

ECOLE DES HAUTES ETUDES COMMERCIALES (EHEC)



This dissertation is submitted in partial fulfillment  
of the requirements for master's degree in commercial sciences

Major: Marketing & Management

**IMPACT OF SERVICE QUALITY ON CUSTOMER  
SATISFACTION: THE CASE OF SHERATON RESORT  
HOTEL ALGERIA.**

**Submitted by:**

SALMI Aymen

SEKIOU Baha El Islam

**Supervised by:**

Professor Ali HAMMOUTENE

7<sup>th</sup> promotion

September 2020



ECOLE DES HAUTES ETUDES COMMERCIALES (EHEC)



This dissertation is submitted in partial fulfillment  
of the requirements for master's degree in commercial sciences

Major: Marketing & Management

**IMPACT OF SERVICE QUALITY ON CUSTOMER  
SATISFACTION: THE CASE OF SHERATON RESORT  
HOTEL ALGERIA.**

**Submitted by:**

SALMI Aymen

SEKIOU Baha El Islam

**Supervised by:**

Professor Ali HAMMOUTENE

7<sup>th</sup> promotion  
September 2020

## **Dedication**

To everyone:

*“Put your fist on the page and pretend like we did a bro-fist”*

*-Baha*

## Dedication

I am dedicating this dissertation to the special people who influenced me and made me the person I am today

To my mother for her encouragement, endless sacrifices, her love and support.

To all of my family who have showed me support from day one.

To my best friends BAHI & SKANDER, you are the meaning of friendship

To all the special friends that I've shared this adventure with: ISLAM, MOUH,

KIMBO, MEHDI, HANTECH, WALID.

It was a passionate adventure and an amazing journey

Thank You

*-Aymen*

## **Acknowledgments**

First and foremost, praises and thanks to Allah, the Almighty, for His protection and blessings throughout our work to complete the research successfully.

We would like to express our deep and sincere gratitude to our research supervisor, Professor Ali Hammoutene who encouraged and directed us. His trust and valuable advice brought this work towards completion. It is with his supervision that this work came into existence.

We would also want to express our kindest regards to our families and friends, for their understanding and constant help throughout this research work.

## **Abstract**

Customers are the link to a business success. A business organization should focus on a huge number of customers, for this, customer satisfaction and loyalty should be incorporated along the long-term goals. This thesis was implemented to study the concept of service quality, customer satisfaction and its relationship. The objective of this research is to analyze the impact of service quality on customer satisfaction. The thesis project examines service quality provided by Sheraton resort hotel and customer satisfaction received by its customers. Recommendations on improving the service quality and getting customer retention are proposed.

In this thesis, the theoretical background chapters review studies on service quality and customer satisfaction and the relationship between these two terms. Various methods that have been explained and used to measure customer satisfaction and the outcome results of having loyal customers are presented. The thesis presents best practices and the relevant recommendation on how to improve Sheraton resort's customer satisfaction level. This result was accomplished using a quantitative research method through an online questionnaire survey for the hotel's customers.

In conclusion, the thesis reveals that the current service level of Sheraton resort hotel can be marked as positive and customers are very satisfied with the service. However, improvement on certain things should be done in order to increase the level of customer satisfaction. It is recommended that the company should improve its service regarding feedback system, implement staff training as well as conduct regular advertising campaign to attract new customers and also to inform existing customers about upcoming events.

**Key words:** Service quality, Customer Satisfaction, Customer Loyalty, Quality management, Hotel.

## ملخص

العملاء هم الرابط الذي يؤدي إلى نجاح الأعمال التجارية. يجب أن تركز منظمة الأعمال على عدد كبير من العملاء ، ولهذا ، يجب بناء رضا العملاء وولائهم في أهداف طويلة الأجل. تم تنفيذ هذه الرسالة لدراسة مفهوم جودة الخدمة ورضا العملاء والعلاقة بينهم. الهدف من هذا البحث هو تحليل تأثير جودة الخدمة على رضا العملاء. يفحص هذا المشروع جودة الخدمة التي يقدمها فندق شيراتون ورضا العملاء الذي يتلقاه عملاؤه. تقدم توصيات بشأن تحسين جودة الخدمة وولاء العملاء في نهاية الرسالة.

في هذه الأطروحة ، تستعرض الفصول النظرية الأساسية حول جودة الخدمة ورضا العملاء والعلاقة بين هذين المصطلحين. و تم عرض الطرق المختلفة التي تستخدم و تطبق لقياس رضا العملاء والنتائج المحققة من خلال وجود عملاء مخلصين، تقدم الأطروحة أفضل الممارسات والتوصيات ذات الصلة حول كيفية تحسين مستوى رضا العملاء في فندق شيراتون. تم الحصول على هذه النتيجة بفضل أسلوب البحث الكمي عن طريق استبيان موجه لزيائن الفندق.

في الختام ، تكشف الأطروحة أن المستوى الحالي للخدمة في فندق شيراتون إيجابي وأن العملاء راضون جداً عن الخدمة. ومع ذلك ، هناك بعض الأشياء التي يجب تحسينها من أجل زيادة مستوى رضا العملاء. يوصى بأن تقوم الشركة بتحسين خدماتها فيما يتعلق بنظام التعليقات ، و تدريب الموظفين وإجراء حملات إعلانية بانتظام لجذب عملاء جدد وإبلاغ العملاء الحاليين بالأحداث القادمة.

**الكلمات المفتاحية:** جودة الخدمة ، رضا العملاء ، الولاء ، إدارة الجودة ، الفندق.

## Résumé

Les clients sont le lien qui mène au succès d'une entreprise. Une organisation commerciale doit se concentrer sur un grand nombre de clients, pour cela, la satisfaction et la fidélité des clients doivent être intégrées dans les objectifs à long terme. Cette thèse a été mise en œuvre pour étudier le concept de qualité de service, la satisfaction du client et la relation entre eux. L'objectif de cette recherche est d'analyser l'impact de la qualité de service sur la satisfaction des clients. Ce projet examine la qualité du service fourni par l'hôtel Sheraton club des pins et la satisfaction des clients reçue par ses clients. Des recommandations sur l'amélioration de la qualité du service et la fidélisation des clients sont proposées à la fin de la thèse.

Dans cette thèse, les chapitres théoriques de base passent en revue les études sur la qualité du service et la satisfaction des clients et la relation entre ces deux termes. Diverses méthodes qui ont été expliquées et utilisées pour mesurer la satisfaction des clients et les résultats obtenus en ayant des clients fidèles sont présentés. La thèse présente les meilleures pratiques et la recommandation pertinente sur la manière d'améliorer le niveau de satisfaction des clients de l'hôtel Sheraton club des pins. Ce résultat a été obtenu grâce à une méthode de recherche quantitative au moyen d'un questionnaire.

En conclusion, la thèse révèle que le niveau de service actuel de l'hôtel Sheraton est positif et que les clients sont très satisfaits du service. Toutefois, il conviendrait d'améliorer certaines choses afin d'accroître le niveau de satisfaction des clients. Il est recommandé que l'entreprise améliore son service en ce qui concerne le système de retour d'information, mette en place une formation du personnel et mène régulièrement des campagnes publicitaires pour attirer de nouveaux clients et informer les clients existants des événements à venir.

**Mots clés:** Qualité du service, Satisfaction des clients, Fidélisation, Gestion de la qualité, Hôtel.

## List of tables:

<b>Tables</b>	<b>Chapters</b>	<b>Pages</b>
<b>Chapter I</b>		
<b>Table n°I.1</b>	Components of service: Industry examples	<b>8</b>
<b>Chapter II</b>		
<b>Table n°II.1</b>	Customer satisfaction sources of information	<b>44</b>
<b>Chapter III</b>		
<b>Table n°III.1</b>	The five dimension Likert scale, agreement type.	<b>66</b>
<b>Table n°III.2</b>	Demographic information of respondents.	<b>69</b>

## List of figures:

<b>Figures</b>	<b>Chapters</b>	<b>Pages</b>
<b>Chapter I</b>		
<b>Figure nºI.1</b>	Factors involved in service production.	<b>11</b>
<b>Figure nºI.2</b>	The three forms of marketing in services.	<b>14</b>
<b>Figure nºI.3</b>	The 7Ps of services marketing mix.	<b>17</b>
<b>Figure nºI.4</b>	The Gaps Model of Service Quality.	<b>26</b>
<b>Figure nºI.5</b>	Importance/Performance map	<b>28</b>
<b>Chapter II</b>		
<b>Figure nºII.1</b>	Determinants of Customer-Perceived Value	<b>34</b>
<b>Figure nºII.2</b>	The process of perception	<b>35</b>
<b>Figure nºII.3</b>	The five values influencing consumer choice	<b>37</b>
<b>Figure nºII.4</b>	Factors influencing customer expectations of service	<b>38</b>
<b>Figure nºII.5</b>	Customer Demand Levels	<b>40</b>
<b>Figure nºII.6:</b>	Expectancy-disconfirmation model of consumer satisfaction	<b>42</b>
<b>Figure nºII.7:</b>	Sources of information for customer database	<b>46</b>
<b>Figure nºII.8:</b>	Dissatisfied customers complaint behavior	<b>48</b>
<b>Figure nºII.9:</b>	Relation between service quality and customer satisfaction	<b>50</b>
<b>Figure nºII.10:</b>	Relation between customer satisfaction and customer loyalty	<b>51</b>
<b>Figure nºII.11:</b>	Types of customers based on satisfaction	<b>53</b>
<b>Chapter III</b>		
<b>Figure nºIII.1</b>	Research strategy.	<b>65</b>
<b>Figure nºIII.2</b>	Customer's criteria of choice concerning hotels.	<b>71</b>
<b>Figure nºIII.3</b>	Hotel physical presence.	<b>72</b>
<b>Figure nºIII.4</b>	Food and beverage quality.	<b>73</b>
<b>Figure nºIII.5</b>	Front office performance.	<b>74</b>
<b>Figure nºIII.6:</b>	Staff attitude towards customers.	<b>75</b>
<b>Figure nºIII.7:</b>	Perceived room quality.	<b>76</b>
<b>Figure nºIII.8:</b>	Customers review of Sheraton leisure centers.	<b>77</b>
<b>Figure nºIII.9:</b>	Perceived value for money of Sheraton resort customers.	<b>78</b>
<b>Figure nºIII.10:</b>	Customers' overall satisfaction.	<b>79</b>
<b>Figure nºIII.11:</b>	Customers preferred service about Sheraton resort hotel.	<b>80</b>
<b>Figure nºIII.12:</b>	Customers' suggestions about services to improve.	<b>81</b>

## **List of abbreviations:**

AMA: American Marketing Association

CIT: Critical Incident Technique

IPA: Importance/Performance Analysis

ISO: International Standardization Organization

QA: Quality Assurance

QC: Quality Control

QMP: Quality Management Principles

QMS: Quality Management System

TQM: Total Quality Management

WOM: Word of mouth

## **Summary:**

<b>Introduction .....</b>	<b>1</b>
<b>Chapter I: Quality management in Services Marketing .....</b>	<b>4</b>
<b>Section 1: Notions and characteristics of services .....</b>	<b>6</b>
<b>Section 2: Services marketing .....</b>	<b>12</b>
<b>Section 3: Quality of services .....</b>	<b>18</b>
<b>Chapter II: Customer focus in the service operation .....</b>	<b>31</b>
<b>Section 1: Customer psychology.....</b>	<b>33</b>
<b>Section 2: Customer satisfaction as an approach for organizations .....</b>	<b>41</b>
<b>Section 3: Impact of service quality on customer satisfaction .....</b>	<b>49</b>
<b>Chapter III: Investigating the impact of service quality on customer satisfaction.....</b>	<b>55</b>
<b>Section 1: Presentation of Sheraton resort hotel Algeria.....</b>	<b>57</b>
<b>Section 2: Methodological framework .....</b>	<b>63</b>
<b>Section 3: Analysis and findings.....</b>	<b>68</b>
<b>Conclusion.....</b>	<b>85</b>

# **Introduction**

## Introduction

Every business organization's success depends on the satisfaction of the customers. Whenever a business is about to start, customers always come first and then the profit. Those companies that are succeeding to satisfy the customers fully will remain in the top position in the market. Today's business has known that customer satisfaction is the key component for success at the same time plays a vital role to expand the market share. In general, customers are those people who buy goods and services that meet their expectations. Therefore, companies should focus more on meeting with these expectations to attract customers and maintains a long-term affiliation.

Companies should make sure that they are providing quality, equivalent to their monetary value. This will increase the number of customers and holds the long-term relationship between the customer and the company. And the existing customer will help to attract new customers by providing or sharing the information about the products and services of the companies.

Satisfaction means to feel content after acquiring what was desired or wanted. It is difficult to know whether the customers are satisfied with the quality of product or services. So, providing satisfaction to the customers is not an easy task, for this, different factors are needed to be taken into consideration.

In Hospitality, one of the major service markets, one of the important aspects to ensure the attention of the customers is to provide the best and the most favorable service quality in the competing market. If a customer's satisfaction is earned, then it is sure that customer loyalty will also come along with it. Moreover, in the absence of customers, hotels would not exist. In order to increase the number of the customers, development of customer's satisfaction is very important. In terms of achieving business goals, these two terms are very important. Hence, the relation of customers and hotels in the hospitality market is, therefore, the most important one

In Algeria as everywhere in the world, satisfying customers through the service quality is becoming a major issue for any service company. In this matter, we were interested in the topic:

***“Analyzing the impact of service quality on Customer Satisfaction”***

The choice of theme is supported by many objectives, mainly to apply our research and theoretical knowledge in practical training and to study and have a closer look to the conceptual framework of service quality and customer satisfaction.

Therefore, we have chosen the Sheraton Resort Hotel as a place to carry out our practical training and make inquiries about our topic. The Sheraton Resort Hotel, is ranked as a 5 stars hotel in Algiers. This hotel is part of Marriott International luxury collection, one of the largest hotel and leisure groups in the world.

With this being said, our primary research question is:

***“To what extent the service quality provided by Sheraton resort hotel can influence customer satisfaction?”***

In order for this research question to be clearly answered, we have found that it is essential to ask the following sub-questions:

1. How satisfied are customers with the services offered by the Sheraton resort hotel?
2. Does the Sheraton resort hotel’s service quality meets with customers’ expectations?
3. What steps should be taken to ensure a better service quality for customers?

After initiating the essential previous studies and researches, and from the basis of some personal remarks and perceptions, we based our research on the next hypothesis which can be denied or confirmed at the end of our research work:

**H1:** The price of services provided by Sheraton resort hotel has an influence on customer satisfaction.

**H2:** The loyalty of Sheraton’s customers is largely due to staff’s attitude towards them.

**H3:** Sheraton resort hotel’s focus on development, content of luxurious leisure centers, contributes to better satisfaction of its clients and thus customer loyalty.

For the planning of this thesis, we used an appropriate methodological approach in order to answer the research question and test the initial hypotheses, thus we have adopted the descriptive and analytical method:

- The descriptive method: formed by the first two theoretical chapters of our thesis.
- The analytical method: which will be a quantitative method through a questionnaire survey.

The thesis consists of three chapters. The first chapter provides a literature review about the concept of service quality from a marketing and management perspective. The second chapter explains in details the concept of customer psychology and behavior and customer satisfaction and how to measure it, and concludes with the relation between service quality and customer satisfaction and the outcomes of this relation. The third and final chapter, in the empirical study we have used quantitative research method, a questionnaire survey was conducted with the Sheraton resort hotel's customers to figure out their degree of satisfaction of the services provided by the hotel. The questionnaire was distributed online and received 97 usable respondents. The answers we received through the questionnaire made it easier for us to provide suggestions for further improvement.

**Chapter I: Quality  
management in Services  
Marketing**

## **Introduction**

The concept of marketing is based on the premise that companies should determine consumer wants and needs before designing products and services. This consumer-orientation results in greater demand for a company's products and services and higher levels of customer satisfaction after the purchase.

In a competitive market place, understanding customer's needs became an important factor. As a result, companies have moved from a product-centric to a customer centric position, which led to the focus on customer satisfaction through quality because of its important effect on customer retention.

Service quality represents a management concept which aims to optimize the resources and capabilities of a network or process and to guarantee excellent performance to critical applications for the organization.

In order to better understand services marketing and service quality, we will present in this chapter beforehand the concepts and characteristics of the service concept (section 1), then we will examine the concept of services marketing (section 2), and finally, the service quality approach (section 3).

## Section 1: Notions and characteristics of services

Services are distinguished from goods and products by their intangible character, by the impossibility of storage and instant consumption. In this regard, many experts and organizations started engaging in the study of services.

### 1.1. Service definition:

Etymologically, the word "Service" came from the Latin word "Servitium" which means slave, it does not imply a dominated relation, but all simply the fact of listening to the client while maintaining a relationship of mutual respect.

- “Service is a set of duties that citizens have towards the state, society and the resulting activities”<sup>1</sup> .
- “An action or an activity which can be offered by a party to another party, which is basically intangible and cannot affect any ownership. A service can be associated or not with a physical product”<sup>2</sup> .
- “The service an action or a service offered by a party to another although the process can be linked to a physical product, the service is transient, often intangible by nature, and does not normally result from the possession of any of the factors of production”<sup>3</sup>.

Based on these different definitions, a service is an intangible product with a value that can be associated or not with a physical product that brings satisfaction to the consumer.

### 1.2. Service objectives:

Businesses create value by offering services expected by customers at an acceptable price. In return, companies receive value from their customers, first in the form of money and then through the use of services. These value transfers illustrate one of the essential concepts of marketing, that of exchange.

---

<sup>1</sup> DETRIE P.: “A quality approach”, 4<sup>th</sup> Edition, Organization edition, Paris, 2003, P.49

<sup>2</sup> KOTLER P., KELLER K., MANCEAU D., DUBOIS B.: “Marketing management”, 13<sup>th</sup> Edition, Pearson education, Paris, 2009, P.452.

<sup>3</sup> Lovelock C., WIRT J., LAPERT D.: “Services Marketing”, 5<sup>th</sup> Edition, Pearson education, Paris, 2004, P.09.

Customers invest time, money and effort to get a service that provides them with specific benefits. If the customer feels that he has paid more than necessary or that he has received less profit than he expected or by any means was treated incorrectly when the service is delivered, the value received will be reduced. Thus, it is crucial for companies to develop relationship marketing strategies that improve customer satisfaction in order to build customer loyalty.<sup>1</sup>

### 1.3. Service components:

A service is a form of satisfaction sold by companies to create a contact with consumers, however, service components play a pivotal role in winning and maintaining a satisfied customer. <sup>2</sup>

The four main components of a service are as follows:

- **Physical product:** It is whatever the organization transfers to the customer that can be touched. It is tangible and physically real (Food, books, cars ...).
- **Service product:** It is the core performance purchased by the customer, the flow of events designed to provide a desired outcome, typically includes interactions with the sales representatives.
- **Service environment:** It is the physical environment that surrounds the service, sometimes referred to as a “services-cape”, for example, going to see a movie is more enjoyable if the theater has comfortable seats. Even though the customer doesn't take any of that home it has an important impact on the service experience.
- **Service delivery:** It refers to what actually happens when customers buy the service. The service product defines how the service works in theory, but the service delivery is how the service works in actual practice.

---

<sup>1</sup> DENIS L.: “Services Marketing”, DUNOD Edition, Paris, 2005, P.28-29.

<sup>2</sup> Robert C., Michael S., Cherrill P.: “Managing Quality Service In Hospitality”, Cengage Learning, Florence, 2011, P.41

Table n°I.1: Components of service: Industry examples.

<i>Industry</i>	<i>Physical product</i>	<i>Service Product</i>	<i>Service Environment</i>	<i>Service Delivery</i>
Auto	The Car	Title transfer Warranty Loans	Showroom Grounds Car lot	Test drive and sales pitch Repair time Negotiation
Hotels	Shampoo, etc. Food	Messages Shuttle Wake-up calls	The room Pool Lobby	Front desk performance Room cleaning Promptness of room service
University	Diploma	Majors Residence Placement	Classrooms Dormitories Sports fields	Teaching performance Janitorial Job interview schedules
Retail store	Goods	Assistance Credit Inventory	Sales floor	Knowledgeability Friendliness Speed

Source: SUJATHA A.: "Service Marketing MBA course", Tirupati, 2017, P.31

#### 1.4. Service classification:

There are many ways to classify services. One classification considers who or what is being processed and identifies four classes of services: people processing (beauty services, babysitting and medical services); mental stimulus processing (education services, counselling services, life-coaching); possession processing (pet care, computer repair) and; information processing (financial services, data warehousing services).<sup>1</sup>

<sup>1</sup> KOTLER P., KELLER K.: "Marketing Management", 14<sup>th</sup> Edition, Pears on education, Paris, 2012, P.405.

**1.5. The characteristics of the services:**

Services are complex, with unique characteristics. The defining characteristics of a service can be presented as following:

**1.5.1. Intangibility:**

Services are intangible, it cannot be seen, touched or even tasted before you acquire them. The mission of service provider is therefore to foster customer confidence by increasing the tangibility of the service by using the service environment, staff, equipment, communication tools in order to satisfy a customer. <sup>1</sup>

**1.5.2. Inseparability/Simultaneity of production and consumption:**

Services are produced and consumed at the same time, while goods are produced then sold and then consumed, it is impossible to store a service, this means that time constraints are more important for the service company which cannot spread out its production and store it to cope with variations in demand.

**1.5.3. Heterogeneity/Variability:**

Given the very nature of services, each service offering is unique and cannot be exactly repeated even by the same service provider. While products can be mass produced and be homogenous the same is not true of services. e.g.: All of the rooms in the hotel are almost identical. However, the same is not true of the service rendered by the same front office consecutively to two customers. <sup>2</sup>

**1.5.4. Perishability:**

Services cannot be stored, saved, returned or resold once they have been used. Once rendered to a customer the service is completely consumed and cannot be delivered to another customer.

**1.6. The SERVUCTION system:**

Servuction model is often used in service marketing to describe the close involvement of customers in the service production and experience.

---

<sup>1</sup> Robert C., Michael S., Cherrill P.: "Managing Quality Service In Hospitality", Cengage Learning, Florence, 2011, P.44

<sup>2</sup> Ibid, P: 47

### 1.6.1. Definition of Servuction:

The concept of servuction was developed by Pierre<sup>1</sup> and Eric EIGLIER LANGEARD, It is an amalgamation of two words “services and production” and also goes by the name co-production and co-creation. It is important because of the inseparability attribute of a service.

### 1.6.2. The Servuction Factors:

The servuction model is basically used to illustrate four factors that influence service experience, including those that are visible and invisible to the consumer. When a servuction model is done on any given business, it is important to know the four factors of it. The four factors are presented below:

#### a. The customer:

He is the centric element in the servuction model, his participation in the process of service production is mandatory in one way or another for the existence of the service.

