality industry the dissatisfaction level between the customer and the management always exists. In order to fill up the existing gap it is very important to first recognize and analyze it. The gap analysis is a tool which has been used to perform a comparison of actual performance with the expected or potential performance.* **Objective:** *The present study was to find the various determinants of service quality and its effects. It also focuses on the analysis of the outcomes of dissatisfaction level and to provide best possible solutions to the existing GAPs.* **Methodology:** *A survey was conducted on 80 respondents in Taj group of hotels which includes employees from different departments such as F and B Service, House Keeping, Guest Relation, Front Office, etc. The study has been conducted through available secondary data of the Taj group of hotels and review of the literature of other sources.* **Results:** *The findings of the research shows that among the various existing GAPs in the service industry the maximum impact may be done by the service delivery by the management closest to the guest perception. The determinants influencing the guest satisfaction level are Reliability (30%), Responsiveness (22%), Assurance (16%), Empathy (17%), and Tangibles (15%). If these GAPs may be filled by delivering the nearest solution then the satisfaction level of the guest would be very high which may result into loyalty of the guest.* **Conclusion:** *Indian hotel industry has not been able to quantitatively translate the management perception to service quality specification. The hotels that can achieve service delivery, closest to Management perception of guest needs through well motivated and well trained teams.*

Key Words: *Expectation, Service Delivery, Quality, Management, Satisfaction.*

INTRODUCTION

The most important way for a hotel to achieve a competitive advantage is to deliver consistently higher quality service than that of competitors. The pertinent question here is what is quality service? The answer to this question lies with the customer:-

“Customer service, product quality and after sale service are the three pillars of marketing and selling”.

In Japan, *Okyakasume Wa Kamisame Desu* – The Customer is God. Thus Japanese companies are well attending to their customer’s special needs (Anchin) and particularly service, Japanese customers have been found to expect exacting service standards (Herbig and Palumbo, 1993).

So the customer emerges as the final judge of the quality of the service. Customers’ expectations are formed by their past experience, word of mouth and service firm advertising. Customer chooses providers on the basis of comparison between perceived service and expected service. If perceived service falls below the level of expected service, customers lose interest in the provider. If perceived service meets or exceeds their expectations, they will use the provider again (Kotler et al, 2013).

Parasuraman et al, 2013 formulated a service quality model that identifies the five gaps that cause unsuccessful service delivery is as follows:-

1. **Gap between consumer expectation and Management perception**

Management does not always perceive correctly what customers want. In the Taj Group of Hotels during the last two years, there has been over emphasis on reducing check-in-time, to as much as 2 minutes. Whereas, later, a survey by CSMM, Bangalore in 1996, revealed that customer was quite happy to spend up to 5 minutes for check in. A faster check in was perceived to be too hurried and not so welcoming.

2. **Gap between consumer expectation and Management perception**

Management might correctly perceive the customer’s wants but not set a specified performance standard. Though, the survey, in the earlier example, clearly spells out guests’ expectation of “check in” in 5 minutes, but management may advise the staff at reception that check in should be “fast”, without making the customer wait unnecessarily, (without specifying it quantitatively).

3. **Gap between Service Quality Specification and Service delivery**

The personnel might be poorly trained or overworked and incapable or unwilling to meet the standards. In our “check-in” example for reasons mentioned above, the reception staff might not be able to handle “check in” in 5 minutes, though they are aware of the standard.

4. Gap between Service delivery and External Communication

The statements made by the company representatives and advertisements affect consumer expectations. The advertising campaign may make big claims about welcome, courtesy and care at arrival. At times, guest may not feel so during check in.

5. Gap between Expected Service and Perceived Service

The sum total of gap 1 through 4 leads to gap 5. All the above gaps contribute to gap between expected service and perceived service. In order to close gap 5, all the gaps 1 through 4, need to be closed.