#### b. Physical evidence:

Also known as “Services cape”, is the physical support which is necessary for the production of the service and will be used by staff, the customer, or both. <sup>2</sup>

#### c. Contact personnel/service providers:

Contact personnel are the employees other than the primary service provider who briefly interact with the customer, also known as “Front office”.<sup>3</sup>

#### d. Other customers:

Other customers are basically those that receive the service alongside the customer, perhaps through a bundle of benefits created through service experience. <sup>4</sup>

#### e. Organizations and systems:

The support function of the service “back office” has a direct influence on the physical support and contact personnel. The performance quality of the back office is directly connected to the Front office performance.<sup>5</sup>

---

<sup>1</sup> Pierre E., Eric L.: “Services as Systems: Marketing Implications”, Chiron Edition, 2004, pp. 83–103

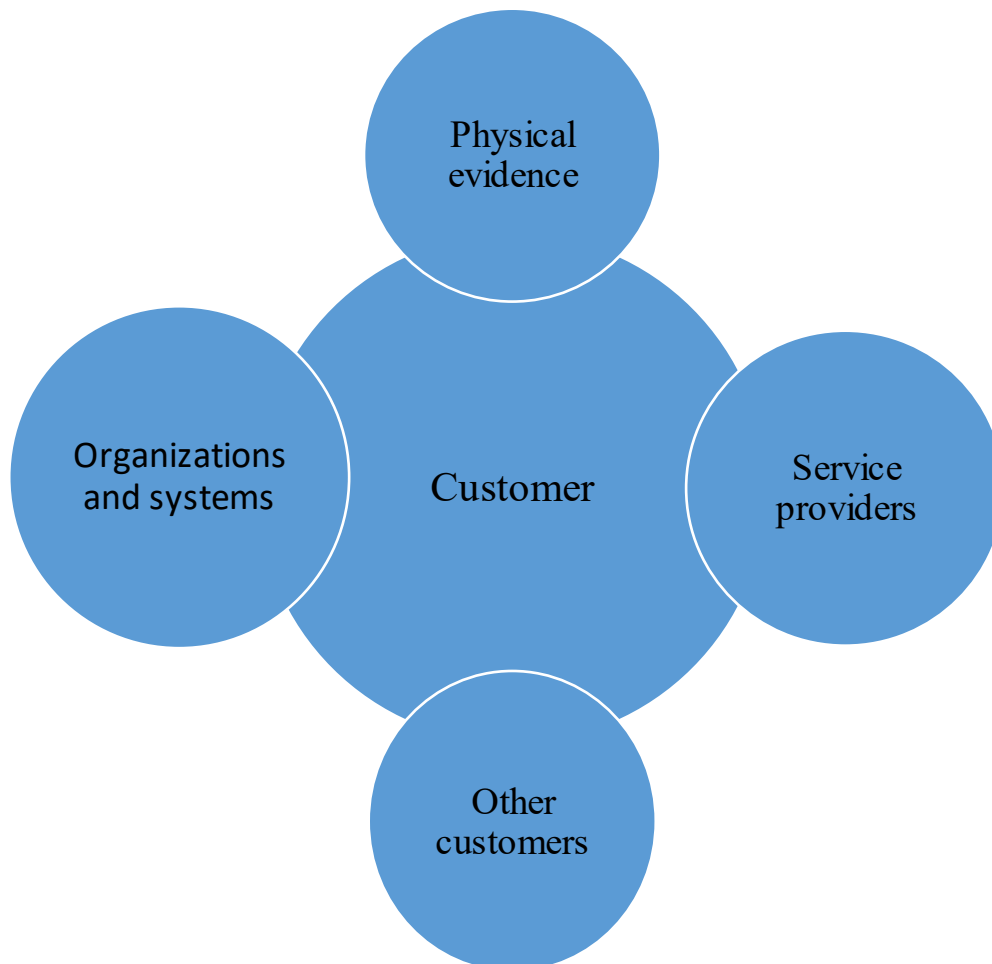
<sup>2</sup> TARDIEU (J. Michel): Marketing and service management, Chiron Edition, 2004, P. 25

<sup>3</sup> Ibid., P.27

<sup>4</sup> TARDIEU (J. Michel) : Op.cit., P.34

<sup>5</sup> Ibid, P.40

**Figure n°I.1:** Factors involved in service production.



## Section 2: Services marketing

Services marketing is marketing based on relationship and value. It is used to market services, and with the increasing prominence of services in the global economy, it has become a subject that needs to be studied separately. In this section, we will get to explain the different concepts of services marketing.

### 2.1. Marketing Orientations:

While marketers and marketing teams can usually dictate the marketing strategies it adopts, it cannot always dictate the organization's marketing orientation.

An organization focus (and subsequently its marketing) is centered on five key categories, classified into the following orientation groups: Production orientation, product orientation, sales orientation, societal orientation and market orientation.

#### a. Production orientation:

This perspective is centered on the product, efforts are focused on increasing production capacities at lower costs. A company turns its focus on the production in periods of shortages, when the demand exceeds the offer.

#### b. Product orientation:

The product concept holds that the consumers will favor products that offer the most in quality, performance and innovative features. Here, marketing strategies are focused on making continuous product improvements.

#### c. Sales orientation

Here the management focuses on creating sales transactions rather than on building long-term, profitable customer relationships. In other words, the company aims to sell what it produces rather than producing what the market wants.

#### d. Marketing orientation:

Here marketing management takes a "customer first" approach, customer focus and value are the routes to achieve sales and profits. The marketing strategy here focuses on finding the right customers for your product but to find the right products for your customers.

**e. Societal marketing orientation:**

The societal marketing concept calls for sustainable marketing, socially and environmentally responsible marketing that meets the present needs of consumers and businesses while also preserving or enhancing the ability of future generations to meet their needs. The Societal Marketing Concept puts Human welfare on top before profits and satisfying the wants.

**2.2. Definition of Marketing:**

There are several experts who have tried to explain the concept of marketing and demonstrate its importance in relation to companies by different definitions:

“The art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value”.<sup>1</sup>

“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large”<sup>2</sup>.

**2.2.1. Definition of services marketing:**

Services marketing is between marketing and management, because it is interested in customers and the methods of managing teams systematically to meet the customer's expectations. From the point of view of Benoît MEYRONIN and Charles DITANDY, marketing services means :

“Taking care of contact personnel teams so that they take care of customers. Thus, it implements a symmetry of attentions”.<sup>3</sup>

It can also be defined from the point of view of its production, or rather of the "Servuction" model as a system in which three basic ingredients interact for the service to exist. These elementary bricks are the physical support, the participation (or co-production) of customers and finally the staff in contact.<sup>4</sup>

Another point is that services marketing is a set of concepts and methodological tools that allows moving from an industrial culture, product, and process to a culture of service.

---

<sup>1</sup> KOTLER P., KELLER K.: Op.cit, P.05

<sup>2</sup> Lisa Keefe: “Marketing Defined,” Marketing News, 2008, pp. 28–29

<sup>3</sup> MEYRONIN B., DITANDY C.: “From management to marketing of services”, 3<sup>rd</sup> edition, DUNOD Edition, Paris, 2015, P. 116

<sup>4</sup> Ibid,

### 2.2.2. Services marketing forms:

Service marketing requires three forms of marketing: internal, external and interactive.

#### A. Internal marketing:

Means that the company must train and motivate all of its staff from the perspective of customer satisfaction.

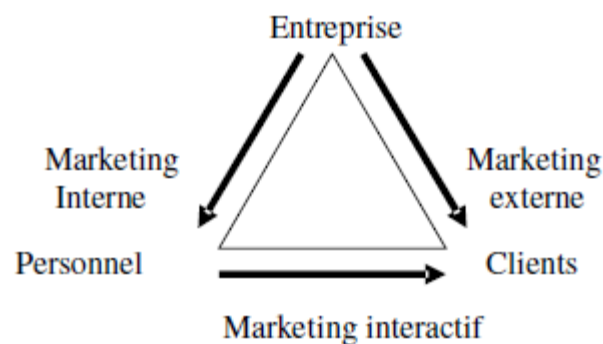
#### B. External marketing:

External marketing describes the classic job of preparing the service, pricing, distribution and communication.

#### C. Interactive marketing:

Interactive marketing is a one-to-one marketing practice that centers on customer actions. It involves marketing initiatives that are triggered by customer's behaviors and preferences, for this reason, it is a major shift from traditional campaign-based marketing efforts. Interactive marketing involves reacting to customer actions and striving to meet their expectations and demands. <sup>1</sup>

Figure n°I.2: The three forms of marketing in services.



Source: KOTLER (P), KELLER (K): Marketing Management, 14<sup>th</sup> Edition, Pearson education, Paris, 2012, P. 365.

<sup>1</sup> KOTLER P., KELLER K.: Op.cit, P.365

### 2.3. Services marketing mix:

The term marketing mix is defined as a combination of all of the factors at a marketing manager's command to satisfy the target market. The elements of 7Ps marketing mix are regrouped to four elements or 4Ps such as product, price, place and promotion. However, the 4Ps model has certain restrictions, which are solved by expanding the model to include additional Ps.<sup>1</sup>

In 1980s onward, the three new Ps were proposed into the marketing mix. It was believed that the 4Ps model or old marketing mix model is not suitable for services marketing conceptual framework. Also, with the existence of the unique types of services, these three new marketing mix elements are essential to "the definition and promotion of services in the consumers' eyes". So, the traditional marketing mix had modified and expanded its elements from 4Ps to 7Ps. The additional new 3Ps included people (customer-oriented service employees with a focus on showing personal attention, inter-personal care, willingness to help, politeness), physical evidence (style and appearance of physical surroundings and other experiential elements encountered by customers at service delivery sites), and process (the best practices in delivering products and services to the customers with the aim of making them happy and satisfied).

Although 7Ps model could improve the 4Ps marketing mix approach and some of the limitations were solved, it had also some weaknesses and limitations. The 4Ps investigates product, price, place and promotion. These elements are necessary to achieve customer satisfaction, but it is not enough. Considering more elements like people, process and physical evidence can improve the results for customer satisfaction.

#### 2.3.1. Product:

It can be defined as a tangible or intangible product or service offered by a firm, it can also be a description of requirements and requests of a customer. Goods are something that are beneficial and meet the requirements of the different governing offices or people. Product is the basic factor of the marketing mix model that retailers can suggest to differentiate their product from their competitors. <sup>2</sup>

---

<sup>1</sup> Lovelock C., Jochen W.: Services Marketing: People, Technology, Strategy, 8<sup>th</sup> edition, World scientific, London, 2016, P. 69

<sup>2</sup> Ibid, P.69-70

**2.3.2. Price:**

Price is the amount of fee that a customer must pay for any product or service a company has to offer. It has a very important role because it illustrates the company's turnover and future survival. In other words, the price has a significant impact in the marketing strategy, and mainly has an effect on sales and benefits of stakeholders.

**2.3.3. Place:**

Place is the location or where a product or services can be found for use of consumption. Also, it means the situation of a company's building from a geographical perspective, like hotels that are near to seashore with great view of beach, rooms having mountains view, or even close from public places like malls, hospitals, railway station, bus station and airports. This is an eminent element of the marketing mix.

**2.3.4. Promotion:**

All of the methods of communication that companies use to inform customers about its products or services including personal selling, advertising, direct mail and sales promotion. Promotion makes it possible for the company to increase levels of knowledge and loyalty of customers on products or services, inform people about particular issues, improve the company's brand image and increase sales.

**2.3.5. People:**

One of the basic elements to any service facility in hotels is the use of proper staff and people in exact place and job. Employing trusted staff and teaching them properly in supplying their service, is a basic responsibility of hotel managers who want to achieve competitive advantages and gain more financial benefits. Employees who have direct interaction with customers can affect decision making of customers. Also, staff who have service knowledge about work and job position, appropriate interpersonal skills, and good attitude to provide the service that consumers like will affect customer satisfaction.<sup>1</sup>

**2.3.6. Process:**

Process can be defined as the performance of activity and functions that increase value of services with low cost and high benefits to customers and it is more important for services than goods. Services are intangible, therefore, processes become crucial to ensure quality standards are met. Process in services is the rightful method for service delivery and operating

---

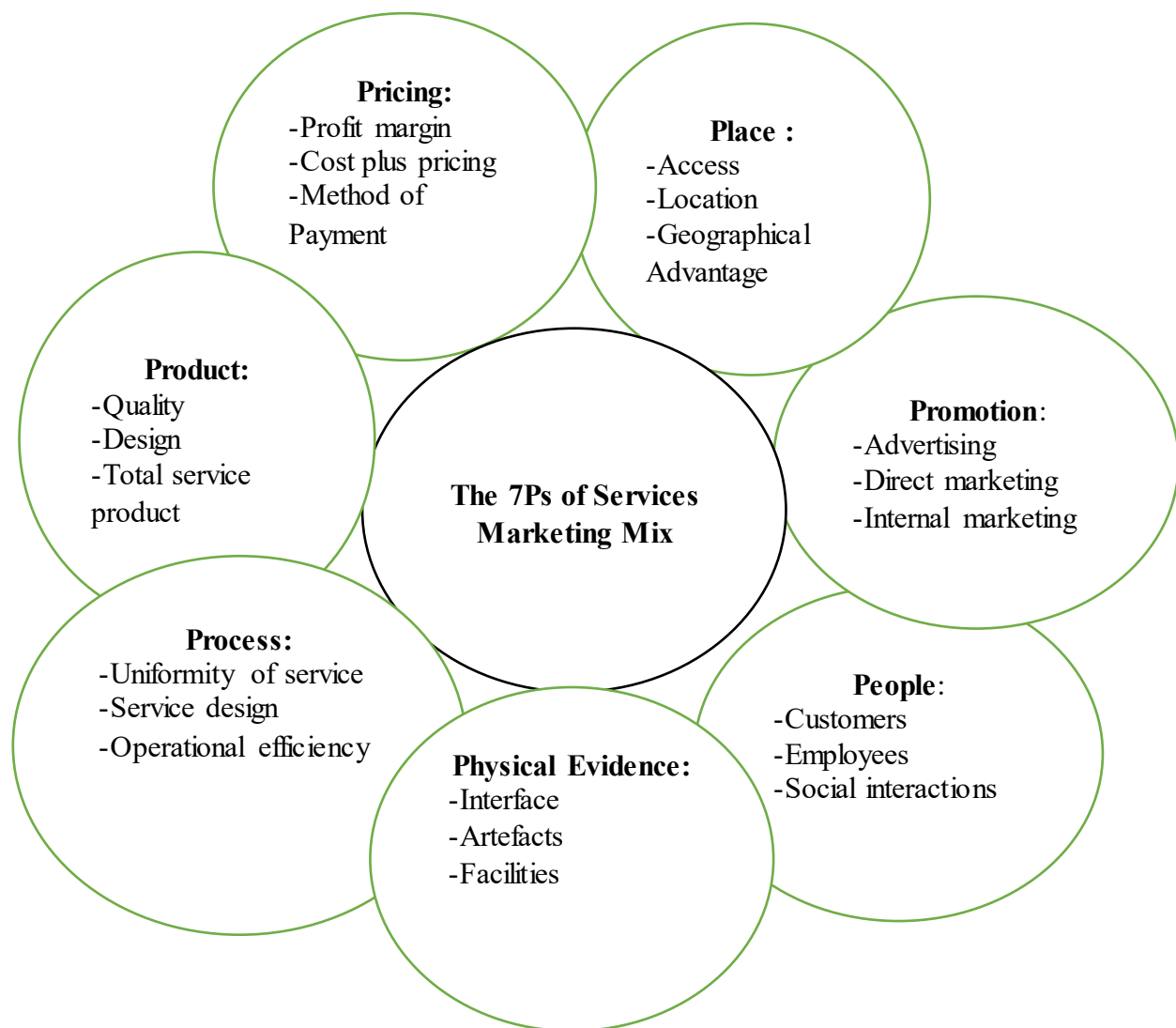
<sup>1</sup> Ibid, P. 76

system. The processes as well as the skill in the service providers are clearly revealed to customers and it forms the basis of their satisfaction with the purchase. <sup>1</sup>

### 2.3.7. Physical evidence:

Also known as Service cape is the environment in which the service can be delivered when the company and the customer interact together, with any tangible components that assist proficiency or communication of the service. Physical evidence is the element of the service mix that helps service consumers make decisions to visit the company again or repeat the consumption of the service.<sup>2</sup>

**Figure n°I.3:** The 7Ps of services marketing mix.



<sup>1</sup> Lovelock (C). Jochen (W): Opcit, P.74

<sup>2</sup> Simon (H), Tourism and Hospitality Marketing "A Global Perspective", SAGE Publications, London, 2008, P.151

### Section 3: Quality of services

All companies work around quality. Whether for the sale of product or service, it is an evolving concept by economic movements which indicates the best way to produce product or a service that meets consumer's needs. Quality is the lifeblood of service delivery firms, bringing increased customer patronage, competitive advantage and long-term profitability. In this section, we will explain the process of service quality.

#### 3.1. Understanding Quality Concept:

Historically, it was above all about optimizing production processes to the development of quality from the available productive factors (Materials raw materials, work, and technology). First assimilated to the scientific organization of work (Taylor), in business the concept of quality comes from Taylorism, a movement that advocates the "best way to produce", quality will only be distinguished from methodical Taylorism after the Second World War. In particular thanks to the work of Edward Deming and Joseph Juran on the total quality and organizational excellence.<sup>1</sup>

It was at this time that mass tourism and the first initiatives related to the quality of the tourist offer, without the term quality being explicitly pronounced. However, the term "quality" did not really integrate the repository of public and private tourism operators that for twenty years, alongside the emergence of quality models specifically applied to services.

##### 3.1.1. Definition of quality:

Quality has many different definitions and there is no universally acceptable definition. Experts claim it is because of the elusive nature of the concept from different perspectives and orientations and the measures applied in a particular context by the person defining it.<sup>2</sup>

The definition of quality varies between manufacturing and services industries and between academicians and practitioners. These variations are caused by the intangible nature of its components since it makes it very difficult to evaluate.

---

<sup>1</sup> Hardie N. & Walsh P.: "Towards a better understanding of quality", International Journal of Quality & Reliability Management, Vol. 11, 1994, p.53-63.

<sup>2</sup> Sower, V., Fair, F.: "There is more to quality than continuous improvement: Listening to Plato", The Quality Management Journal, Vol.12, No.1, 2005, p.8-20.

Some definitions of quality pointed out by Sower and Fair include:

“Quality is product performance which results in customer satisfaction freedom from product deficiencies, which avoids customer dissatisfaction”.<sup>1</sup>

“Quality: the totality of features and characteristics of a product that bear on its ability to satisfy stated or implied needs”.<sup>2</sup>

“Quality is defined as the summation of the affective evaluations by each customer of each attitude object that creates customer satisfaction”.<sup>3</sup>

“Quality is the totality of features and characteristics in a product or service that bear upon its ability to satisfy needs”.<sup>4</sup>

The above definitions of quality shed light in understanding quality concept. Concerning our study, quality is seen in terms of service quality because we are dealing with hospitality industry in which hotels carry out other sales assistance services to customers. Therefore, most of the definitions are relevant to our study because they mention services and how customers will like to become satisfied when the quality is high.

### **3.1.2. The developing of quality concept:**

The opening of markets to products and services, the development of means of communication and the need to solve complex problems forced companies to integrate a quality management approach into the development of the products or services it designs. The evolution of the quality concept has passed by four periods:

#### **3.1.2.1. The quality inspection (Early 20<sup>th</sup> century):**

Frederic Wilson Taylor, the father of scientific management, suggested creating a new role within the company that of the inspector responsible for verifying work quality. Taylor advocated a distinction between those who design, those who produce and those who supervise work quality in order to detect product defects.

---

<sup>1</sup> Juran M.: “Leadership for quality”, Simon and Schuster (2003), 1985, p.5

<sup>2</sup> ISO: International Standard of Organization

<sup>3</sup> Wicks, A. M., & Roethlein, C. J.: “A Satisfaction-Based Definition of Quality”, Journal of Business & Economic Studies, Vol. 15, No. 1, 2009, P.90

<sup>4</sup> Haider, S.: “ISO 9001:2000 Document Development Compliance Manual”, Florida: St. Lucie Press, 2001, P.8

### 3.1.2.2. Quality control (1930 to 1950):

Quality control (QC) is the first step towards total quality management. It is a curative action limited to a posteriori control of the conformity of the product or a service once produced.

World War II has greatly influenced the quality concept with the competition in the arms industry hence the appearance of a new quality concept "The acceptable quality level (AQL)", in other words, the minimum quality to meet customer expectations.<sup>1</sup>

### 3.1.2.3. Quality assurance (1950 to 1970):

Quality assurance (QA) includes two principles: "fit for purpose" (the product should be suitable for the intended purpose), and "right first time" (mistakes should be eliminated).

QA includes management of the quality of raw materials, assemblies, products and components, services related to production, and management, production and inspection processes. The QA remains focused on the product and not on customer satisfaction.

### 3.1.2.4. Total quality management (1970 to 2000):

In this period, the premises of total quality management (TQM) were born, it is oriented towards customer satisfaction in every way, which is characterized by quality control from design to distribution including people involved in manufacturing with the cooperation of all departments to assure the best quality. TQM is a method that seeks to continuously improve a company's quality of products or service by aiming to eliminate the defect in the whole process "Zero defects",<sup>2</sup> the whole process means not only the development and the production of the product or service, but also all the processes that make it possible to take the right decisions and accelerate their implementation.

## 3.2. Quality management system QMS:

A quality management system (QMS) is a performance-reporting system and is defined as a formal system of accumulating and reporting data useful for the achievement of management's objectives.<sup>3</sup> And for the implementation of this system, a company needs to put in consideration the following steps:

---

<sup>1</sup> <https://asq.org/quality-resources/history-of-quality>, accessed 04/03/2020, 19:52.

<sup>2</sup> <https://qualitymanagement.co.uk/quality/all-about-history-quality-management>, accessed on 04/03/2020, at 20:34.

<sup>3</sup> Peter D.: "Quality Management Theory and Application", CRC Press, 2009, P.16

### 3.2.1. Exploratory and decision-making process:

This phase begins by analyzing the differences that may exist between the methods used for the activities practiced in the company and the methods recommended in ISO standards. In order to assess as precisely as possible these differences, companies practice systematic audits in services. Therefore, companies deduce from these audits a general assessment and define objectives for the implementation of a system quality assurance.

### 3.2.2. Implementation of a QMS:

Creating a quality management system requires input from employees at all levels of an organization, starting with top management. The firm commitment to change and improvement is vital to the success of system implementation. <sup>1</sup> The first and most crucial element of the ISO 9001 lifecycle is to get a deep understanding of exactly what the standard means and the purpose it serves within an organization. Conducting a thorough gap analysis to see the current quality benchmark within the firm and preparing documentation to provide the entire organization with procedures to follow, with objectives to achieve and policies to adhere to.

Implementation of ISO 9001 requires comprehensive training and education with employees, they are the ones on the frontline of the new quality assurance system and managers need to be confident they have all the information required for things to run smoothly. And finally, the improvement of the quality system of the organization over time, with an external audit from independent assessors providing the actual ISO standard certification.

### 3.2.3. Making quality a reality:

Once a company is certified, it means that the company's quality management system conforms well to the standards. Companies in general are changing continuously. However, it must therefore verify that there will be no errors in the process of production.

## 3.3. Quality management principles QMP:

There are eight principles that we were able to extract from the QM: Customer focus, leadership, engagement of people, process approach, continuous improvement of overall performance, evidence-based decision making and, relationship management. <sup>2</sup>

---

<sup>1</sup> International Organization for Standardization: Implementation Guidance for ISO 9001:2015

<sup>2</sup> Ibid, Quality management principles QMPs

### 3.4. ISO standards:

The quality approach is often followed by ISO certification, which is a standards network of national institutes from 156 countries. According to ISO, the International Standardization Organization, the official definition of the standard is:

“Document established by consensus and approved by a recognized body, which provides, for common and repeated use, rules, guidelines or characteristics, for activities or their results guaranteeing an optimal level of order in a given context”.

The main areas of international certification are Quality Management (ISO 9000 standards) and Environmental Management (ISO 14000 standards). Published in 1987 at the request of manufacturers. The series of ISO 9000 standards provides a support in the quality process. Their goals, concisely are; ISO 9000 standard sets out the principles and vocabulary of quality management, ISO 9001 standard describes the legal criteria that the company must meet to be certified, ISO 9004 standard gives guidelines for improving performance, and ISO 9011 standard describes the verification tool used during the audit.

### 3.5. Service quality Concept:

Service quality is considered an important tool to a company's existence to differentiate itself from its competitors. The relevance of service quality to companies is emphasized here especially the fact that it offers a competitive advantage to companies that strive to improve it and hence bring customer satisfaction.

#### 3.5.1. Definition of service quality:

The term 'Service quality' is harder to define and judge. Number of authors tried to define it and give definitions in different point of views.

“Service quality is a consumer's belief and attitude about the general performance of a firm”.<sup>1</sup>

“Service quality is the gap between customer expectations for services and the perception of quality after consumption”.<sup>2</sup>

In this study, Service quality means the ability of a service provider to satisfy a customer in an efficient manner through which he can improve the business performance.

---

<sup>1</sup> Lovelock C., Jochen W.: Services Marketing: People, Technology, Strategy, 8<sup>th</sup> edition, World scientific, London, 2016, P. 145

<sup>2</sup> Parasuraman A., Zeithaml V., and BerryL.: “A conceptual model of service quality and its implications for future research”, Journal of Marketing, 1985, P.40

### 3.5.2. Service quality dimensions:

Valarie ZEITHAML, A. PARASURAMAN and Leonard BERRY identified ten factors used by the consumer to assess the service quality through focus group studies, these factors represent the dimensions of service quality; tangibility of the service (physical appearance), reliability (ability to perform services), responsiveness (willingness to help the client), competence (possession of knowledge), courtesy (politeness), credibility (trust and honesty), security (absence of risk), accessibility (easy contact), communication (listening and customer information), customer understanding (knowing customer needs)<sup>1</sup>. These factors are grouped later on into five main dimensions, reliability, responsiveness, assurance, empathy and tangibility.

#### a. Reliability:

Reliability is defined as the ability to perform the promised service dependably and accurately. In broad sense reliability means, service companies' promises about delivery, service provisions, problem resolutions and pricing. Customers like to do business with those companies who keep their promises. So it is an important element in the service quality perception by the customer and his loyalty. Hence the service companies need to be aware of customer expectations of reliability. In the case of Hotel services, the reliability dimension includes regularity, attitude towards complaints, keep customers informed, consistency, procedures, etc.<sup>2</sup>

#### b. Responsiveness:

Responsiveness is the willingness to help customers and to provide prompt service. This dimension focuses in the attitude and promptness in dealing with customer requests, questions, complaints and problems. It also focuses on punctuality, presence, and professional commitment etc., of the employees or staff. It can be calculated on the length of time customers wait for assistance, answers to questions etc. The conditions of responsiveness can be improved by continuously viewing the process of service delivery and employees attitude towards requests of customers.<sup>3</sup>

---

<sup>1</sup> Clow, K. E. and Vorhies, D. W., 'Building a Competitive Advantage for Service Firms', *Journal of Services Marketing*, vol. 7, 1993, pp. 22–32.

<sup>2</sup> Parasuraman, A., Zeithaml, V. A. and Berry, L. L., 'SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality', *Journal of Retailing*, vol. 64, spring 1988, pp. 12

<sup>3</sup> *Ibid*, P. 13-14

**c. Assurance:**

The third dimension of service quality is the Assurance dimension. It can be defined as employee's knowledge, courtesy and the ability of the firm and its employees to inspire trust and confidence in their customers. This dimension focuses on job knowledge and skill, accuracy, courtesy etc. of employees and security ensured by the firm.

**d. Empathy:**

Another dimension of service quality is the Empathy dimension. It is defined as the caring, individualized attention provides to the customers by their service company. This dimension try to convey the meaning through personalized or individualized services that customers are unique and special to the company. The focus of this dimension is on variety of services that satisfies different needs of customers. In this case the service providers need to know customers personal needs and wants and preferences.<sup>1</sup>

**e. Tangibility:**

The fifth dimension of service quality is the Tangibility which is defined as the appearance of physical facilities, equipment, communication materials and technology. All these provide enough hints to customers about the service quality of the company. Also, this dimension enhances the brand's image. Hence tangibility dimension is very important to firms and they need to invest heavily in arranging physical facilities.

**3.6. Measurement of Service quality:**

In the case of tangible goods, quality can be assessed by examining the goods. Quality control can be used to check specifications and reject defective goods. But service quality cannot be assessed in the same way as a tangible product due to a particular features in services which is intangibility<sup>2</sup>. As in the case of goods, the service provider cannot undertake quality check before the service is finally delivered to the customer. In order to assess the service quality the customer judges the expected service quality against the perceived quality when they receive it. There are mainly five methods for measuring service quality. The first one is the gap analysis (SERVQUAL), researchers also apply the service performance measures (SERVPERF), importance/Performance analysis (IPA), Critical Incident Technique (CIT), Mystery Shopper technique.

---

<sup>1</sup> Ibid, P. 16

<sup>2</sup> O'Neill, M.: "Measuring service quality and customer satisfaction", Kandampully, 2001, P. 20

### 3.6.1. Gap analysis (SERVQUAL):

AP PARASURAMAN, V. ZEITHAML and L. BERRY developed the SERVQUAL model, this model indicates that customer perception of quality is influenced by a series of five distinct gaps. They are mentioned below: <sup>1</sup>

Gap - 1 - Gap between customer expectation and Management perception.

The reasons for this gap are lack of adequate market research and lack of upward communication. This gap can be narrowed by adopting adequate research programs to know customer needs and to improve the communication system. It can be measured by using the SERVQUAL scale and comparing the scores obtained from the management and customers.

Gap - 2 - Gap between Management perception and service quality specification.

This gap exists in service firms because of the lack of whole hearted commitment of management to service quality, inadequate service leadership etc. It can be closed by standardizing service delivery process and setting proper organizational goals.

Gap - 3 - Gap between Service quality specification and service delivery.

The third gap originates from the discrepancies in the actual service delivery, that is, the service providers or employees do not perform at the level expected by the management. It is because of the ineffective recruitment, lack of proper incentives and motivations etc. This gap can be eliminated by providing the employees with adequate support system, better human resource management system etc.

Gap - 4 - Gap between Service delivery and external communication.

The gap between service delivery and external communication occurs due to exaggerated promise or ineffective communication to the customer, which raise customer expectations. This can be narrowed by efficient and effective communication system.

Gap - 5 - Gap between expected quality and perceived quality.

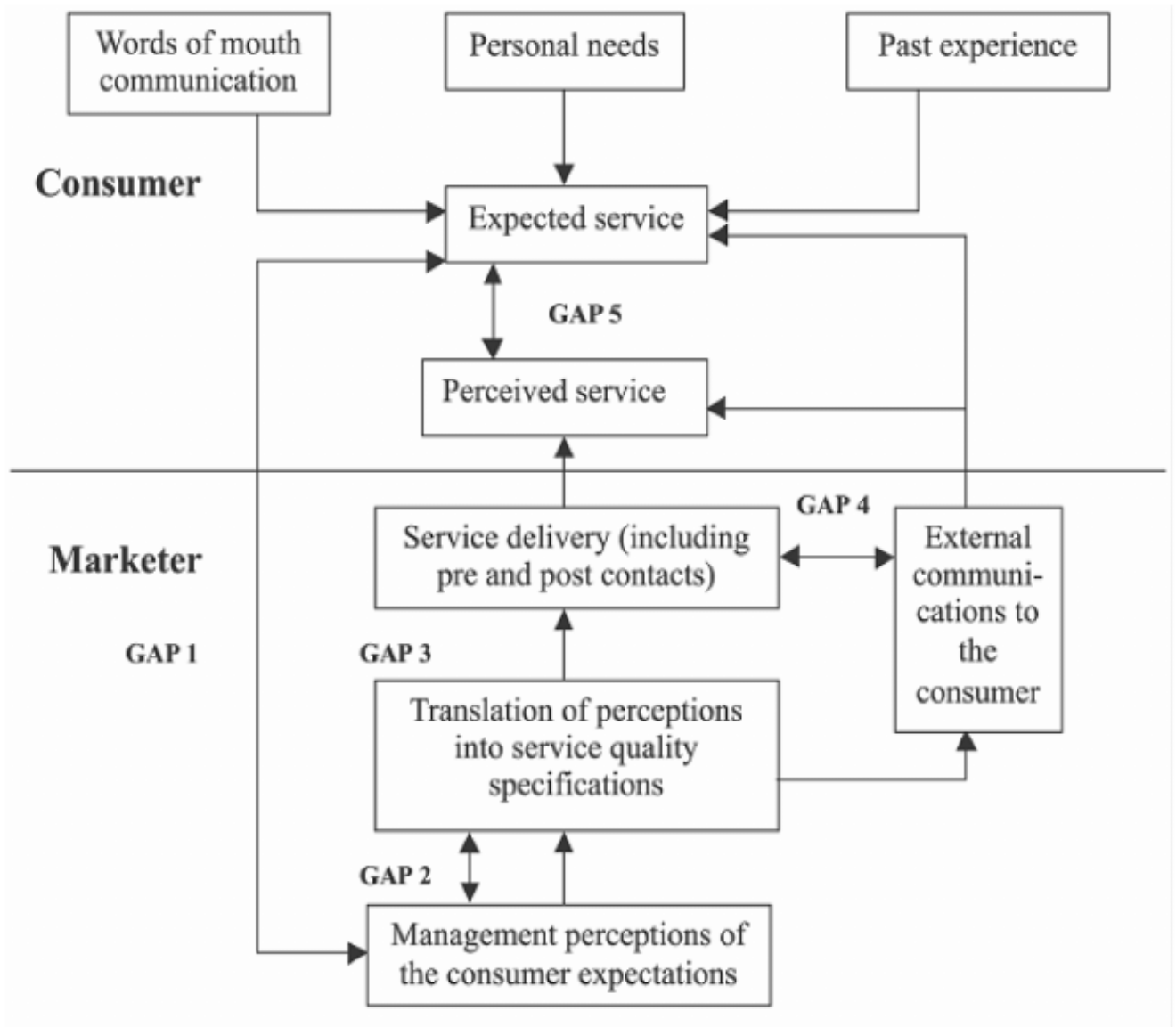
This gap exists because of the inequality in the service expectation of customer and his service perception. This can be overcome by identifying, quantifying and monitoring customer

---

<sup>1</sup> Parasuraman, A., Zeithaml, V. A. and Berry, L.L. 'A conceptual model of service quality and its implications for future research', Journal of Marketing, 1985, P.41-50.

expectations and perceptions through the effective use of marketing and marketing research tools.

Figure n°I.4: The Gaps Model of Service Quality.



**Source:** Parasuraman, Zeithaml and Berry (1985), "A Conceptual Model of Service Quality and its implications for Future Research", P. 44

### 3.6.2. Service performance measures (SERVPERF):

An alternative to using gap theory methodology for measuring service quality is the service performance measures. The two types of performance measures can be used under this method. One is, Soft measures of service quality and other one is, hard measures of service quality. <sup>1</sup>

### 3.6.3. Soft measures:

Soft measures are those that cannot easily be observed and must be collected by talking to customers, employees or others. Under this method, hotels can measure quality in the following ways:

#### a. Customer satisfaction surveys:

Under this method individual customers or corporate customer may be asked to rate their specific and overall impression of service delivery. For this a questionnaire or interview schedule can be used. Besides this, focus group interviews and other market research techniques can be utilized for this purpose.

#### b. Internal performance analysis:

In this method employee surveys are conducted to determine perception of the quality of service delivered to customers on specific dimensions. Also, feedback from quality circles, performance evaluation reports, customer retention levels etc., provide information to monitor quality of services.

### 3.6.4. “Hard” measures:

Hard measures refer to the characteristics of activities that can be quantified over time or measured using measuring instruments. These measures include specific items such as the number of lost phone calls, time waiting at each stage of service delivery.

### 3.6.5. Importance/Performance analysis (IPA):

The results obtained with this analysis are summarized in the form of Importance/Performance map with two evaluations of parameters. The closer to the diagonal of the map the point is located, the more its performance is correlated with the needs of customers.

---

<sup>1</sup> Manuela I.: PRODUCTION ENGINEERING ARCHIVES, 2018, P.54-59

The two dimensional IPA model is divided into four quadrants with performance on the x-axis and importance on the y-axis. <sup>1</sup>

Figure n°I.4: Importance/Performance map.

Importance	<b>Quadrant I</b> (High Importance/ Low Performance)	<b>Quadrant II</b> (High Importance/ High Performance)
	<b>Quadrant III</b> (Low Importance/ Low Performance)	<b>Quadrant IV</b> (Low Importance/ High Performance)
	Performance	

**Source:** Martilla J. A. and James J. C., "Importance-Performance Analysis", Journal of Marketing, 1977, P. 78.

- **Quadrant I** is labelled as “Concentrate Here” and “the area of urgent needs”. Attributes that fall into this quadrant represent key areas that need to be improved with top priority, it is very important that the provider will focus special attention on them.
- **Quadrant II** is labelled as “Keep up good work”, also called “the area of reasonable property of needs”. All attributes that fall into this quadrant are the strengths and pillars of the organizations. Quadrant II does not require from the service provider any serious action, only those necessary to maintain the current level of services.
- **Quadrant III** is labelled as “Low Priority”. Thus, any of the attributes that fall into this quadrant are not important and pose no threat to the organizations. If there are free recourses, then the enterprise can consider to improve them.
- **Quadrant IV** is labelled “Possible Overkill”. It is often called “the area of quality excess”. It denotes attributes that are overly emphasized by the organizations, therefore, organizations should reflect on these attributes, instead of continuing to focus in this quadrant, they should allocate more resources to deal with attributes that reside in quadrant I.

<sup>1</sup> Simon (H), Tourism and Hospitality Marketing “A Global Perspective”, SAGE Publications, London, 2008, P. 366

### 3.6.6. Critical Incident Technique (CIT):

Critical incident technique is a method of gathering facts (incidents) from domain experts or less experienced users of the existing system to gain knowledge of how to improve the performance of the individuals involved.

The CIT is used to look for the cause of human-system (or product) problems to minimize loss to person, property, money or data. The investigator looks for information on the performance of activities (tasks in the workplace). Both operators and records (documented events or recorded telephone calls) can provide such information. The investigator may focus on a particular incident or set of incidents which caused serious loss. Critical events are recorded and stored in a database or on a spreadsheet. Analysis may show how clusters of difficulties are related to a certain aspect of the system or human practice. Investigators then develop possible explanations for the source of the difficulty. <sup>1</sup>

The method generates a list of good and bad behaviors which can then be used for performance appraisal.

### 3.6.7. Mystery shopper technique:

The mystery shopper technique is a method whereby a researcher assumes the role of a customer unbeknownst to the Customer Services staff. This gives the researcher a good idea of the experience of a customer in that particular establishment. <sup>2</sup>

The data collected is often seen as freer from errors as it is first hand and does not rely on secondary accounts or self-reports. Also, the researcher is seeing what the staff actually do, not what they would choose to do, say they would do, or are supposed to do.

Clearly the ideas behind this kind of research are fundamental to all brands where customer service is the key such as tourism and leisure facilities. However, it is also used within the front offices and customer service sections of retail and hospitality industries, in fact any operation where the customer service is a major part of the brand could use this technique and as such the system is being used more and more in the market research industry.

---

<sup>1</sup> Manuela I.: Opcit, P.54-59

<sup>2</sup> Williams C., Buswell, J.: Service quality in leisure and tourism, CABI publishing, 2003, P.185

## **Conclusion**

The quality of services, like the quality of products, is an important element of business management. It determines whether the customers will buy services from a certain enterprise or rather they will go to the competition. Therefore, it is so important that enterprises analyze this sphere of their activity.

In the increasing competitive market, especially hospitality, the focus on service quality is essential to hotels for their survival and success. The management of service quality helps the management to maintain consistency in service delivery and to meet customer expectations more efficiently and effectively. Also, it provides benefits to hotels such as, service differentiation from competitors, better image, higher profitability, increased customer satisfaction, increase customer retention and loyalty, staff morale, productivity. Hence, measurement of service quality is an inevitable task to the service companies.

**Chapter II:**  
**Customer focus in the service  
operation**

## **Introduction**

In today's competitive market, the key to sustainable competitive advantage is in distributing high quality services that will in turn consequence in satisfied customers. Therefore, there is not even a bit of doubt about the importance of service quality as the final goal of service providers. Many studies communicated about the relationship between service quality and customer satisfaction, Academics like Parasuraman determined that service quality is one of the most significant determinants of customer satisfaction, and defined it as the difference between the expected service and perceived service.

The concept of customer satisfaction has drawn the attention of practitioners and academics from last several years based on the fact that customers are the primary source of profit for most of the companies operating in the market.

In this chapter, we will further explain the effect of service quality on customer satisfaction through the study of customer behavior to find the way to reach his expectations (section 1), then, we will study the concept of customer satisfaction, and how it can be measured (section 2), concluding with the impact of service quality on customer satisfaction (section 3).

## Section 1: Customer psychology

Employees must understand the client's way of acting between when he wants to satisfy a need and the moment when he chooses to acquire a good or service. Since the customer has taken pride of place in the sales of goods or services. Therefore, several studies have been done about the latter, his notions of value, his interests and his behavior.

### 1.1. Definition of the customer:

The word "custom" in customer means "habit", a person who goes to a store on a frequent basis to purchase their products or services, thus it is their habit to buy from that particular store.

“Customers could best be described as those who use the output of work, the end users of products or services. They may be internal to the organization such as the employees and directors or external like members of the public, other businesses, or government”.<sup>1</sup>

We often refer to customers who have a relationship with the supplier as clients. Also, people who hire the services of a professional are clients, not customers. For example, a lawyer has clients.

### 1.2. Customer Perceived Value:

According to Kotler “Customer-perceived value (CPV) is the difference between the prospective customer’s evaluation of all the benefits and all the costs of an offering and the perceived alternatives”.

**Total customer benefit** is the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given market offering because of the product, service, people, and image.

**Total customer cost** is the perceived bundle of costs customers expect to incur in evaluating, obtaining, using, and disposing of the given market offering, including monetary, time, energy, and psychological costs.<sup>2</sup>

Customer-perceived value is thus based on the difference between benefits the customer gets and costs he or she assumes for different choices. The marketer can increase the value of the customer offering by raising economic, functional, or emotional benefits and/or reducing one or more costs. The customer choosing between two value offerings, V1 and V2, will favor

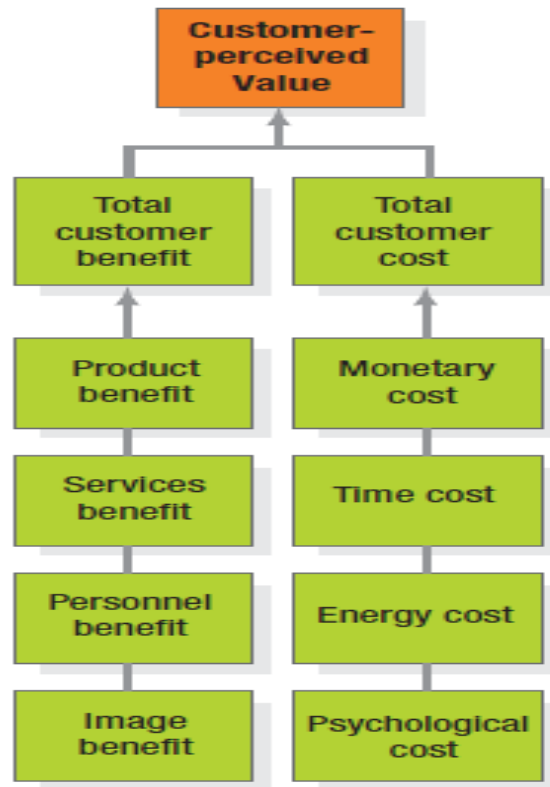
---

<sup>1</sup> Dei-Tumi: “Customer Service is an Attitude, not a Department”, 16<sup>th</sup> edition, 2005, P. 34-35.

<sup>2</sup> KOTLER P., KELLER K.: Marketing Management, 14<sup>th</sup> Edition, Pearson education, Paris, 2012, P.148.

V1 if the ratio  $V1:V2$  is larger than one, favor V2 if the ratio is smaller than one, and be indifferent if the ratio equals one.

**Figure n°II.1:** Determinants of Customer-Perceived Value.



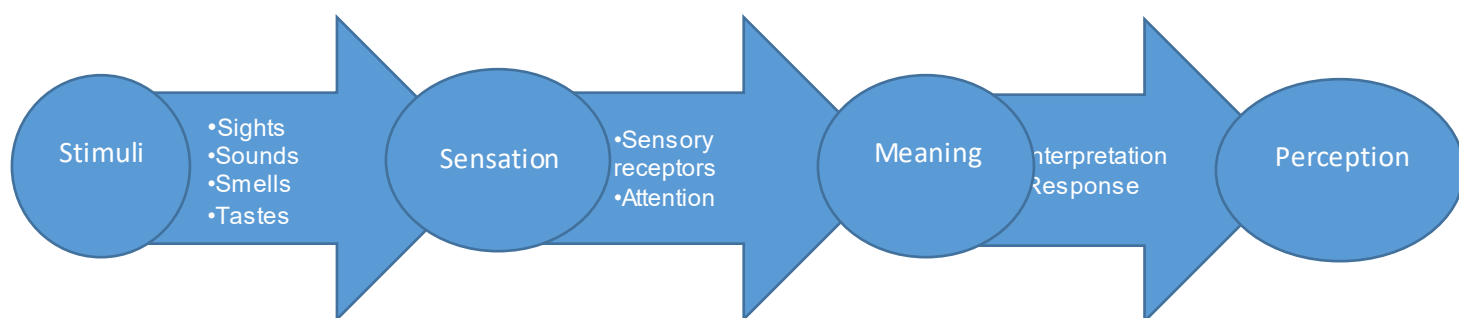
Source: *ibid.* p.148

### 1.3. The process of perception:

In marketing, the process of perception is the act of individual interpretation of the senses. These interpretations may conclude that the customer perception is how a consumer perceives services and experiences quality in a service around him. The process of perception is divided into three phases: exposure, attention, and interpretation as shown below. All of them select, organize and interpret a stimulus.<sup>1</sup>

<sup>1</sup> Solomon M., Bamossy, G.Askegaard, Hogg, M.: “Consumer Behavior: A European Perspective”, 5<sup>th</sup> edition, Pearson, 2013, P.122

**Figure n°II.2:** The process of perception.



**Source:** Ibid. P.122

#### 1.4. Consumption Values theory

The theory focuses on explaining why consumers choose to use or not use a specific product or service, the theory identifies five consumption values influencing consumer choice behavior. These are functional value, social value, emotional value, epistemic value<sup>1</sup>, and conditional value. A decision may be influenced by any or all of the five consumption values.

##### a. Functional Value

It is the perceived utility acquired from an alternative's capacity for functional, or physical performance. An alternative acquires functional value through the possession of salient functional, or physical attributes. Functional value is measured on a profile of choice attributes.