The service gaps were briefly discussed, now the solution to every gap may be examined from the general perspective. The gaps may be overcome by using following practices:-

GAP 1: GAP between Customer Expectation and Management Perception

Management does not always perceive correctly what customers want. The extent, to which the hotel management understands what is valued by customers, can be dangerously taken for granted by the managers. The managers may view customer expectations either on the basis of traditional ways of operating or taken for granted assumptions rooted in experience or on the basis of resources and skills the hotel has. The managers may address the most basic question what the customer wants without asking the customer (Bateson, 2009).

The hotel can use the following techniques to assess customers' expectations.

- **Guests Comment Card**

The most important aspect is that comment card should be so designed that it is easy to fill, provide and obtained information can be compiled and analysed. The experience in Taj Group also shows that only 19% guests choose to fill in these cards. Therefore either more guests should be encouraged to fill in these cards, or system of feedback should be supplemented by personally asking the feedback either by a senior front office staff or at check out time. The way has to be found in order to maximise the feedback percentage.

- **Personal Interview**

It may not be possible for front office manager or Guest Relations Executive to personally meet all the guests but they must try to meet as many as possible in order to obtain feedback. The hotel should develop a culture where each and every employee coming in guest contact should be concerned with customer care, observant and willing whether guest enjoying their stay.

- **Survey**

The hotel may conduct periodical surveys, either by an outside consultancy or internal task force, to identify guest needs. These surveys can be conducted for guests staying in the hotel and the potential clients in the market, for example, in various companies for the needs of their

executives. The Taj Group conducted a survey to identify the needs of travelling single lady executives. As a result of these findings the hotel has designed rooms and guest supplies that specifically meet their needs.

- **Customer Satisfaction Index**

On the basis of questionnaires, interviews etc, information can be collected in quantifiable terms to arrive at a figure of customer satisfaction index. This will give an important indication to the gap in customer expectation and management perception. Since there is no one method to arrive at such an index, the reliability and validity of such an index may be questioned at times.

- **Employees Suggestion Schemes**

Employees in the front line are aware of the guest reactions, which do not reach the management through formal channels. If employees are encouraged to give their suggestions, such useful information can reach the management. The Taj Bengal Hotel has such a scheme in place. At the staff entrance, there is a box, in which employees can drop their suggestions. This has proved to be a valuable source of information for the management.

- **Track the Leavers**

Hotel should have a system in place, to contact those regular guests who cease to use the hotel's services. They can be a source of useful information, specially the reasons for their discontinuing using the services of the hotel.

- **Guest Contact**

The various staff members come in contact with the guests several times. Enquiries like, "How is your stay, sir/madam?" or "Is your room comfortable?" can reveal much of customer's expectations. There needs to be a system in place, so that information such gathered can reach the management.

- **Analysis of guest complaints**

This analysis will highlight the areas of dissatisfaction. The problem is that all dissatisfied guests do not complain. A study was carried out about the number of shoppers complaining in US and Singapore. The study shows that in US, customers are dissatisfied about 25% of the time. The surprising finding is that only 5% complain. The other 95% either feel that it is not worth the effort to complain or they do not know whom to complain.

GAP 2. GAP Between Management Perception and Service Quality Specification

The expectation of a customer is one issue but converting these into measurable and quantifiable standards is another. Equally important is that service quality specification should be simple enough to be understood down the line.

The process, then, may involve the following steps:

1. Understand customer's expectation correctly (close Gap 1).
2. Translate these into measurable and understandable customer service specification.

3. Place a system in place to communicate all these specifications to concerned employees.
4. Obtain commitment and acceptance of all employees, towards these specifications.

At the core of the issue is the ability to set service quality specifications that are measurable and understandable. Saying that the telephone should be answered quickly will not serve the purpose. Whereas specifying that phone will be picked up before it rings 3 times, for example, is correct specification. By the same logic instead of prompt room service, one may say that morning tea order will be served within 8 minutes. However in reality, closing this gap may not be so simple in hotel industry. The first issue, that arises is, who will set these specifications. Secondly, the customer demands could be so varying and diverse, that it may not be possible to set specifications for all.