##### b. Social Value

Social value is the perceived utility acquired from an alternative's association with one or more specific social groups. An alternative acquires social value through association with positively or negatively stereotyped demographic, socioeconomic, and cultural-ethnic groups. Social value is measured on a profile of choice imagery.

##### c. Emotional Value

The emotional value is defined as the perceived utility acquired from an alternative's capacity to arouse feelings or affective states. An alternative acquires emotional value when associated with specific feelings or when precipitating or perpetuating those feelings. Emotional value is measured on a profile of feelings associated with the alternative.

<sup>1</sup> Bearden, Peter D., Sheth, Arch G.: "Situational Influence on Consumer Purchase Intentions, in Consumer and Industrial Buying Behavior", Elsevier North-Holland, New York, 1977, P. 167-177.

**d. Epistemic Value**

It is the perceived utility acquired from an alternative's capacity to arouse curiosity, provide novelty, and/or satisfy a desire for knowledge. An alternative acquires epistemic value by questionnaire items referring to curiosity, novelty, and knowledge.

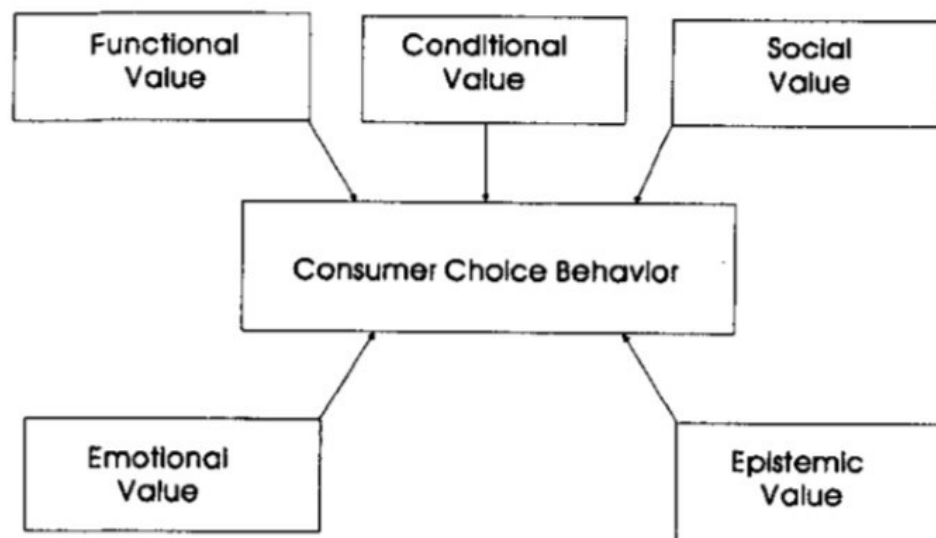
**e. Conditional Value**

The perceived utility acquired by an alternative as the result of the specific situation or set of circumstances facing the choice maker. An alternative acquires conditional value in the presence of antecedent physical or social contingencies that enhance its functional or social value. Conditional value is measured on a profile of choice contingencies.

The five consumption values identified by the theory make differential contributions in specific choice contexts. For example, a consumer may decide to stay in a motel as a cost reduction in a travel adventure (functional value), and also save money for transport (conditional value). Social, epistemic, emotional values may have little influence. In contrast, the same consumer may decide to stay in a Sheraton suite because it will be admired by those whose taste he respects (social value). The other four consumption values may have little influence.

Within a single service class, the company and service type and purchase choices may be driven by completely different consumption values. The theory outlined here has been operationalized so that it may be determined empirically what specific consumption values in specific choice contexts can greatly enhance marketing efficiency.

Figure nº II.3: The five values influencing consumer choice.



**Source:** Sheth, Jagdish & Newman, Bruce & Gross, Barbara: “Why We Buy What We Buy: A Theory of Consumption Values”, Journal of Business Research, 1991, P.159-170.

### 1.5. Customer Expectations:

Expectations embrace several elements, including desired, adequate and predicted service, and a zone of tolerance that falls between the desired and adequate service levels. Lovelock demonstrated a model that shows the factors influencing the different levels of customer expectations: <sup>1</sup>

#### 1.5.1. Desired service:

The type of service customers hopes to receive is termed desired service. It’s a “wished for” level — a combination of what customers believe can and should be delivered in the context of their personal needs. Desired service could also be influenced by explicit and implicit promises made by service providers, word-of-mouth, and past experiences.

#### 1.5.2. Adequate service:

The minimum level of service customers will accept without being dissatisfied.

---

<sup>1</sup> Jochen Wirtz, Christopher Lovelock; Services Marketing: People, Technology, Strategy, 8<sup>th</sup> Edition, World Scientific Publishing Company, 2016, P.61-63

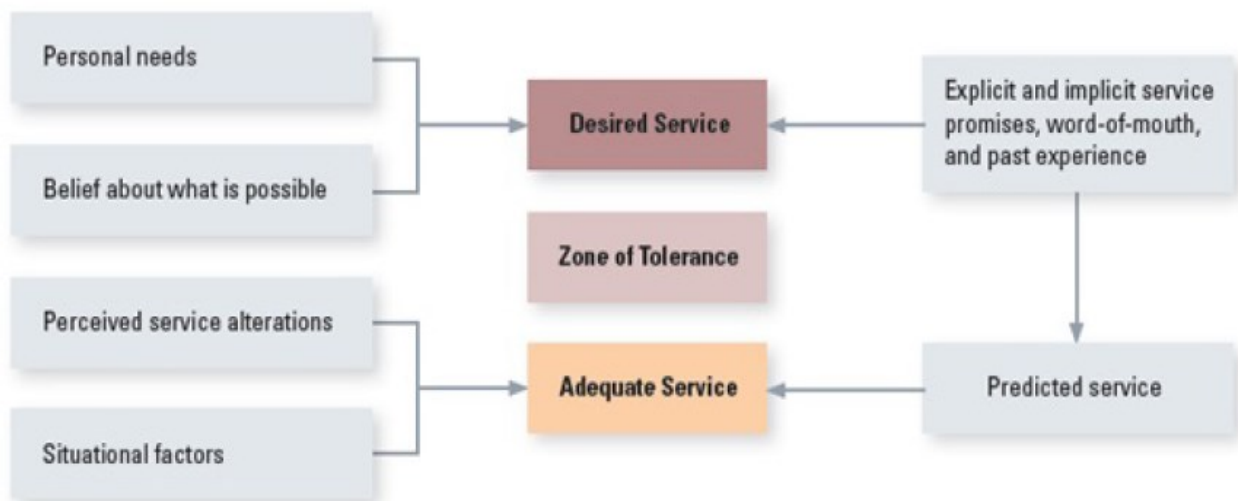
### 1.5.3. Predicted service:

This is the level of service that customers actually anticipate to receive. Predicted service can also be affected by service provider promises (Figure 2.10), word-of-mouth, and past experiences. The predicted service level directly affects how customers define “adequate service” on that occasion. If good service is predicted, the adequate level will be higher than when poorer service is predicted.

### 1.5.4. Zone of tolerance:

It can be difficult for firms to achieve consistent service delivery at all touch points across many service delivery channels, branches, and often thousands of employees. Even the performance by the same service employee is likely to vary over the course of a day and from one day to another. The extent to which customers are willing to accept this variation is called the zone of tolerance. Performing too low causes frustration and dissatisfaction, whereas exceeding the zone of tolerance can surprise and delight customers. Another way of looking at the zone of tolerance is to think of it as the range of service within which customers don't pay explicit attention to service performance. When service falls outside this range, customers will react, either positively or negatively.

**Figure n°II.4:** Factors influencing customer expectations of service.



**Source:** Ibid, P.63

### 1.6. Management approaches about customer expectation

Customer expectations are the belief about service delivery that serves as standard or reference points against which performance is judged. Customer expectation is difficult to know in service delivery, wrong actions and failure which could cause losing a customer, waste of investment, time and eventually business. Customer expects some level of service quality from a service provider during the transaction, therefore customer's opinion about the quality standards and also what kind of standard customer expect are essential to know.<sup>1</sup>

Knowing what the customer expects is one of the most critical factors in delivering good and service quality. Customer expectations are the standards of performance in which service experiences are compared. The difference between what a customer expects and perceives in the service delivery forms customer gap. Which leads to customer dissatisfaction with the product or service. the gap model (not knowing what customer expects, not selecting the right service designs and standards, not delivering to service standards, not matching performance with promises respectively) of service quality suggests that these four gaps needs to be closed. It is important for companies to close the gap between customer expectations and perceptions in order to satisfy their customers and build long-term relationships with them.

Grasp is the psychological expectations of customer. On the basis of effective management of customer expectation, firstly it cannot ignore basic collection and analysis of customer information which includes information collection and statistical information based on properties of clients, the level and instability of consumption, personal preferences, service and satisfaction feedback information regarding the analysis of customer expectations and needs provide a basis to measure the level of information support.

According to Japanese management experts "Kano model", customer demand is divided into three categories such as basic demand, expected demand and surprise demand.<sup>2</sup> Customer perceptions is the subjective assessments of actual service experiences. This refers to how customers perceive services, how they assess the quality of received services, whether they are satisfied, and weather they have received good value. Accordingly, customer perceptions of service are also defined as customer perceptions of quality, satisfaction and value. The customer perceptions are the way that people see something based on their experience. Everyone's

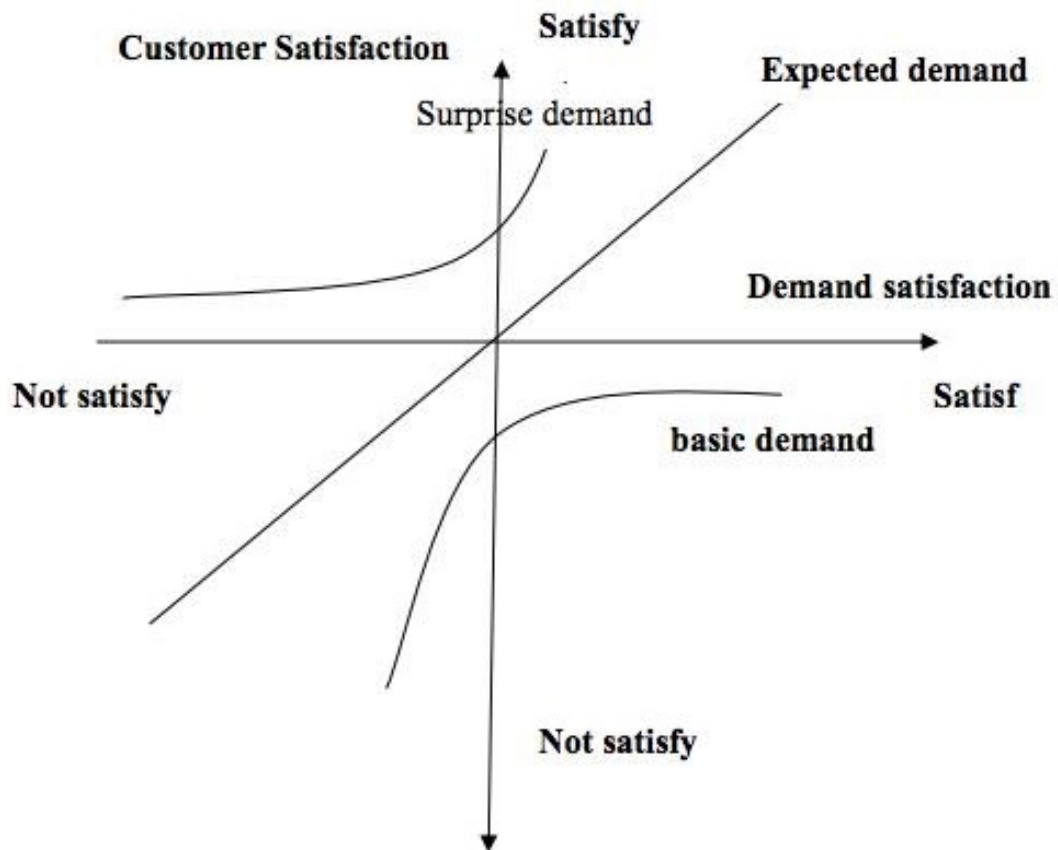
---

<sup>1</sup> Zeithaml, V. Bitner, M. J. & Gremler D.: "Services Marketing -Integrating Customers Focus across the Firm", 5<sup>th</sup> Edition, Boston: McGraw-Hill, 2009, P.75

<sup>2</sup> Zeithaml, V. Bitner, M. J.: "Services Marketing -Integrating Customers Focus across the Firm", 3<sup>rd</sup> Edition, Boston: McGraw-Hill, 2003, P.84-85

perception will be, at least, slightly different. Perception is also described as the end result of a number of observations by the customer.

Figure n°II.5: Customer Demand Levels.



Source: Ibid, P.86

## Section 2: Customer satisfaction as an approach for organizations

The client believes that the service quality offered needs to meet or exceed his expectations. Customer satisfaction is determined, both by customer expectations and the perceived performance of the service. To furthermore understand satisfaction, we will define the concept of satisfaction and its relation to service quality.

### 2.1 Definition of Customer satisfaction:

The different aspects of satisfaction make definition difficult, mainly because it is related to the complete consumption experience: Satisfaction with events that happen during consumption, satisfaction with final outcome or satisfaction with level of satisfaction received.<sup>1</sup>

In this context, satisfaction is viewed in terms of singular events leading to up to a consumption outcome (collective impression of these events), and finally to the entire experience judgment. A comprehensive definition of customer satisfaction in terms of pleasurable fulfillment is given by Oliver:

“...Satisfaction is the consumer’s fulfillment response. 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...”<sup>2</sup>

According to Kotler: “In general, satisfaction is a person’s feelings of pleasure or disappointment that result from comparing a product’s perceived performance (or outcome) to expectations. If the performance falls short of expectations, the customer is dissatisfied. If it matches expectations, the customer is satisfied. If it exceeds expectations, He is delighted”.<sup>3</sup>

Satisfaction is therefore fundamentally a judgment, an evaluation which integrates on the one hand the perceived quality (consumption experience) and on the other hand the prior expectations. An experience greater than or equal to expectations creates a feeling of satisfaction, while an experience below expectations causes dissatisfaction.

---

<sup>1</sup> Grigoroudis E., Siskos Y.: ‘Customer satisfaction evaluation, Methods for measuring and implementing service quality’, Springer US, 2010, P.14

<sup>2</sup> Oliver, R.L.: “Effect of expectation and disconfirmation on post exposure product evaluations: An alternative interpretation”, *Journal of Applied Psychology*, 62, 1977, P.480

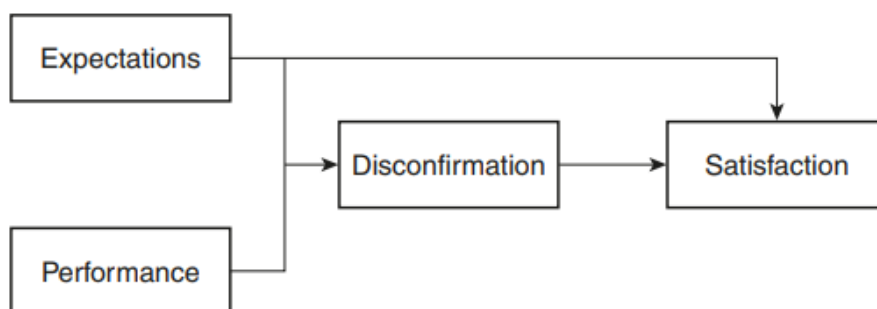
<sup>3</sup> Kotler & Keller: *Op.cit*, P.128

## 2.2 Customer Satisfaction/Dissatisfaction Model:

Although a variety of alternative definitions exist, the most popular definition of customer satisfaction/dissatisfaction is that it is a comparison of customer expectations to perceptions regarding the actual service encounter. Comparing customer expectations with their perceptions is based on what marketers refer to as the expectancy disconfirmation model.<sup>1</sup> Simply stated, if customer perceptions meet expectations, the expectations are said to be confirmed and the customer is satisfied. If perceptions and expectations are not equal, then the expectation is said to be disconfirmed.

Although the term disconfirmation sounds like a negative experience, it is not necessarily so. There are two types of disconfirmations. If actual perceptions were less than what was expected, the result is a negative disconfirmation, which results in customer dissatisfaction and may lead to negative word-of-mouth publicity and/or customer defection. In contrast, a positive disconfirmation exists when perceptions exceed expectations, thereby resulting in customer satisfaction, positive word-of-mouth publicity, and customer retention.

**Figure n°II.6:** Expectancy-disconfirmation model of consumer satisfaction.



**Source:** Peter M., Angela P.: “Services Marketing Management”, 3<sup>rd</sup> Edition, Elsevier, 2006, P.240

<sup>1</sup> HOFFMAN K., BATESON G.: “Services Marketing Concepts, Strategies, & Cases”, 4<sup>th</sup> edition, South-Western, 2008, P.290

### 2.3 Measuring Customer Satisfaction:

Service quality and customer satisfaction are very important concepts that companies must understand if they want to remain competitive and grow. In today's competitive environment delivering high quality service is the key for a sustainable competitive advantage. Customer satisfaction does have a positive effect on an organization's profitability. Satisfied customers form the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty, and positive word of mouth. For this research, several methods are explained to measure customer satisfaction.

#### 2.3.1 Evolution of Customers Satisfaction Measurement:

The measurement of customer satisfaction has emerged within the field of Total Quality Management (TQM), although it has also been explored by several researchers and theorists from other scientific areas (e.g. marketing). The TQM School formalizes customer satisfaction as a quality component, as appearing in the major quality awards, emphasizing on the exploitation of customer satisfaction data within a business organization (i.e. design and develop products and services that meet customer expectations). On the other hand, the Marketing School explores customer satisfaction from a social-psychological perspective, studying how customer satisfaction is formed and its impact on future purchase behavior.<sup>1</sup>

#### 2.3.2 Measurement and Sources of Information:

Customer satisfaction measurement efforts are usually integrated programs within business organizations, which include not only customer satisfaction metrics, but also other related measures, like customer loyalty and value. Moreover, multiple measures are used for the evaluation of customer satisfaction, since a single indicator is usually not a good predictor of overall performance. The use of multiple satisfaction measures is justified by the following reasons; Satisfaction is related to the overall consumer behavior, for this reason, the use of a single measure is not able to provide reliable information. Thus, the use of multiple satisfaction measures is able to verify the integrity and accuracy of collected data.

It is obvious that the existence of multiple customer satisfaction measures implies the usage of multiple information sources from the business organization. Generally, this available information comes from research methods, operational data, marketing/sales channels, and other sources of information.

---

<sup>1</sup> Grigoroudis E., Sis Kos Y., Op.cit. P. 19

**Table n°II.1:** Customer satisfaction sources of information.

Category	Examples	
Research methods	Customer surveys	Employee surveys
	Dealer/supplier surveys	Focus groups
	Mystery shoppers	Customer panels
	Customer visits	Industry trade press
Operational data	Complaints	Customer service reports
	Customer comment cards	Engineering/design meetings
	Field service reports	Warranty claims
	Product returns	Employee suggestions
	Telephone activity reports	Quality performance tracking
Marketing/sales channels	Sales contact reports	Customer/competitor advertising
	Trade show intelligence	Sales data analysis
	Lead tracking	Closed accounts
	New product idea suggestions	Customer literature
Other	Benchmarking	Management contacts
	Workshops/seminars	Business literature

**Source:** Massnick, F.: "The customer is CEO: How to measure what your customers want - and make sure they get it", AMACOM, New York, 1997, P.46

The satisfaction measurement systems can generally be segregated into the following categories according to the source of the available information:

### **2.3.2.1 Direct measurement systems:**

These systems are based on data coming directly from the set of customers, like customer satisfaction surveys, customer complaint systems, personal interviews, etc. There are several types of direct customer satisfaction measurement systems, each providing the analysis of the particular problem from a different perspective. For example, while satisfaction surveys may analyze the expectations and the needs of the customers, service and complaint management systems focus mainly on the set of dissatisfied customers, in order to retain customers and increase loyalty levels. The direct methods have a “preventive” character, providing a kind of early warning systems. Thus, they may help managers to identify improvement actions before potential problems or undesirable situations occur (dissatisfaction, customer complaints, decrease in sales, etc.).<sup>1</sup>

### **2.3.2.2 Indirect measurement systems:**

Although the indirect measurement systems alone are not able to give a solution to the problem of customer satisfaction measurement, they may offer valuable information to business organizations. These systems are based on data reflecting the outcome/result of customer satisfaction, such as the sales level, the market share, etc. For this reason, the improvement actions that are based on such type of data may be characterized as “remedial”, since they try to correct potential problems or undesirable situations that have already occurred.<sup>2</sup>

### **2.3.3 The importance of developing a customer database:**

A customer database or a customer satisfaction information system is an automated or manual system that collects customer satisfaction perceptions and information in a structured manner, stores the results of customer satisfaction measurement activities, assists in processing the information, segments and stratifies key issues, identifies actionable change, and links to the organization in order to quickly change processes.

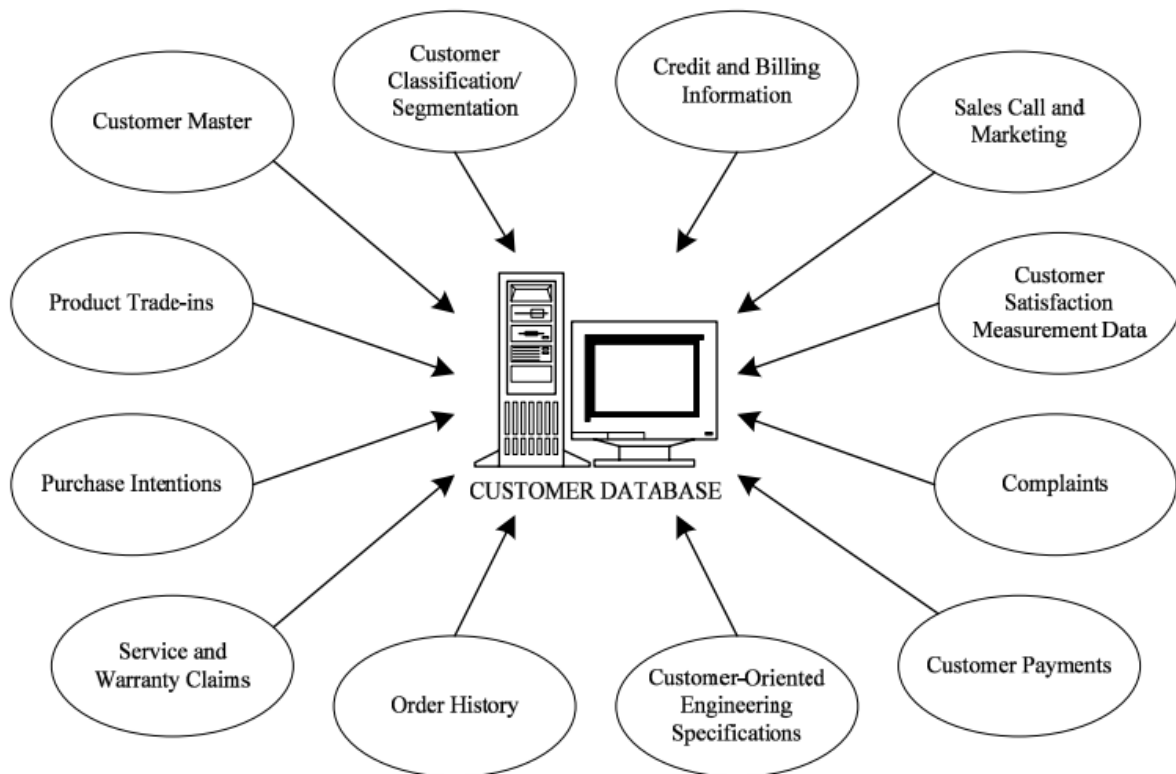
---

<sup>1</sup> Srivastava M.: ”Customer Relationship Management”, Vikas publishing house, India, 1<sup>st</sup> edition, 2016, P.119

<sup>2</sup> Ibid, P.121

Business organizations receive continuously customer information regarding sales (e.g. account number, purchase history, history of sales contacts), basic company information for corporate customers (e.g. revenues, employees, cash flow), or points of customer contact (e.g. complaints, requests, mailings). A customer database may also give the ability to integrate the total available customer information coming from different departments of the organization. Given the technological progress and the available solutions nowadays, this is one the most important challenges that researchers and practitioners in the area of Management of Information Systems face.<sup>1</sup>

**Figure n°II.7:** Sources of information for the customer database.



**Source:** Massnick, F.: "The customer is CEO: How to measure what your customers want - and make sure they get it", AMACOM, New York, 1997, P.56

<sup>1</sup> Grigoroudis E., Siskos Y., Opcit. P. 24

## 2.4 Importance of measuring customer satisfaction:

Customer satisfaction measurement is one of the most important issues concerning business organizations of all types, which is justified by the customer orientation philosophy and the main principles of continuous improvement of modern firms. In fact, measurement constitutes one of the five main functions of the management science allowing the companies to a better understanding, analysis, and the improvement of its internal systems.

Customer satisfaction should be measured and translated into a number of measurable parameters. In the recent decades, the importance of customer satisfaction for business organizations has been increased. Thus, customer satisfaction measurement is now considered as the most reliable feedback, taking into account that it provides in an effective, direct, meaningful and objective way the customers' preferences and expectations. In this way, customer satisfaction is a baseline standard of performance and a possible standard of excellence for any business organization.

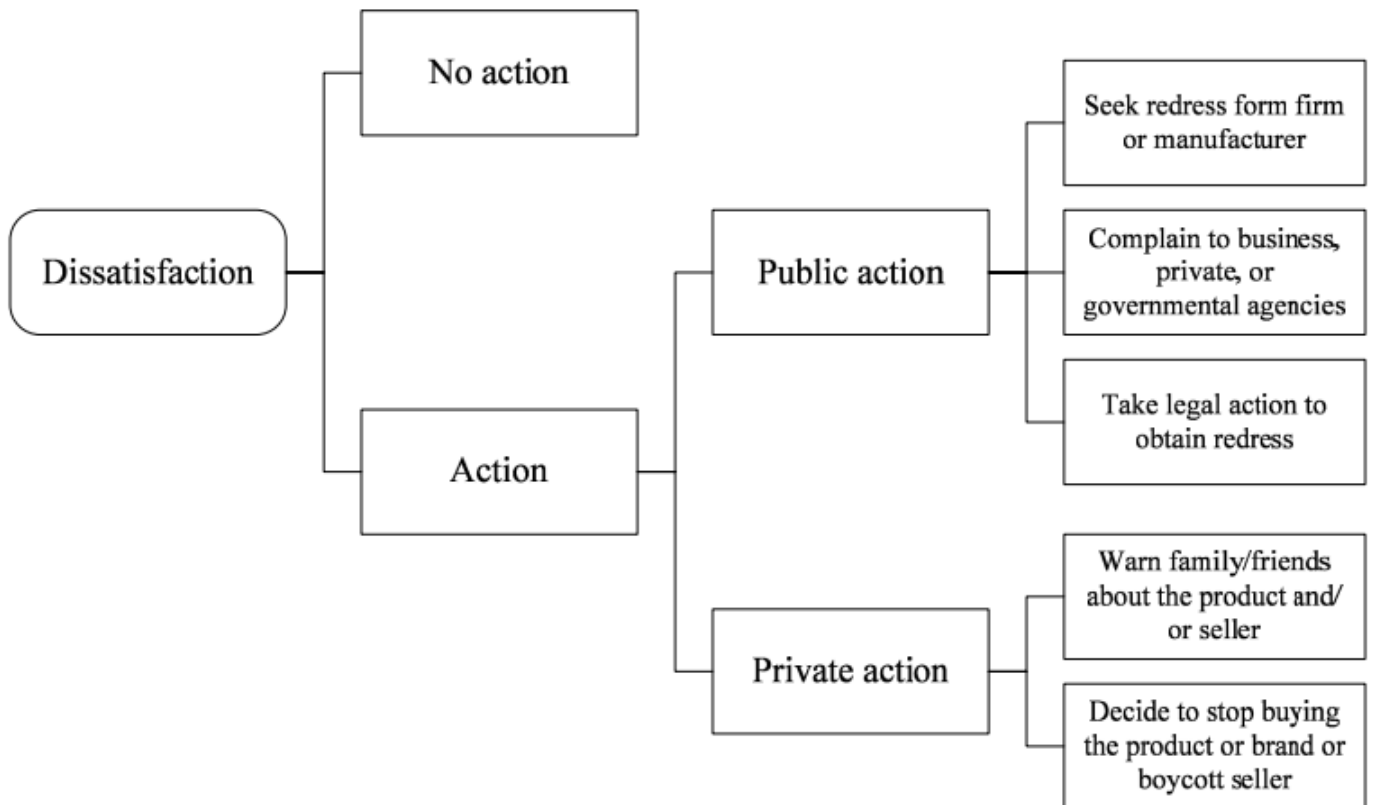
To reinforce customer orientation on a day-to-day basis, a growing number of companies choose customer satisfaction as their main performance indicator. Moreover, customer satisfaction measurement provides a sense of achievement and accomplishment for all employees involved in any stage of the customer service process. In this way, satisfaction measurement motivates people to perform and achieve higher levels of productivity.

Generally, the main reasons for measuring customer satisfaction is that it constitutes the most reliable market information. This way, a business organization is able to evaluate its current position against competition, and accordingly design its future plans. Customer satisfaction measurement is able to identify potential market opportunities, helping business organizations to understand customer behavior, and particularly to identify and analyze customer expectations, needs, and desires. A large number of customers avoid expressing their complaints or their dissatisfaction from the product or service provided, either due to a particular attitude or because they are not sure that the company will perform any corrective action.<sup>1</sup>

---

<sup>1</sup> Singh H.: "The Importance of Customer Satisfaction in Relation to Customer Loyalty and Retention", UCTI Working Paper, Malaysia, 2006, P.3-4

Figure n°II.8: Dissatisfied customers complaint behavior.



**Source:** Day R., Landon E.: “Toward a theory of consumer complaining behavior-Consumer and industrial buying behavior-, Bennett edition, New York, 1977, P.427.

Finally, it should be mentioned that although customer satisfaction is a necessary but not a sufficient condition for the financial viability, it has shown significant correlation among satisfaction level, customer loyalty, and profitability.

### Section 3: Impact of service quality on customer satisfaction

Customer satisfaction has become an important aspect of the hotel industry. Unlike other industries, the hotel industry prospers due to customers' retention. It is only through customer satisfaction that a hotel can retain its customers. Basically, customers' loyalty is dependent on the quality of the services that they get in a hotel. Moreover, the hospitality industry has experienced the entrance of many investors who are willing to meet all the needs of their customers. Therefore, if customers are not satisfied by the services they receive in one hotel, they will look for better services elsewhere.

#### 3.1 Service quality as an antecedent for customer satisfaction:

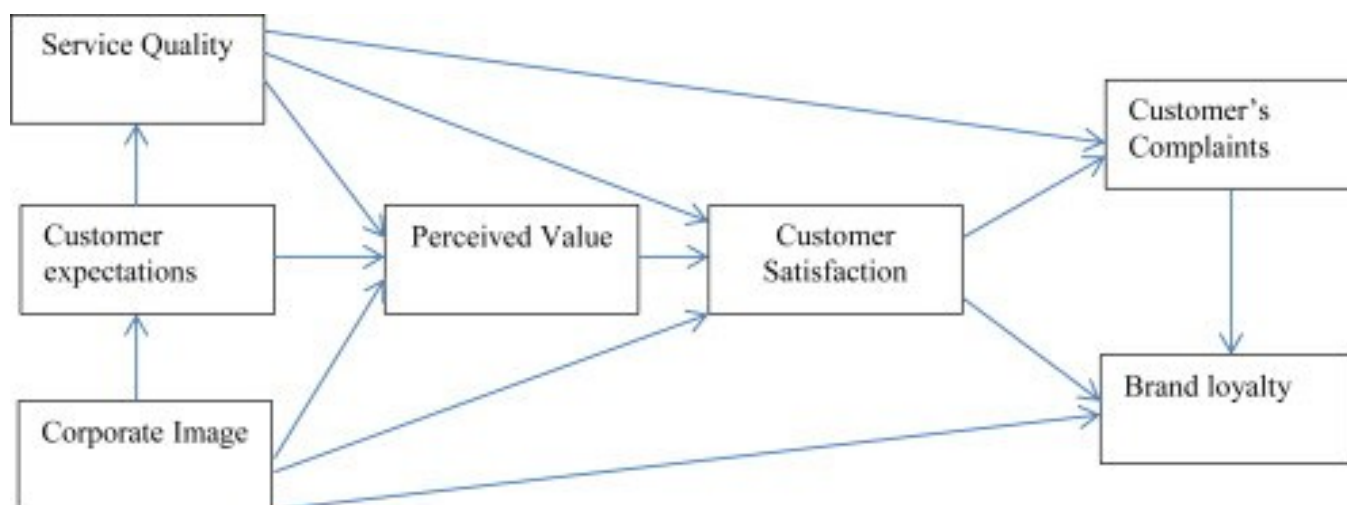
There is a great similarity between the concepts of perceived quality and satisfaction. However, most researchers suggest that both concepts are different constructs and that service quality is a broader concept than satisfaction. Thus, Parasuraman et al. refer to the differences between both concepts in relation to durability. Thus, perceived quality refers to an enduring attitude related to the superiority of a service, while satisfaction is a transitional assessment of a specific transaction in which a comparison is made with what was expected. To Oliver, the differences are that when the consumer assesses the perceived quality, the predominant dimensions are those of a cognitive nature and, in the case of satisfaction, they are emotional in nature.<sup>1</sup>

These differential characteristics, which are discussed in the literature, led to propose that the difference between both concepts is based on the fact that satisfaction involves an assessment made by the client for a specific transaction and requires previous experience, since this assessment depends on the consumer's previous expectations, whereas service quality can be perceived without the need for a direct experience with it.

---

<sup>1</sup> Garcia J., Gonzalez E: "Quality in Customer Service and Its Relationship with Satisfaction: An Innovation and Competitiveness Tool in Sport and Health Centers", International journal of environmental research and public health, 2019, P. 3-4

**Figure n°II.9:** Relation between service quality and customer satisfaction.



**Source:** Hussain R., Hussain K.: “Service quality and customer satisfaction of a UAE-based airline: An empirical investigation”, *Journal of Air Transport Management*, 2015, P. 167

### 3.2 Customer satisfaction as an antecedent for Customer loyalty:

Evidence showed that there is a significant relationship between customer satisfaction and customer loyalty. Customer loyalty is considered a result of customer satisfaction, when customers who have good experiences with the service of the company will continue to deal with the company viewing it as less risky, thereby making them loyal and rational in decision-making. In fact, many authors have advocated that customer satisfaction is one of the determinants of customer loyalty, especially in the service industry. <sup>1</sup>

Furthermore, it can be assumed that the relationship between customer satisfaction and customer loyalty is nonlinear. Suggestions from Heskett et al.<sup>2</sup> pointed out the importance of firms to increase the level of customer satisfaction if they want to sustain the level of customer loyalty. As evident, previous studies have already confirmed the significant positive relationship between service quality and customer loyalty by utilizing customer satisfaction as the mediating variable.

<sup>1</sup> Dick A., Basu K.: “Customer Loyalty: Toward An Integrated Conceptual Framework”, *Journal of the Academy of Marketing Science*, 1994, P.99-103.

<sup>2</sup> Heskett, J. L., Jones, T. O., Loveman, G. W., Sasser, W. E., Schlesinger: “Putting the service-profit chain to work”, *Harvard Business Review*, 2008, P.118–129.

Figure n°II.10: Relation between customer satisfaction and customer loyalty.



### 3.3 Definition of Customer Loyalty:

Loyalty is an old-fashioned word that has traditionally been used to describe fidelity and enthusiastic devotion to a country, a cause, or an individual. Loyalty in a business context describes a customer's willingness to continue patronizing a firm over the long run, preferably on an exclusive basis, and recommending the firm's products to friends and associates. Customer loyalty extends beyond purchasing behavior, and includes preference, liking, and future intentions.<sup>1</sup>

Hotels are aware of creating customer loyalty and its importance and dealing with it as continuous and permanent profit source, and their success depends on their capacities and capabilities to ensure a base of loyal customers, taking in consideration that many loyal customers often act as a source of attracting new customers through their positive recommendations, suggestions and opinions, and positive word of mouth (WOM) that affect new or potential customers. Modern organizations have realized the importance of customer loyalty consequences, since organizations who are enjoying a greater share of loyal customers achieve greater profits as a result of increasing repurchase rates and willingness to pay higher prices and positive nomination behavior.

#### 3.3.1 Benefits of customer loyalty:

From the companies' perspective, implementing customer loyalty strategy is helpful for companies' profit. It is claimed that 5% increase in customer retention leads to an increase of profits by 25% to 95%.<sup>2</sup> Customer loyalty strategy can help companies to save money on a variety of costs, for instance: Costs of advertising to attract new customers, costs of personal

---

<sup>1</sup> AL-Aali , Abdulrahman: "Measuring the Service Quality of Mobile Phone Companies in Saudi Arabia", King Saud University Journal (Administrative Sciences), 2011, P.55

<sup>2</sup> Sällberg H.: "On the value of customer loyalty programs : a study of point programs and switching costs", Linköping, 2004, P.43-44

selling effort to new prospects, costs of setting up new accounts for new customers, costs of explaining business procedures to new clients and also the costs of inefficient behavior during the customers' learning process.

### 3.4 Relation between customer satisfaction and loyalty:

There are two critical thresholds affecting the link between customer satisfaction and customer loyalty. On the high side, when satisfaction reaches a certain level, loyalty increases dramatically, at the same time if satisfaction is declined to a certain point, loyalty will drop equally dramatically. The customer is linked to a business success. Customer satisfaction and loyalty should be incorporated into the long-term goal of a business, it is a key element for every organization wishing to increase customer loyalty and create a better business achievement. The role of satisfaction in loyalty largely indicates that the former is a key determinant of the latter.

“Satisfaction” is an attitude, whereas loyalty is described as a behavior. Customer satisfaction is kind of consistency evaluation between prior expectations and perceived service performance. Accordingly, the positive evaluation of the product or service that the customer acquires is a major reason to continue a relationship with a company's service or products, and an important pillar that upholds loyalty. Satisfied customers are thus more likely to repurchase, lower their price sensitivity, engage in positive word-of-mouth recommendation, and become loyal customers.<sup>1</sup>

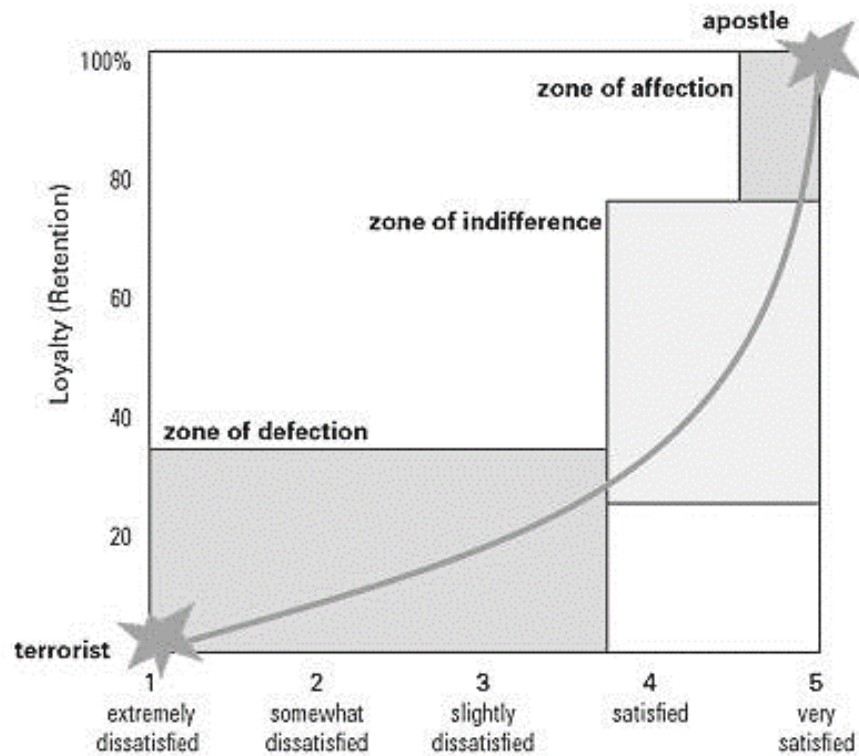
Customer satisfaction and loyalty represent a top priority of the company's success and profit. Satisfaction does not automatically lead to loyalty it needs a step by step process. Steps are described as customers going through different phases such as awareness, exploration, expansion, commitment, and dissolution. Customer loyalty can be considered to be a final product of customer satisfaction. Customer loyalty will increase significantly when satisfaction accomplishes at a certain level and at the same time customer loyalty will decline automatically if the satisfaction level drops to a certain point. Moreover, highly satisfied customers are tending to be more loyal than the customers who are merely satisfied. Overall, it is clear that there is a significant positive relationship between customer satisfaction and customer loyalty. Customer loyalty leads to an increase in both sales and profitability.<sup>2</sup>

---

<sup>1</sup> Chen, M. F. & Wang, L. H.: “The moderating role of switching barriers on customer loyalty in the life insurance industry. *The Service Industries Journal*, Volume 29, 2009, P. 1105–1110.

<sup>2</sup> Chi, G.: “A study of developing destination loyalty model”, Doctor of Philosophy Dissertation, Oklahoma State University, 2005, P. 52-56

**Figure n°II.11:** Types of customers based on satisfaction.



**Source:** Heskett, J.L., Jones, T.O.: "Putting the service profit chain to work", Harvard Business Review, 2011, P.71

The above figure shows that loyalty of customers is based on their satisfaction. It briefly divides the customers into three groups and subdivides into three different zones. The terrorist is "extremely dissatisfied" customers. According to Heskett et al., unhappy customers are more likely to speak out against a poorly delivered service at every opportunity. In some instances, they even can discourage acquaintances from trying a service or product. On the other hand, "Apostles" are those customers who are truly satisfied with the company and the service offered resulting in true loyalty to the company. Satisfied customers are prepared to pay more for the product or services. Every satisfied customer is supposed to spread the positive word of mouth to community they live in. Thus, satisfaction is the main driver of loyalty and for that customer must be highly satisfied.

## **Conclusion**

Customers are always in the search for the greatest possible value. They have expectations of what they want and act based on it. If a company offers a service that exceeds their expectation, it is translated into satisfaction and a possible retention and loyalty, otherwise, it is translated into a possible threat for the company.

Customer satisfaction is determined, both by customer expectations and the perceived service performance. Satisfaction is a proof of the good quality that every business needs to offer to obtain positive feedback and customer opinions. A well-thought-out customer satisfaction strategy and correctly performed, can provide customer loyalty. That results in the reduction of costs and a free positive advertisement WOM.

Satisfied customers stay loyal longer, spend more, think like owners of the company and speak favorably about the company. This is why more and more companies are now concerned with measuring and improving the satisfaction of their customers.

## **Chapter III:**

# **Investigating the impact of service quality on customer satisfaction**

## **Introduction**

Marketing and management sciences now-a-days are focusing on the coordination of all the organization's activities in order to provide goods or services that can satisfy best specific needs of potential customers. Customer satisfaction represents a modern approach for quality in enterprises and organizations and serves the development of a truly customer-focused management and culture. One of the biggest challenges of management in service industries is providing and maintaining customer satisfaction. Overwhelming customer demand for quality products and service has in recent years become increasingly evident to professionals in the tourism and hotel industry. For this purpose, we chose Sheraton resort hotel Algeria as a case study for our research, which allowed us to have a closer look and analyze the impact of the service quality on customer satisfaction.

For this last chapter, in order to put into practice our theoretical achievements in the previous two chapters in which we tried to cover the most relevant concepts and notions that are related mainly to service quality and customer satisfaction in hospitality sector, we will present in this third chapter the Sheraton resort hotel, followed by a profound explanation of our methodology that has been used in our practical part of our study using the quantitative research method through a questionnaire addressed to the customers of Sheraton resort hotel Algeria, for the purpose of answering our research question and confirm or refute our hypotheses.

## **Section 1: Presentation of Sheraton resort hotel Algeria**

The Sheraton resort is the single hotel in Algiers located by the sea with a private beach and the first five-star tourist complex in Algeria. The Sheraton is a part of the Marriott group. Recognized as the world's largest groups in the hospitality, tourism and leisure sector, Marriott International, Inc. As of 2020, it brings together 30 internationally renowned brands. We will start section with the presentation of the Marriott group, then we will study the structures and general functioning of the hotel.

### **1.1 Marriott:**

Marriott represents the mother company of the Sheraton hotel, bringing together thirty (30) internationally renowned brands divided by 5 classes (Luxury, Premium, Select, Longer Stays, and Collections) and offers the award-winning loyalty program Marriott BONVOY.

### **1.2 Marriott's brands:**

As we mentioned before, Marriott has 30 brands in its portfolio divided by 5 classes and the Sheraton hotel is classified in the premium class. We are going to mention the brands with the same classification

Marriott Hotels is Marriott International's flagship brand of full-service hotels and resorts. As of December 31, 2018, there were 567 hotels and resorts with 201.366 rooms operating under the brand.

#### **1.2.1 Sheraton hotels and resorts:**

As of December 31, 2018, operates 441 hotels with 155.617 rooms globally, including locations in North America, Africa, Asia Pacific, Central and South America, Europe, the Middle East and the Caribbean.

#### **1.2.2 Delta Hotels:**

Four-star brand with 63 open properties around the world with 15.467

#### **1.2.3 MERIDIEN:**

Meridien Is an upper-upscale, design-focused international hotel brand with a European perspective, has a portfolio of 107 open hotels with 28,034 rooms, as of December 31, 2018.

#### 1.2.4 Westin:

Westin is an American upscale hotel chain owned by Marriott International. As of December 31, 2018, the Westin Brand has 223 hotels with 82,153 rooms in multiple countries.

#### 1.2.5 Renaissance Hotels:

It was founded in 1981 as Ramada Renaissance. In 1989 the brand was launched again as Renaissance Hotels. It was bought by Marriott in 1997. As of December 31, 2018, it has 175 hotels with 55,099 rooms.

### 1.3 Sheraton resort hotels:

The Sheraton resort hotel Algeria enjoys an ideal location at the western end of the city in the fully secure "Club des Pins" district, the Sheraton resort hotel is all first five-star tourist complex in Algeria and the only one enjoying the only private beach in the state.