GAP 3. GAP between Service Quality Specification & Service Delivery

This is the case when service quality specifications are in place, but are not being adhered to. Either the employee is not willing to follow the specifications or is unable to follow the specifications. The possible reasons for this, in a hotel could be as follows:

1. Unwilling and demotivated staff
2. Poor relationship between staff and management
3. Poor supervisory style
4. Lack of teamwork
5. Role conflict and role ambiguity
6. Untrained staff
7. Complex specifications, hard to comprehend
8. Lack of resources and technology
9. Perception by the staff that the specifications are outside the normal business activities

The hotel managers have to pay considerable attention to bridge this gap, in the following areas.

- **Recruitment, selection, induction and training**

Selecting the right kind of employees, with service orientation and inducting them properly into the service culture of the organisation is winning half the battle. A continuing staff-training programme, responsive to the training needs, is equally important.

- **Management and supervisory style**

Leadership, motivation and communication skills of managers affect all the spheres of the organisational performance. Use of proper managerial skill results in improved relationship between management and staff and builds motivated teams.

- **Proper organisation structure and design**

Clarity of reporting relationship results in role clarity. At the same time organisation design, which address the issue of centralisation / devolution and organisational configuration can eliminate conflict and promote teamwork.

- **Organisation culture**

Employees in a customer driven service culture are more responsive to guest needs.

- **Resources and technology**

The employees must be provided with proper tools and equipment to carry out their jobs. Lack of resources can hinder the ability of an employee to deliver the right service. Technological advancement has made the job of hotel employees fast and efficient. The proper use of technology will help service delivery a long way.

- **Integrating specifications well into the job**

The specifications should not be viewed by the staff as something outside their business activity. These specifications should be well integrated in the job, so that it does not call for a lot of extra effort on the part of the employees. Providing proper tools, procedures and training will help. This is the gap that can be closed by proper people management. Excellently managed companies believe that employee relations will reflect on customer relations.

“The Customer is No. 2” go as far as to say that the company’s employees, not the company’s customers, have to be made number one, if company hopes to truly satisfy its customers.

Disney organisation does to market “positive customer attitudes” to its employees in the following manner.

1. Special welcome to new employee.
2. All day orientation at Disney University.
3. Audio-visual presentation to introduce Disney philosophy.
4. Additional training before they take up their jobs.
5. Additional training on how to answer questions usually asked by the guests.
6. Disney newspaper “Eyes and Ears” for employees.
7. Each Disney manager works for a week in a year, in front line.
8. All exiting employees answer a questionnaire about how they felt about working for Disney.

GAP 4. GAP between Service Delivery and External Communication

If the management makes exaggerated claims about service in its advertisements, through its sales force etc, this in turn raises the expectations of the customer. If the service actually delivered falls short of that promised, it results in dissatisfied customers. This may result due to lack of co-ordination between marketing and operations exaggerated claims. Any sales campaign should avoid false promises, because advertisement can bring the customer once to your premises, but it is the service delivery that will retain him. A word of caution, this gap can also occur due to fraudulent claims. Such claims more often do more damage than good.

GAP 5. GAP between Expected Service and Perceived Service

This is the gap that can exist between the service that that the customer expects and his perception of

the service that he receives. The guest expectations are influenced by word of mouth, personal needs, past experience and external communication by organisation. Each of the four gaps as per the service quality model, contribute to the gap between perceived service and expected service. In fact, each of the gaps lowers the perceived service and widens the gap 5. By bridging gaps 1 to 4, the 5th gap can automatically be closed.

Such observations have lead to the objective of the current study to find the various determinants of service quality.

METHODOLOGY

It is a qualitative empirical research which was done by surveying and collecting primary data from the 80 employees of Taj Group of Hotels of National Capital Region (New Delhi, Gurgaon, Faridabad). There has been a questionnaire formed and their feedback has been taken in order to identify and solve the issues related to service delivery and guest satisfaction.

RESULTS AND DISCUSSION

The highest expectations the customer has, are related to “people” and “service-delivery”. Though all other gaps have relevance in their own sense, but the factor of service-delivery (Gap 3) has maximum impact, towards meeting custom or expectation, though all other gaps have considerable relevance.