#### 1.3.1 Sheraton's hotel creation:

The Sheraton resort hotel has opened its doors to the general public on June 24, 1999, a 5-star luxury hotel representing one of the most prestigious and luxurious international hotel brands and which also represents a modern meeting space in a sea side resort near the capital. The Sheraton Club des Pins used to be a fully Algerian investment hotel and rightfully belongs to the owner company S.I.H "Society of hospitality investment". Since 2016, it is owned by both S.I.H and Marriott international with 51% and 49% share respectively.

The opening of the Sheraton in Algiers coincided with the holding in its salons of the A.U. (African union) summit in July 1999 with the presence of 54 African states, and since this opening, the Sheraton resort hotel has continued to receive high profile personalities and other personalities from the political, artistic and cultural world.

### 1.4 Sheraton's spec sheet:

The hotel hold a variety of facilities that will be explained below:

#### a. Rooms:

Sheraton resort hotel contains in general 419 room in total. Containing rooms with garden view or sea view.

**Guest room:** Spacious rooms with a modern, elegant and comfortable decor, including a choice of a large "King Size Bed", or two "twin-size" beds of the "Sheraton Sweet Sleeper"

type with the possibility of choosing a room with a sea view. Each of the 281 guest rooms is meticulously designed, each bathroom also offers a hairdryer and toiletries and it contains all kind of 5-star service that one will find in all the other rooms or suites (LCD 32 screen, air conditioning, Shine toiletries and free access to the gym).

**Club lounge access guest room:** Located on the 6th, 7th and 8th floors, the spacious Sheraton Club rooms offer upscale amenities and free access to Sheraton Club services. Club Floor customers also have special access to the Club Lounge. An upscale space, the Sheraton Club offers private check-in and check-out service, free breakfast, and a choice of drinks (6pm to 7pm) and they have the same sorts of 5-star service.

**Club level suite:** Guests on the Club floors also have special access to the Club Lounge. An upscale space, the Club Lounge offers private check-in and check-out service, free breakfast, and a choice of drinks (6pm to 7pm). There is also a private "Club Lounge" where you can connect with friends, meet your team, or just relax and watch your favorite show.

**Junior Suite:** Each Junior Suite is decorated with a modern and light design, features a 42 LCD screen with cable TV, DVD and CD player, individual bedside reading lights, as well as a minibar including delicious chocolates, pistachios, drinks etc. All junior suites offer magnificent views of the Mediterranean Sea and private balconies to relax and enjoy the view and the sun all day. The bathroom has a tub and a shower and a large desk will help you work.

**Diplomatic suite:** The beautiful modern decor gives the room a most pleasant light and atmosphere. The bedroom and living room are completely separate, which makes our Diplomatic suites ideal for hosting a private meeting, a small date, or just for relaxing. In your suite, you can enjoy the latest technology, two 42 "LCD televisions and high-speed internet access, allowing those who wish to stay in touch with their friends and families while enjoying the unparalleled comfort of the Diplomatic Suite.

**Presidential Suite:** offer 200 m<sup>2</sup> of luxurious space and an incredible view of the Mediterranean. They each have a large bedroom, a dining room, a living room, a private balcony, a kitchenette, a study and a large bathroom. The design is sleek, modern and timeless and elegant, it is the perfect layout for all travelers with exclusive needs, the Presidential Suites are also ideal for organizing business lunches or important dinners. In the Presidential Suites, you will also find the latest technology, two LCD TVs of 42 "each, and high-speed internet access.

**b. Dining:**

The hotel provides customer with different cultural restaurants to meet with the expectations of different nationalities:

**Brasserie:** this restaurant offers an all-you-can-eat buffet from 6 a.m. to 11:30 p.m. and 7 days a week. Theme evenings are organized there throughout the week with musical entertainment.

**Tassili:** Algerian gastronomy restaurant. The restaurant opens during the summer season (from 5<sup>th</sup> June until the end of September)

**Nautilus (seasonal restaurant):** Mediterranean and Asian high-end cuisine of sushi, fish and lobster, Asian and Mediterranean menu.

**Panasia:** Asian restaurant sushi bar, moved to Nautilus during the summer season

**Night sands club:** located by the beach, opens from June to the end of September during the summer season with live DJ nights

**Lobby cafe:** located at the main entrance of the hotel (lobby), serving cold drinks, light snacks and assortments of pastries in a calm atmosphere.

**1001 nights:** an American Cocktail Bar -smoking lounge- hosted by a rock, pop or disco musical group. It opens all week long

**Trattoria:** Italian à la carte restaurant opens for lunches and dinners from 7:00 p.m. to 11:30 p.m. except Sundays animated by ambient Italian music.

**Petit bleu:** poolside restaurant offering a selection of salads, snacks, sandwiches and pizzas, crepes / waffles and ice cream ...

**c. Recreation centers:**

Night club “star studio”, opens every Thursday and Friday from 11 p.m. to 5 a.m. Massage, pedicure, manicure, sauna, gym, 4 tennis courts and beach games like volleyball. Indoor and outdoor swimming pools and a private equipped beach.

**d. Events and meetings:**

The hotel can host events for up to 700 guests. Three of the meeting rooms have a sea view with natural light. Congress hall « Auditorium » with 700 seats, press room and an integrated simultaneous translation booth, 08 meeting rooms for 50 up to 450 attendees and a Ballroom.

**e. Other services:**

The Sheraton resort hotel also contains a CPA Bank, tobacco and newspapers booth, car rental services, jewelry store and a tourism and flights agency.

**1.5 Management of the Sheraton resort hotel:**

The Sheraton's management is a coordinating unit operating on an ongoing basis to achieve hotel goals and accomplish hotel missions.

**1.5.1 Sheraton's mission and objectives:**

“We are committed to bringing the greatest satisfaction to our customers by establishing and respecting high international standards, by recruiting highly qualified and motivated associates and providing them with a working environment that guarantees their well-being. We will keep the Sheraton club des pins in the best technical and hygienic conditions and we guarantee owners and Sheraton the best return on their investment”.<sup>1</sup>

The mission of the Sheraton Hotel is to provide all services related to catering, accommodation, reception, conferences, conventions, etc. As part of the national economic and social development plan, the hotel has very specific objectives, the main ones focusing on the profitability of the hotel, customer satisfaction, contribution to tourism promotion, improving service quality to attract as many customers as possible and to be market.

**1.5.2 Missions for each department:**

In order for the hotel to improve its service quality, all its staff are required to perform their duties:

**1.5.2.1 General management:**

It is headed by its general manager (GM), his tasks consists of establishing strategies for the evolution and development of a structure; Supervise and manage the material, human and financial resources of the hotel; Give instructions and decisions in order to achieve the set objectives and to ensure the proper functioning of the hotel.

**1.5.2.2 Finance and accounting department:**

This department is responsible for ensuring the financial and accounting management of the hotel, in particular monitoring the profitability and solvency of the hotel and anticipating the financing and future investment strategy.

---

<sup>1</sup> Internal documents of the hotel “welcome booklet”.

**1.5.2.3 Equipment and maintenance department:**

The management of the hotel's equipment, the staffing of the Operational Departments and it's responsible and accountable for maintenance. It is responsible for the way equipment runs and looks and for the costs to achieve the required level of performance, establish an effective maintenance plan for hotel equipment and machinery, supply of sufficient spare parts covering the annual maintenance plan and check for minor or major repairs and improvements.

**1.5.2.4 Accommodation department:**

It is responsible for everything relating to the hotel rooms, as it also takes care of the reception, concierge, checkout and laundry.

**1.5.2.5 Human resources department:**

Human resources constitute the most important element in the hotel, the know-how of its people allows the company to improve the quality of service and profitability, and their behavior with customers contributes a large part to their loyalty, so this direction is supposed to; Improve staff efficiency through training and integration according to positions and environmental requirements; Improve working and living conditions in the hotel and to ensure remuneration, promotion of employees and career plans.

**1.5.2.6 Marketing and sales department:**

The hotel's Marketing and sales department is responsible for identifying clients, companies and groups and for recording hotel room reservations, meals and related receipts. This department is at the heart of the hotel because its decisions affect all services and it's essential for the overall success of the hotel, the brand portfolio and Marriott as a whole; Detects new market and product opportunities and study the competition; Analyzes and anticipates customers' needs and expectations; Draws up the marketing plan in which it defines very precisely the "marketing-mix" or the lines of development; Takes charge of communication; Develops the marketing strategy to improve the quality of service.

## **Section 2: Methodological framework**

After having a brief about the Marriott's group, and presenting the Sheraton resort hotel, now it is time to go through the details of our methodology approach. We will explain our study purpose, how we conducted the research, and how will we analyze the collected information.

### **2.1 Aim of the study:**

The purpose of the study is to examine, analyze, and evaluate the customer satisfaction and service quality management in Sheraton resort hotel, in Algeria. The primary objective is to understand guests' needs, gather their opinions and comments, most importantly, assess guests' satisfaction with the services provided at the hotel.

### **2.2 Objectives of the study:**

The study intends to pursue the following specific objectives with reference to Sheraton resort hotel in Algeria. First, to apply our research and theoretical knowledge in practical training and to study and have a closer look to the conceptual framework of service quality and customer satisfaction. Secondly, to identify the level of customer satisfaction towards various hotel attributes like, quality of services offered, varieties available, interior decoration, neatness and cleanliness, amenities, price, taste and staff's services. Thirdly, to identify the customer's degree of overall satisfaction of food and beverage choice. Finally, to appreciate customers' gourmet and suggest various strategies to be implemented in order to make customer-oriented surfeit.

### **2.3 Importance of the study:**

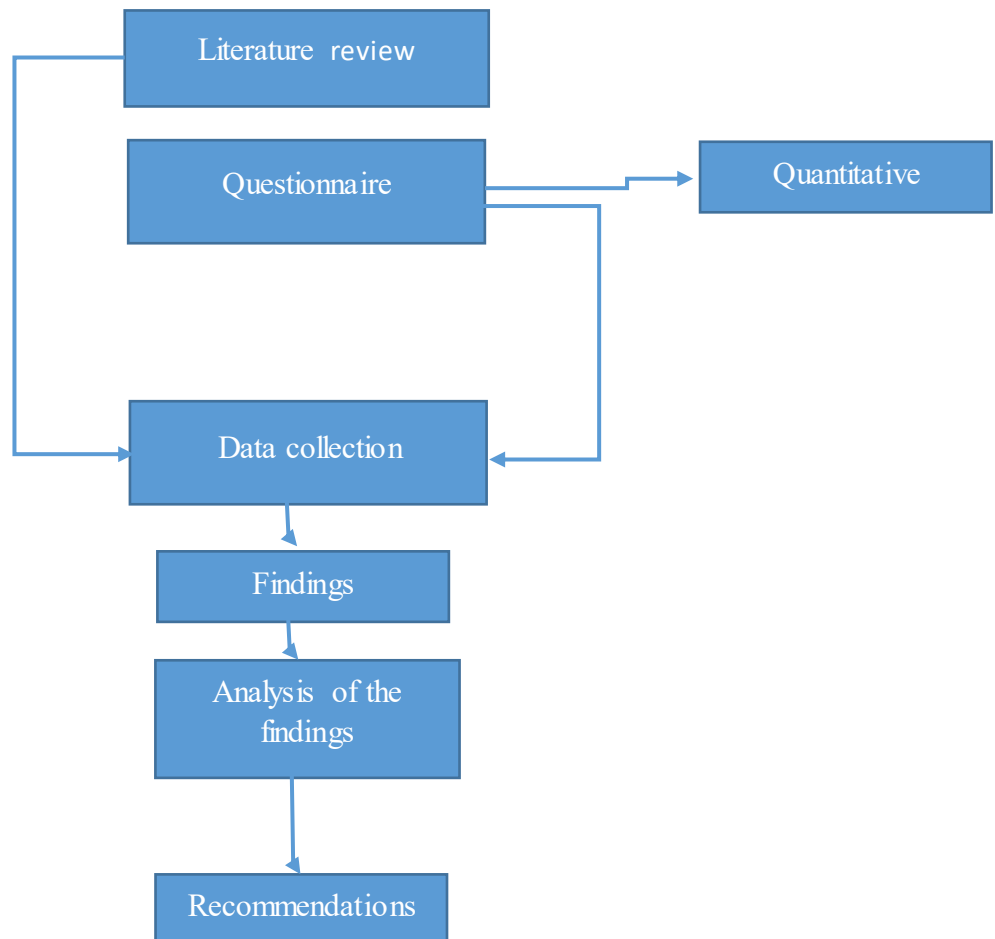
The importance of customer satisfaction has become an essential business issue as organizations have realized the significant outcomes achieved when providing effective customer service. For hospitality and tourism, satisfaction has always been important.

With regard to other industries different researchers and institutions have undertaken a lot of scientific and detailed studies. But, Algerian hotel businesses with reference to customer satisfaction has not been able to draw the attention of researchers to any noticeable extent. Hence, this study examines and analyses the satisfaction level of customers with reference to Sheraton resort hotel. The study would help the hotel to employ the outcome of this thesis to develop appropriate customer satisfaction policies.

#### 2.4 Research strategy:

To further our understanding of how service quality can influence customer satisfaction, the following research strategy is set to answer the research questions.

Figure n° III.1: Research strategy.



The Figure shows the research methodical process. Firstly, in the literature review we discussed and explained the relevant theories of both concepts of service quality and customer satisfaction from both Management and marketing aspects. Secondly, a quantitative approach is used in our study. Our data collection process includes two parts, one is the literature review, and the second is the online questionnaire destined for customers. Thirdly, we collect the questionnaire results, we analyze our findings and give suggestions to the company on how to improve service quality.

## 2.5 Data collection process

This part clearly presents the data collection process. We used both primary and secondary data sources for the purpose of strengthening the content of the entire research work.

### 2.5.1 Primary data collection - Questionnaire:

In the thesis, we used the questionnaire as a primary data collection. This method will lead us to a close result to our study. We prefer questionnaires to investigate the evaluation of service from the customers' point of view. A survey questionnaire can provide accurate and relevant data through thoughtful design, testing, and detailed administration. Choosing the proper structure for a questionnaire is a critical factor in determining and ultimately obtaining unbiased feedback. We conducted the questionnaires by The five-dimensional Likert scale<sup>1</sup> (1 to 5) with end points of "strongly disagree" and "strongly agree" was used. In order to calculate an overall score for each barrier construct, the score of each of its barrier indicators was summed and then averaged.

**Table n° III.1:** The five dimension Likert scale, agreement type.

<b>Class</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly agree</b>
<b>Mean</b>	1	2	3	4	5

**Source:** CHANG S., WIEBE: "the ideal culture profile for total quality management: a competing values perspective", Engineering Management Journal, number 2, 1996, P.19-26.

The online questionnaire was semi-structured, a combination of pre-coded-answer questions and open-answer questions due to the fact that our study is an exploratory one. As the aim of the questionnaire Based on the construction of the theoretical framework and the proposed hypotheses is to identify the different intercultural challenges from the employees prospective, most of the questions were pre-coded. The survey was made in Google forms, and a link was distributed to respondents through social platforms (Facebook, WhatsApp, Gmail, Twitter, and LinkedIn).

<sup>1</sup> BROWN, S.: "Likert Scale Examples for Surveys", ANR Program Evaluation, 2010, P. 01

However, because of the current situation of the pandemic and also the geographical distance, it is difficult for us to make questionnaires for the customers. In order to overcome this problem, we asked our supervisor in Sheraton resort hotel for help. We told him our purpose and explained the reason. The supervisor provided help by sending the questionnaire to some customers by e-mails.

### **2.5.2 Secondary data collection - Literature review:**

We study service quality and customer satisfaction based on the target hotel. We put forward our framework according to the survey results. From the primary data collection, the quantitative approach is used to help us analyze the results more clearly. What is more, only the primary data collection is not enough, the study also searched through academic databases.

In order to get reliable data by reviewing literatures, it requires fulfillment of certain pre-requisites such as finding academic databases to support our point of views. We found literature reviews by searching through databases such as libraries, Z-lib, Google scholar, books, and journals and so on. By using these, we were able to get much information related to our study aim. And the analysis will be more reliable.

### **2.6 Sampling:**

The sampling method adopted in our study is non-probabilistic and reasoned choice method, with that being said, the target population concerning the quantitative research method (questionnaire) used in our study, is composed of Algerian individuals who chose at some point to stay in Sheraton resort hotel Algeria for either business or leisure. We questioned 97 customers and all of them fully answered the questionnaire in a very correct way. Nevertheless the questionnaire was anonymous, meaning that the survey-profiles could not be traced back to any informant or hotel. The questionnaire has been published on the internet, via the “Google forms” tool from August 20<sup>th</sup> to August 27<sup>th</sup>, 2020.

## **Conclusion**

Due to the intense competition in hospitality sector, sophisticated nature of customers, flexibility and similarity of services offered by hotels and unpredictable demand. Enhanced service quality to satisfy customers is regarded as the main concern to retain loyal customers and achieve profitability.

Algeria, as an arena for hospitality sector with its wide coast line, presents a strong motive for hotel to strive for constant progress in enhancing service quality and to do so, there is an urge to determine the main factors that can highly influence customers to be attached to the services provided by these hotels.

As the hospitality industry becomes more competitive, economic pressures increases and the industry continues to expand, there is an obvious need to retain clientele as well as increasing profitability. It is therefore unsurprising that hospitality management professionals have to strive to improve guest satisfaction. This study can be of great help to hotel administration in providing a direction on how to conduct and modify the existing practice of measuring customer satisfaction in hotels.

### Section 3: Analysis and findings

In brief, this chapter discusses and described the findings and analysis taken from the distributed online questionnaire. All three objectives of the study are outlined, along with the results and findings related to the research objective. Data is then analyzed with tables and graphs demonstrating the result with some discussion about it.

#### 3.1 Demographic Information of Respondents:

The table below represents the demographic information of respondents involved in this study. These information are categorized into seven areas which are: gender, age, and income, and stay frequency, reason for staying, profession and marital status. As mentioned previously, the respondents comprise of customers who have experienced staying in Sheraton resort hotel Algeria.

**Table n° III.2:** Demographic information of respondents.

	<b>Answer Options</b>	<b>Response Percent %</b>	<b>Response Count</b>
<b>Gender :</b>	Male	55%	53
	Female	45%	44
	<b>Total : 97</b>		
<b>Age :</b>	19-29	67%	65
	30-39	21%	20
	40-49	12%	12
	+50	0%	0
<b>Total : 97</b>			
<b>Income :</b>	Less than 35,000 DA.	18%	17
	Between 35,000 DA and 70,000 DA.	49%	48
	Between 70,000 DA and 100,000 DA.	23%	22
	More than 100,000 DA.	10%	10
<b>Total : 97</b>			

<b>Stay frequency :</b>	Rarely	18%	17
	Occasionally	55%	53
	Regularly	28%	27
	<b>Total : 97</b>		
<b>Reason for staying :</b>	Business	18%	17
	Leisure	82%	80
	<b>Total : 97</b>		
<b>Profession :</b>	Student	28%	27
	Employed	39%	38
	Self-employed	14%	14
	Liberal profession	0%	0
	Retired	8%	8
	Unemployed	10%	10
	Other	0%	0
	<b>Total : 97</b>		
<b>Marital status :</b>	Single	66%	64
	Married	34%	33
	<b>Total : 97</b>		

In the gender section, the number of male respondent is 53 (55%) while the number of female respondent is 44 (45%).

In the age section, a majority of the 47 respondents involved in this study are between 19 to 29 years old (67%). It is followed by the respondents with the range of age between 30 to 39 years old (21%), and 40 to 49 years old (12%). Surprisingly, there are no respondents above 50 years old involved in this study.

In the income section, most respondents involved in this study have an income between 35,000 DA and 70,000 DA. This represents the largest proportion with 48 respondents (49%). It is followed by respondents with an income between 70,000 DA and 100,000 DA (23%), and then respondents with an income less than 35,000 DA (18%). Only ten percent of respondents have an income that is higher than 100,000 DA (10%).

In the stay frequency section, it shows that the majority of respondents stay in Sheraton resort hotel occasionally (55%), after that it should be noted that a considerable proportion of the respondents stay regularly in the hotel (28%), followed by those who rarely visit the hotel (18%). While most of respondents are staying in the Sheraton hotel only for leisure (82%), only a small number of respondents are there for business purposes (18%).

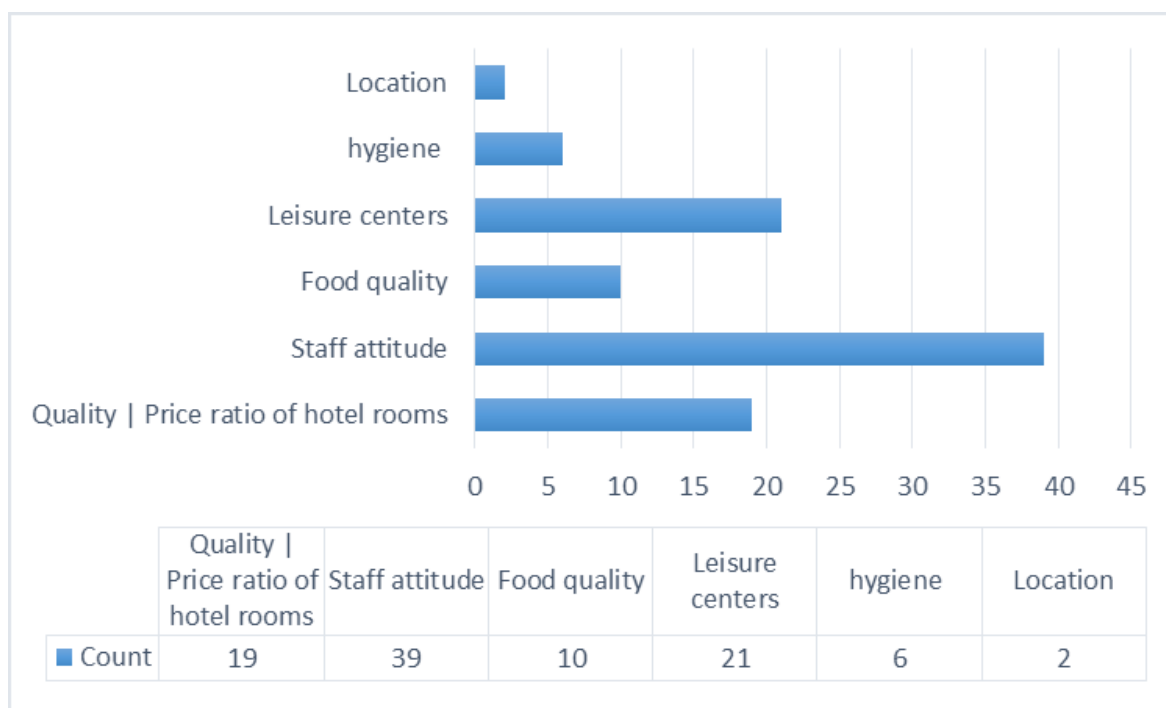
In the profession section, we observe that most of respondents are employed or students, with a percentage of (39%) and (28%) respectively, while only (14%) are self-employed and (10%) are without a profession, and there are no results concerning liberal profession respondents.

Finally, as expected the majority of our respondents are single (66%) due to the age section where most of them are young, and the rest of respondents are married couples (34%).

### 3.2 Hotel service quality:

This section of the questionnaire is set to determine how customer of Sheraton resort hotel Algeria think about the quality of services they received during their stay in the hotel. The figure below represents the most important criteria in customer's choice of hotels.

**Figure n° III.2:** Customer's criteria of choice concerning hotels.



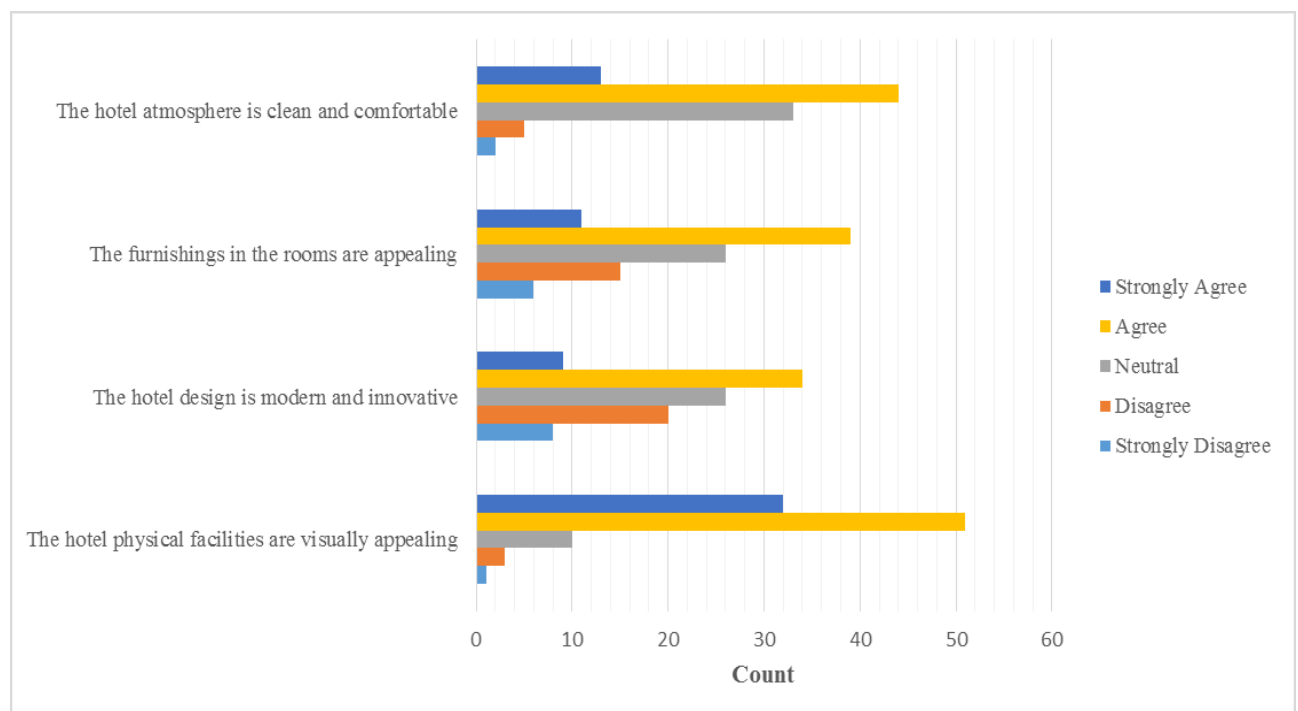
From the results obtained, we can observe that 39 respondents consider staff attitude towards them is the most important criteria for staying in hotels, 21 people choose their hotel based on leisure centers provided by the hotel, 19 people find that the price and the quality of the rooms is the important criteria for their hotel choices and only 10 respondents focus on the food quality served in the hotel as the most important criteria of choosing to stay in hotels. Surprisingly, only 6 respondents care deeply about room cleanliness, and only 2 respondents consider the location and accessibility of the hotel as the most important criteria for them to stay in hotels.

It is important to mention that 5 respondents added “other” option and mentioned that they sometimes choose hotels out of habit as a sense of adventure.

### 3.2.1 Hotel physical presence:

For the next statements, we asked the respondents to indicate their level of agreement to the following statements according to their experience in Sheraton resort hotel.

**Figure n° III.3:** Hotel physical presence.



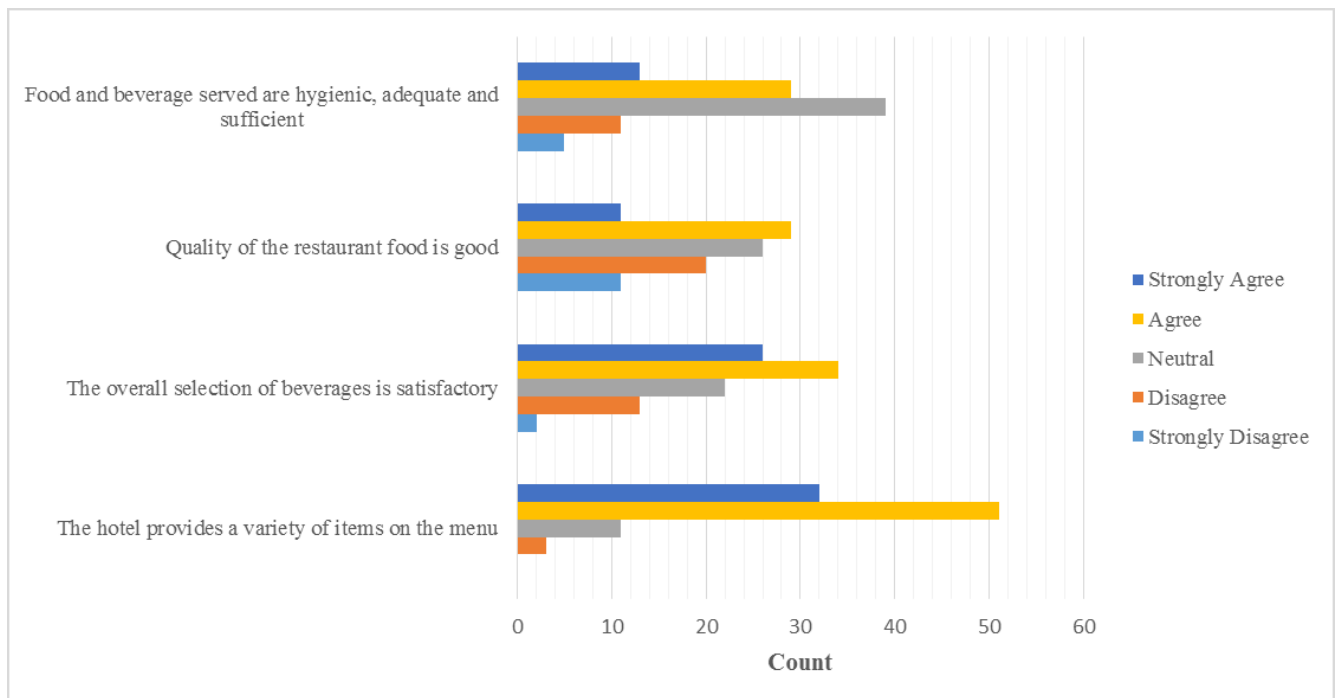
This figure shows the overall feeling of customers after confronting Sheraton resort hotel Algeria physically. As for the first statement, most of customers agree that the hotel atmosphere is clean and comfortable with a small minority disagree with it. Customers also feel the same way about the hotel furnishings and agree that it is appealing to them while only a 15 count of respondents disagrees.

Sheraton resort hotel is a Five-stars rated hotel and therefore it must be modern and innovative when it comes to design, but surprisingly almost 20 people disagrees with this statement while more than 30 respondents tend to enjoy it. The final statement is about the visual appearance of the hotel's physical facilities, almost all the respondents either agree or strongly agrees about finding it appealing.

### 3.2.2 Food and Beverage:

This question indicates the judgment of the food and beverage quality within Sheraton resort hotel according to customers.

**Figure n° III.4:** Food and beverage quality.



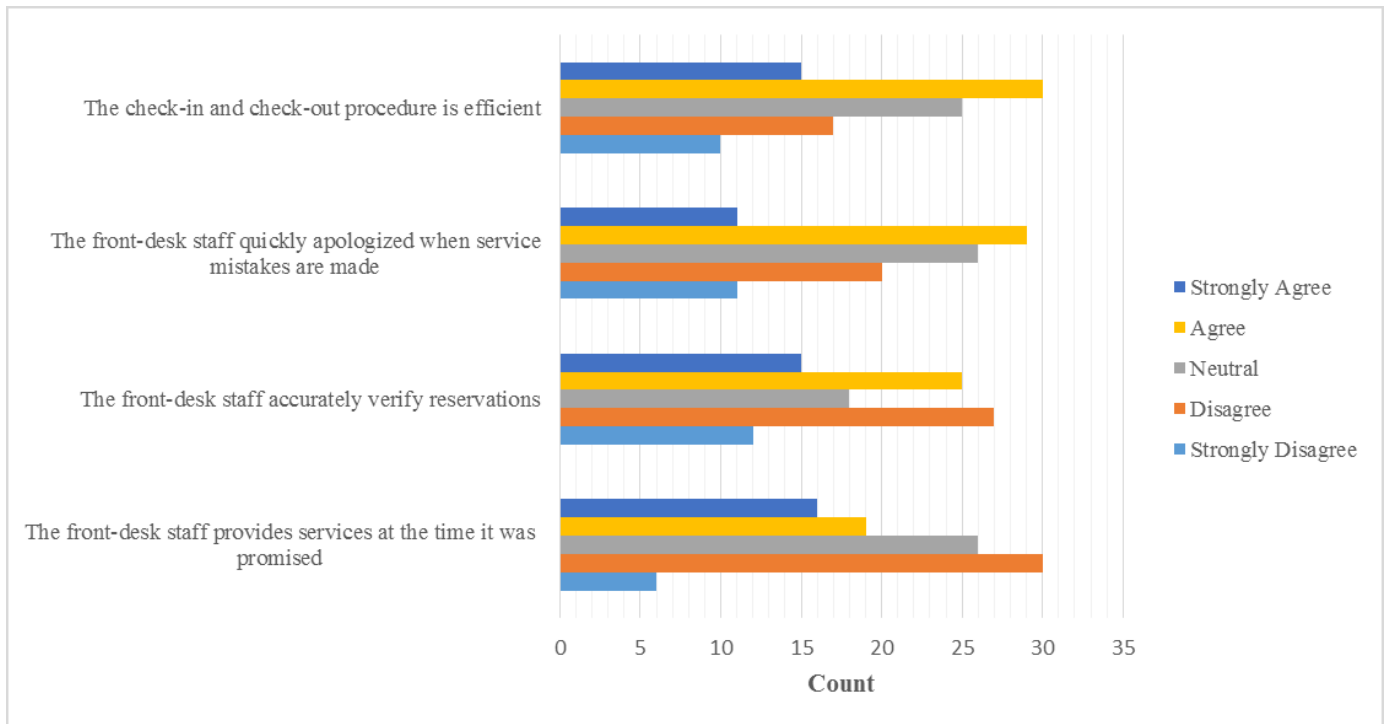
From the figure above we notice that customer of the hotel in general don't have a problem with the food and beverage served and it is hygienic, adequate and sufficient, while from another point the quality of the food is not that favorable according to a considerable number of people who disagree with this statement (30) people.

As for the last two statements, we can clearly conclude that almost every respondent finds that the Sheraton resort hotel provides a variety of items on the menu which leads to the similar results concerning the overall selection of beverages which is satisfactory to most of respondents.

### 3.2.3 Front office services:

The figure below presents the perceived quality of the front-desk at the Sheraton resort hotel.

Figure n° III.5: Front office performance.



Most of respondents expressed that the check-in and check-out procedure is efficient in the hotel while more than 25 respondents experienced difficulties with these procedures during their stay in the Sheraton resort hotel. When it comes to the front-desk staff attitude when mistakes happen, a considerable number of respondents 30, expressed disagreement with the statement while more than 40 agree that the front-desk staff quickly apologized when service mistakes were made.

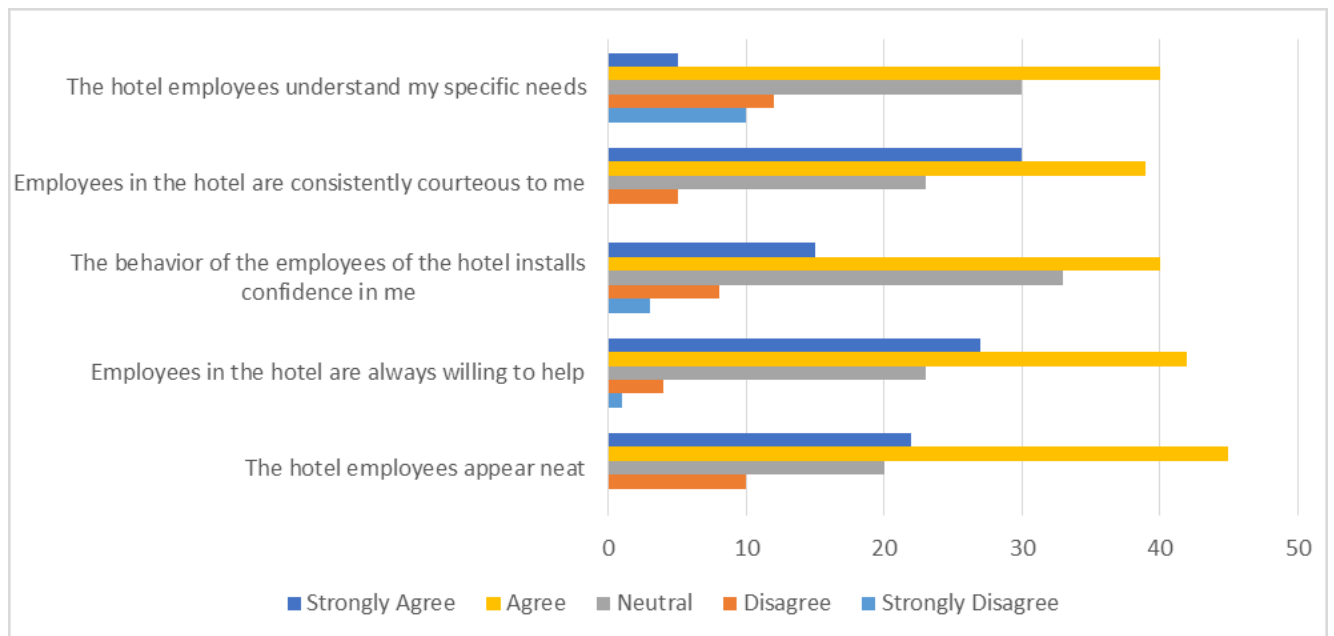
As for the performance of the front-desk staff concerning reservations checking, the majority of respondents here expressed disagreement and find lack of performance while 40 respondents says otherwise and agree with the accuracy of the front-desk staff in making reservations.

Surprisingly, in the last statement, the front-desk staff didn't deliver services as promised to customer according to more than 30 respondents, while only 15 respondents strongly agrees and more than 25 felt neutral about it.

### 3.2.4 Staff:

The figure below presents the opinion of customers about the staff attitude towards them during their stay in the Sheraton resort hotel.

**Figure n° III.6:** Staff attitude towards customers.



Employees of Sheraton resorts hotel are very courteous and polite according to more than 40 customers, while more than 10 disagrees and 10 respondents didn't experience any courtesy and politeness from the staff. Same results in the second statement, where almost 70 respondents strongly believe that the Sheraton resort hotel staff did install confidence with them which is a huge bonus for the hotel, and only a minority of 15 few respondents strongly disagree with this statement.

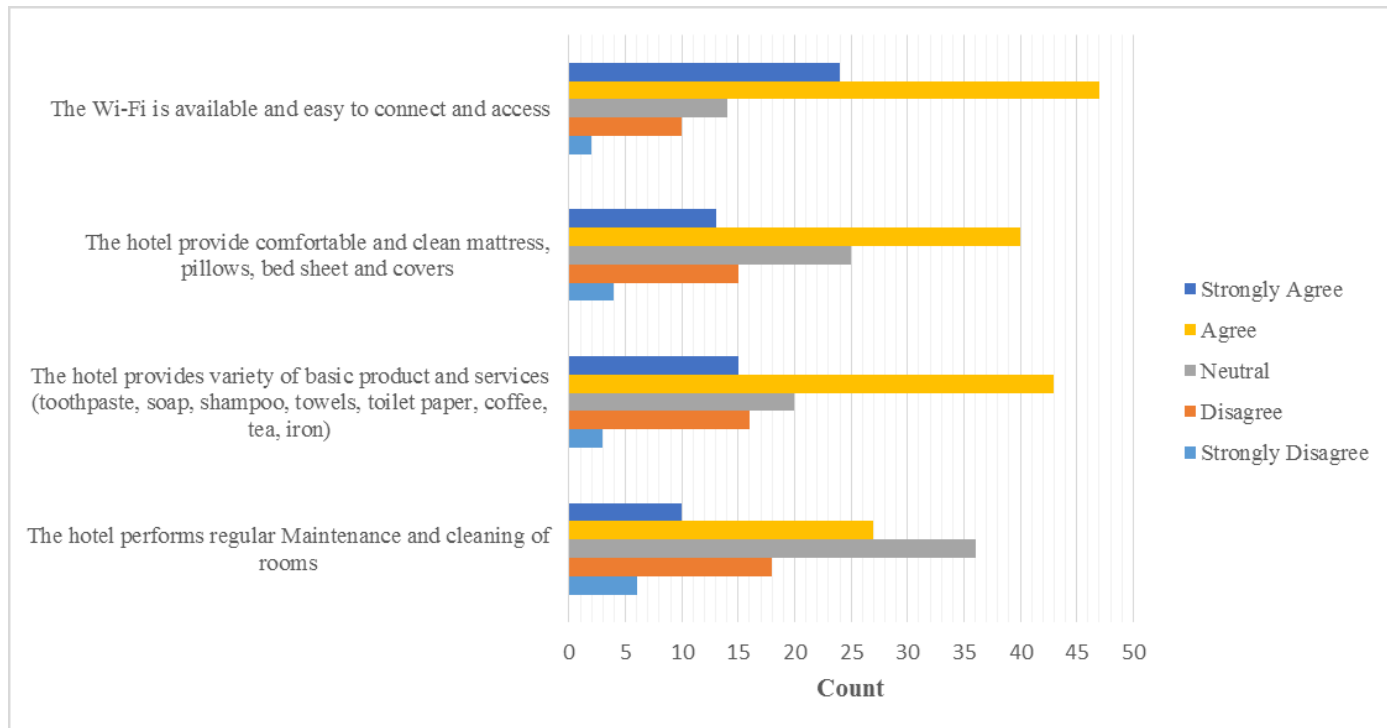
As for the staff willingness to always provide help, also the majority of respondents experienced a good staff behavior and willingness to help. On the other hand, there is a surprising number of respondents strongly disagree.

In the last statement, there is no doubt that the majority of respondents find the staff of the hotel appear neat and stylish with more than 40 answers, and only 20 of customers happen to disagree with the Sheraton resort hotel staff being neat.

### 3.2.5 Rooms:

Based on the data collected from the 97 people who answered this questionnaire, customers' judgment about rooms is expressed below:

Figure n° III.7: Perceived room quality.



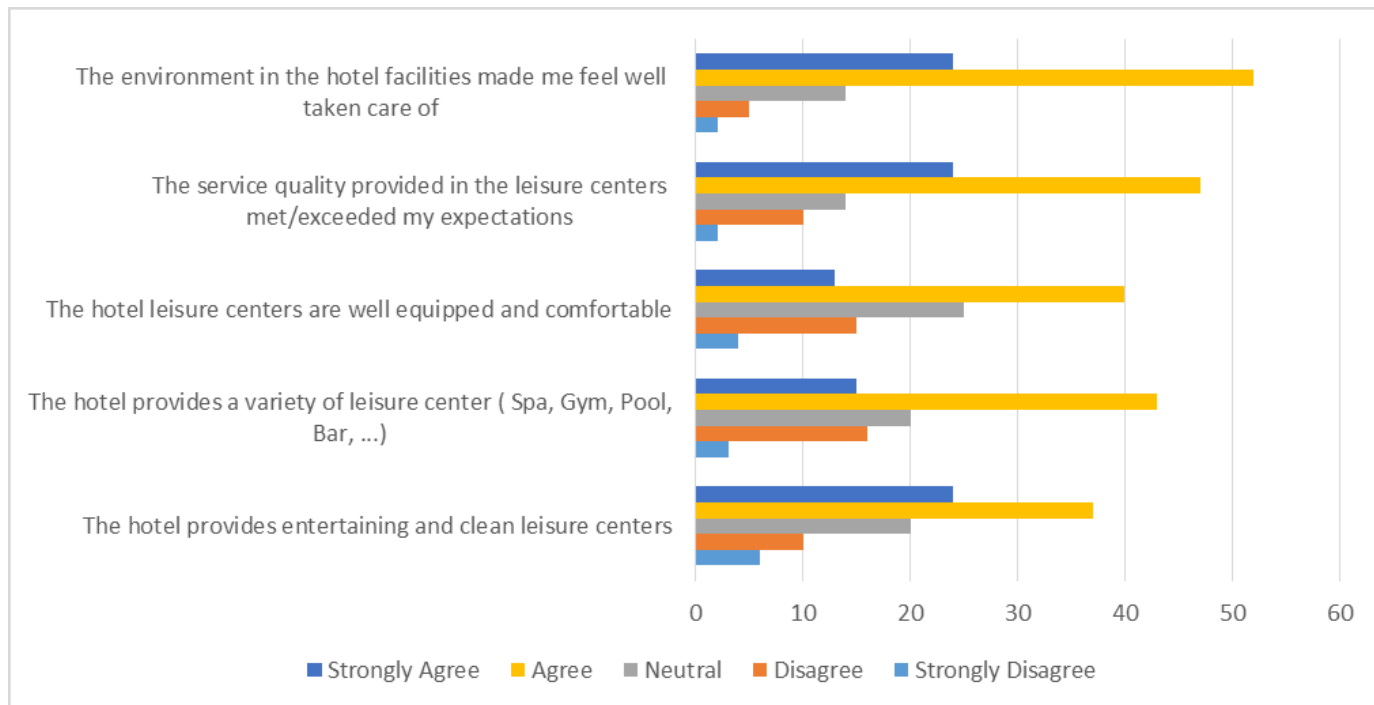
Concerning rooms, in general most customers agree that the Sheraton resort hotel provides the necessary amenities in rooms and it contains Wi-Fi and it is easy to connect and access, also the hotel provides a variety of basic products in the rooms.

The only statement that we can consider the number of disagreement with it is the regular maintenance and cleaning of rooms in the hotel, more than 20 respondents didn't receive regular clean-up service, while more than 35 are neutral about this statement which can be translated that they didn't notice any improvement about regular maintenance and find it normal for a hotel like Sheraton resort.

### 3.2.6 Leisure centers:

The figure below presents the customers' opinion about the quality of leisure center at the Sheraton resort hotel.

**Figure n° III.8:** Customers review of Sheraton leisure centers.



Concerning leisure centers in the hotel, results are very positive, customers felt well taken care of and highly enjoy the environment within, also the service quality provided in the leisure centers totally met or exceeded the customers' expectations, as for the equipment, we can note that more than 15 respondents didn't find leisure centers well equipped and comfortable.