The findings for the experience of a customer for the Taj Group of Hotels are as follows:

52% will not complain, but will never come back to hotel.

15% will not complain, because it is too troublesome.

17% will write to complain, about the standard of service.

9% will intimate the staff for the poor service.

7% will ask for the refund for the poor service.

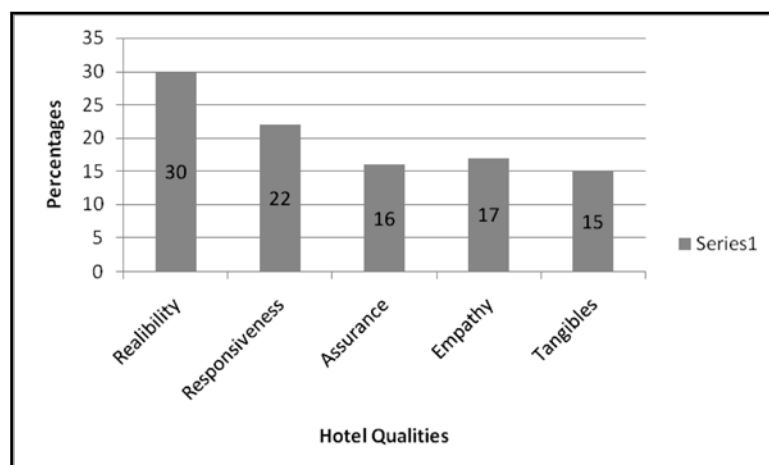


Figure 1: Percentage of staff and hotel qualities influencing Guest Satisfaction Level

The hotels should make it easy for a dissatisfied customer to communicate. Secondly the employee who receives the complaint should be well trained and empowered to respond. Thirdly, the hotels should discover and correct the root cause of the complaint. The result of the survey shows that broadly there are five determinants of service quality on which the evaluators have provided their feedback. These are presented in the order of their importance as per the rating by the customers.

1. Reliability: Ability to perform promised service dependably and accurately (30%).
2. Responsiveness: Willingness to help customers and to provide prompt Service (22%).
3. Assurance: Knowledge and courtesy of employees and their Ability to convey trust and confidence (16%).
4. Empathy: Provision of caring, individualised attention to customers (17%).
5. Tangibles: Appearance of physical facilities, equipment, personnel and communication material (15%).

From the above statistics it may be observed that the reliability plays the most important role in retaining the guest. It is very important to include and train the employees to inculcate the qualities such as responsiveness, assurance and empathy. Apart from the above staff qualities, there are some tangibles which have been provided by the hotel in the form of infrastructure, equipments, artwork, beautification and other tangible things. So encompassing the above requisite is important in order to fill up the gaps or to reduce the difference.

CONCLUSION

The hotel manager of India understands the importance of customer need and is able to design service delivery system focused at the guest so GAP 1 has been narrowed down. This is not to undermine the importance of customer driven specifications. However, Indian hotel industry has not been able to quantitatively translate the management perception to service quality specification (GAP 2).

In Indian scenario, GAP 2 and GAP 3, need to be seen together. In the absence of service quality specification, actually gap that exists is the gap between Management perception and service delivery (GAP 2 and 3 together).

However GAP 3 is most relevant and has maximum influence on customer service. It is the actual service delivery that has maximum impact on customer satisfaction. The hotels that can achieve service delivery, closest to Management perception of guest needs (in the absence of service quality specification), through a well motivated, well trained teams, are able to meet guest expectation better than the hotels who are not so good in people management. The single factor, in this service model, that has maximum impact in Indian hotel environment, is people.

The advertising and other means of external communications have also achieved a level of maturity. Those in sales and marketing, are aware of the dangers of exaggerated claims, and focus on the strengths, which are real. However, it is not rare to see slightly exaggerated claims, in some campaigns. An organisation can do it's best to avoid all these gaps possible. However, these perceptions are extremely individual and what might suit most of the customers may not suit the one or two. Specifications, systems, processes and staff behaviour must be flexible enough to accommodate the immediate demands of all customers.

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