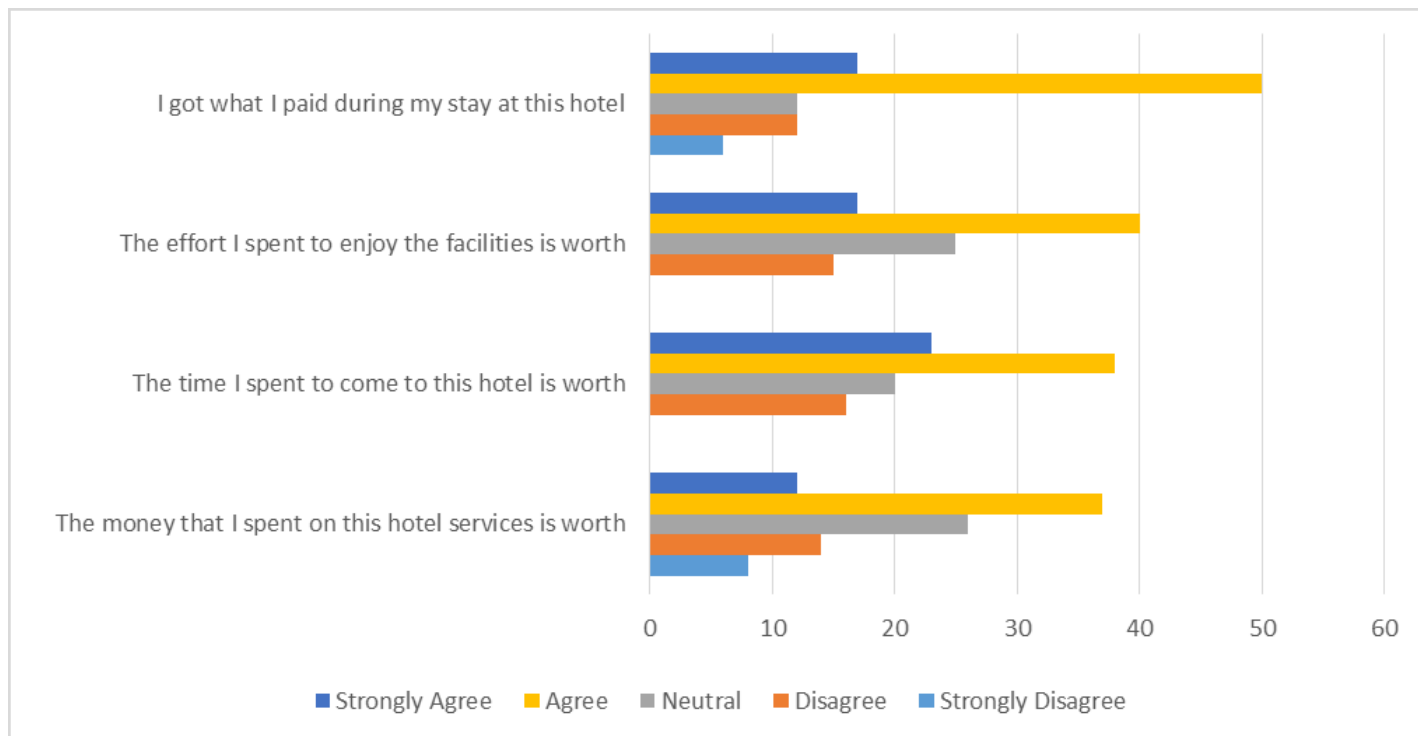
As for the variety of leisure centers in the Sheraton resort hotel, customers tend to agree with the statement since it is a Five-star hotel, while surprisingly, more than 15 respondents disagree.

For the last statement, Sheraton resort hotel provides entertaining and clean leisure centers according to more than 60 respondents, while almost 15 respondents experienced hygiene problems in these leisure centers.

### 3.2.7 Overall value for money:

In the last question of the hotel service quality section, respondents were asked to express their overall value for money agreement, the results are presented in the figure below:

**Figure n° III.9:** Perceived value for money of Sheraton resort customers.



From the figure above, we can conclude that the majority of respondents received what they paid for during their stay in the Sheraton resort hotel, while only 15 people disagree.

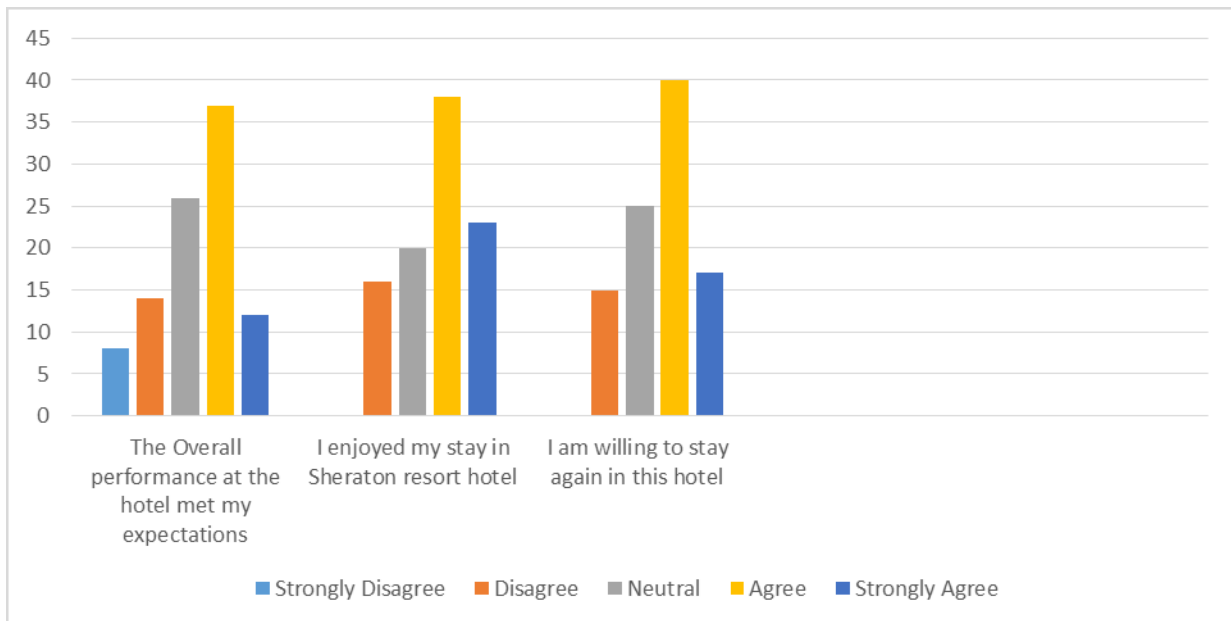
As for the time and efforts spent by customers to enjoy the Sheraton resort hotel facilities, there is no respondents with a “Strongly disagree” opinion about it which is positive. However, more than 10 respondents didn’t enjoy putting the time and efforts into it.

Finally, customers are satisfied with their money being spent in the Sheraton resort hotel with more than 40 answers, while more than 15 of respondents disagree and find it not worth spending all that money for the quality of services they received.

### 3.3 Customer satisfaction:

This section of the questionnaire is set to measure the satisfaction of Sheraton resort hotel's customers, through their rating of their experience the quality of services they received during their stay in the hotel. The figure below represents the customers' global observations of the Sheraton hotel.

**Figure n° III.10:** Customers overall satisfaction.



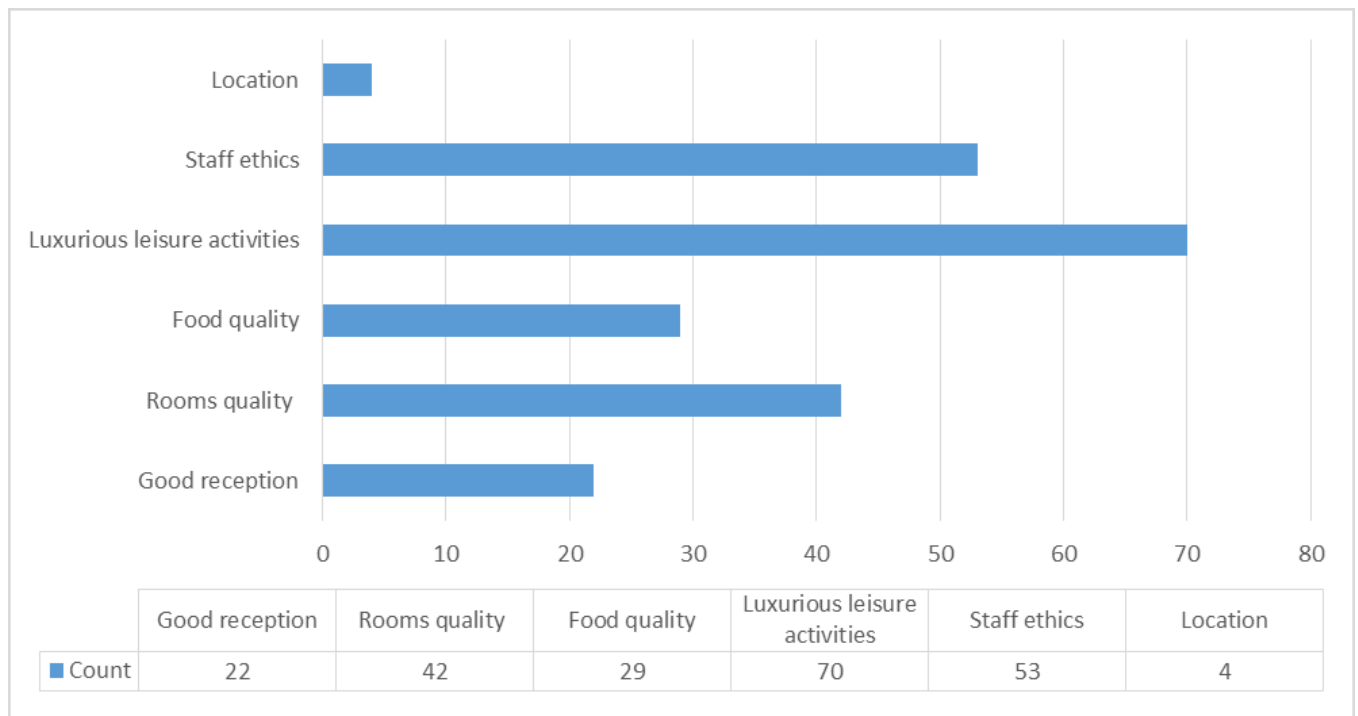
As is shown in the figure above, customers demonstrate satisfaction and gratitude towards the overall performance at the hotel which met their expectations, with only few respondents expressed dissatisfaction towards the hotel with more than 15 results.

As for the results concerning whether customers enjoyed their stay in the Sheraton resort hotel Algeria, same degree of satisfaction is translated in the third statement as customer retention, in other words, those satisfied customers are willing to stay again in the Sheraton resort hotel.

### 3.3.1 Reason of loyalty:

In this question, the respondents were asked to indicate what service has made them loyal to the Sheraton resort Algeria hotel, the figure below presents the following results:

**Figure n° III.11:** Customers preferred service about Sheraton resort hotel.



In the previous figure (Figure n° III.10) the overall satisfaction of customers is mainly due to the luxurious leisure activities provided by the Sheraton resort hotel, also followed by staff ethics and attitude towards customers, after that the room quality, then the good reception and its performance and finally the location of the Sheraton resort hotel Algeria.

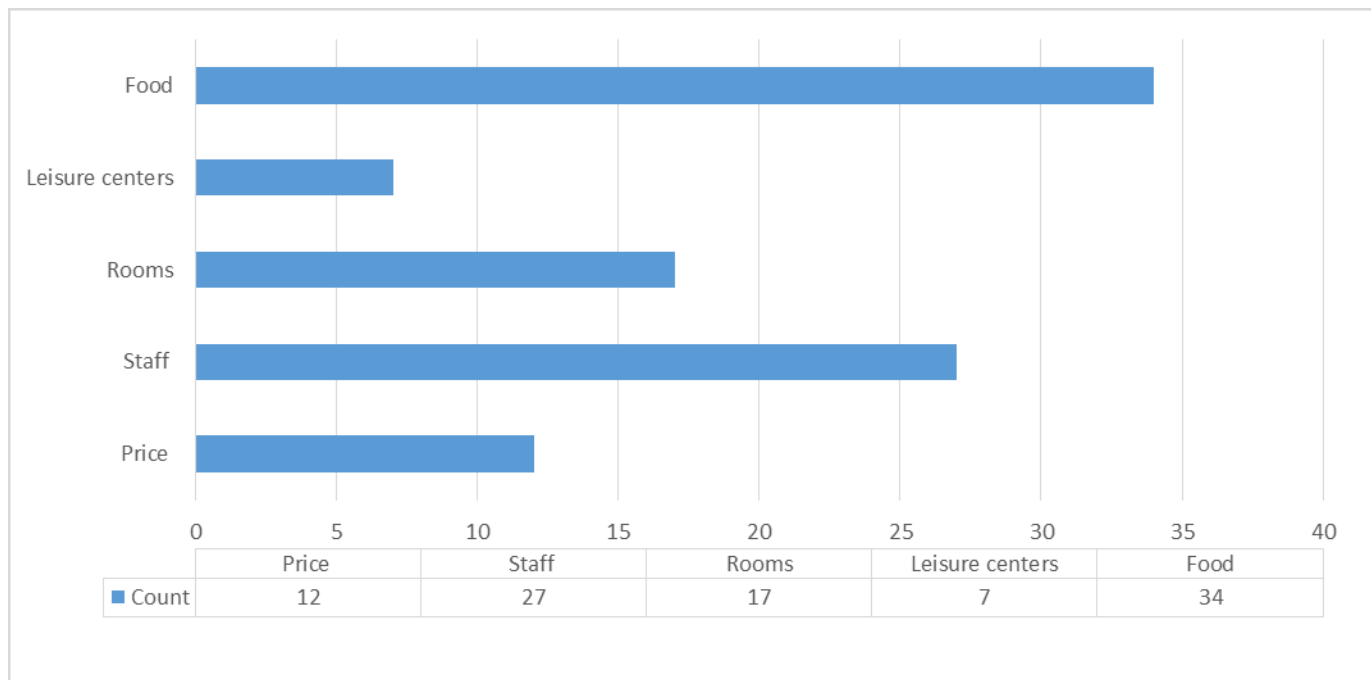
Indeed the environment and variety of activities in the hotel provides an amusing ambiance for customer where they feel welcomed and well taken care of, nevertheless the staff are the direct communication line of the hotel with its customers, customer tend to focus on humans interaction to apply confidence which can be translated into loyalty.

Rooms are the essential service of the hotel, without them there won't be a hotel to start with, rooms quality is an important factor for customer loyalty where they feel home.

### 3.3.2 Areas to improve:

In the last question, we asked the respondents to suggest areas of improvement concerning service quality provided by the Sheraton hotel, the figure below presents the following results:

**Figure n° III.12:** Customers' suggestions about services to improve.



Customers focused in this last question on the food quality and they think it should be improved with 34 rates, after that we can observe that 27 respondents require improvements concerning staff attitude, after that room's quality with 17 results, we can also note that 12 respondents don't agree with the pricing of the Sheraton resort hotel. Finally, only 7 customers required improvements in leisure centers level.

### **3.4 Summary of the questionnaire**

The demographic section summarizes that the majority of the respondents were male and out of 97 respondents, a majority of them were still young and already working. The result of this study shows most of the respondents were satisfied with the quality of customer service provided by Sheraton resort hotel Algeria. All of these mostly can be seen on questions using the Likert Scale.

There are several criteria for customers to put into consideration when choosing to stay in a hotel, the most important factor is the staff attitude, and the leisure center and activities provided within and also the quality and price of the rooms, although there are customers who focus more on the food quality, hygienity and location of the hotel.

Globally, customers have shown positive feedback and satisfaction about the hotel service quality provided, they find that the hotel is visually appealing, the food quality is good, the hotel staff are courteous and polite towards them and rooms are of high quality, leisure centers are highly attracting their attention and they are satisfied with their stay in the Sheraton resort hotel.

The respondents also gave recommendations to improve food quality. Some of them suggested training the staff, improve rooms' quality, while others suggested to focus more on the price and leisure centers.

**3.5 Recommendations:**

Based on the results obtained by the end of our online questionnaire survey, we suggest the following observations for a better focus and development of service quality and increase customer satisfaction within the Sheraton resort hotel Algeria:

1. Improve the hotel's leisure services and integrate new activities to attract more customer loyalty to the hotel.
2. Focus on the constant training and development of the hotel's staff to establish a long term relationship with customers that can be translated later on to customer loyalty.
3. Adopt a new pricing strategy for overnight stays, for a considerable number of hotel guests have suggested it.
4. Considering that the high quality of the rooms has greatly contributed in the choice customers, clients, we suggest that the Sheraton resort hotel focus more on improving the service quality related to bedrooms.
5. Be more active on social networks and focus on page content because it would be a way to increase notoriety and obtain a positive word of mouth from customers.
6. Reinforce differentiation so that customers notice the hotel, recognize it and choose the Sheraton resort hotel as their destination.
7. Organize more events and parties so that the hotel is more active and can increase the number of visitors who can be customers in the future.

**Conclusion:**

In the end of this chapter, after conducting diagnostic of how customers view the service quality provided by the Sheraton resort hotel and its impact on their satisfaction, also, performing the adequate research methodology for our study by applying a quantitative research method using a detailed questionnaire destined for the customers of the Sheraton resort hotel, we were able to make clear the relation between service quality and customer satisfaction.

Therefore, after summarizing the analysis of customer satisfaction, we found that the service quality provided by the Sheraton Club des Pins constitutes an important factor to satisfy and retain customers.

Finally, we modestly attempted, through the study we conducted and based on theoretical knowledge that we acquired during our university course, to propose feasible recommendations to deal with intercultural challenges.

# **Conclusion**

## Conclusion

Today, hospitality sector is focusing more and more on delivering service quality due to its direct relation to customer satisfaction and it is considered major factor of efficiency, communication and the focus to improve services also become a necessary commitment for every hotel that wishes to exist in the long term in this very competitive market. In order to stay competitive, hotels must move towards new forms of management, more rigorous in the work and focusing more on customer satisfaction through providing the best service quality.

The purpose of our study is to analyze the impact of service quality on customer satisfaction. To achieve this, this research focused on two parts. The first is purely theoretical and the second is practical. The first part allowed us to identify our research topic and to understand the concepts of service quality as well as customer satisfaction. The survey we carried out among the customers of the Sheraton resort hotel made it clear that satisfying customers is now a condition of survival for the hotel, hence the importance of implementing a continuous service quality improvement process in the hotel facilities. Indeed, this process is an effective way to make positive changes to the hotel in order to better meet the needs and expectations of the customers.

Results have also shown that the staff of this hotel follows all the steps to ensure the best environment to satisfy customers. Therefore, we can say that the focus on staff training to provide quality services is an essential element for the development of loyal customers to the hotel since they are the direct contact line with customers.

Thus, we have dedicated our research study to investigate the impact of service quality on customer satisfaction through different aspects at Sheraton resort hotel including; services price, staff attitude and leisure centers, which can generate customer loyalty.

The work we have done represents the implementation of our theoretical and practical knowledge to answer our problematic: ***“To what extent the service quality provided by Sheraton resort hotel can influence customer satisfaction?”***

The method used in our study is a questionnaire survey destined for Sheraton guests only. It enabled us to confirm or refute our research hypotheses, in this regard we obtained the following results:

**Hypothesis 1:** The price of services provided by Sheraton resort hotel has an influence on customer satisfaction.

The results of our research *refuted* this hypothesis, for the reason that the majority of customers whom are satisfied by the service quality provided by the Sheraton resort hotel do not give much importance in spending money on the various services offered by the hotel.

**Hypothesis 2:** The loyalty of Sheraton's customers is largely due to staff's attitude.

Indeed, our findings in our research study have enabled us to *confirm* this hypothesis. Most of customers were satisfied with the services provided by the staff of Sheraton resort hotel, from wake up calls to remembering their birthdays and addressing them formally, especially through their availability.

**Hypothesis 3:** Sheraton resort hotel's focus on development, content of luxurious leisure centers, contributes to better satisfaction of its clients and thus customer loyalty.

Our findings in our research study have enabled us to *confirm* this hypothesis. Most of customers were delighted by the entertainment, variety of activities, ambiance and services provided within leisure centers like the spa and the pools and the bar.

However, we are unable to generalize these results, given the limitations of this study which are; Respondents are only among Algerian customers of Sheraton resort hotel, so it is not wide enough to cover a global perspective of hotel perceived services, also almost every respondent of the population is staying in the hotel for leisure purpose only, so the business review is short in this case, also the findings of this study cannot be generalized to other hotels because of the different social and economic status of respondents of Sheraton resort hotel. Another point is that the hotel guests have different judgments about the hotel service, when they confront with services in various situations, they may have different opinions.

Finally it should be said that this work is our first scientific research experience yet it allowed us to acquire knowledge in theory, in practice, and also in methodology. As we wish that other works come to enrich ours. Taking this into consideration, our work should be completed by; studying the impact of service quality dimensions on customer satisfaction, also the importance of customer complaints management regarding customer satisfaction, and finally, managing customer expectations in hospitality.

# **Bibliography**

# Bibliography

## 1. Books

- Bearden, Peter D., Sheth, Arch G.: "Situational Influence on Consumer Purchase Intentions, in Consumer and Industrial Buying Behavior", Elsevier North-Holland, New York, 1977.
- CHANG S., WIEBE: "the ideal culture profile for total quality management: a competing values perspective", Engineering Management Journal, number 2, 1996.
- Day R., Landon E.: "Toward a theory of consumer complaining behavior-Consumer and industrial buying behavior-, Bennett edition, New York, 1977.
- Dei-Tumi: "Customer Service is an Attitude, not a Department", 16<sup>th</sup> edition, 2005.
- DENIS L.: "Services Marketing", DUNOD Edition, Paris, 2005
- DETRIE P.: "A quality approach", 4<sup>th</sup> Edition, Organization edition, Paris, 2003
- Grigoroudis E., Siskos Y.: 'Customer satisfaction evaluation, Methods for measuring and implementing service quality', Springer US, 2010.
- Haider, S.: "ISO 9001:2000 Document Development Compliance Manual", Florida: St. Lucie Press, 2001
- HOFFMAN K., BATESON G.: "Services Marketing Concepts, Strategies, & Cases", 4<sup>th</sup> edition, South-Western, 2008.
- International Organization for Standardization: Implementation Guidance for ISO 9001:2015
- ISO: International Standard of Organization
- Jochen Wirtz, Christopher Lovelock; Services Marketing: People, Technology, Strategy, 8<sup>th</sup> Edition, World Scientific Publishing Company, 2016.
- Juran M.: "Leadership for quality", Simon and Schuster, 2003.
- KOTLER P., KELLER K., MANCEAU D., DUBOIS B.: "Marketing management", 13<sup>th</sup> Edition, Pearson education, Paris, 2009
- KOTLER P., KELLER K.: "Marketing Management", 14<sup>th</sup> Edition, Pearson education, Paris, 2012
- Lisa Keefe: "Marketing Defined," Marketing News, 2008
- Lovelock C., Jochen W.: Services Marketing: People, Technology, Strategy, 8<sup>th</sup> edition, World scientific, London, 2016

- Lovelock C., WIRT J., LAPERT D.: “Services Marketing”, 5<sup>th</sup> Edition, Pearson education, Paris, 2004
- Massnick, F.: “The customer is CEO: How to measure what your customers want - and make sure they get it”, AMACOM, New York, 1997.
- MEYRONIN B., DITANDY C.: “From management to marketing of services”, 3<sup>rd</sup> edition, DUNOD Edition, Paris, 2015.
- O’Neill, M.: “Measuring service quality and customer satisfaction”, Kandampully, 2001.
- Peter M., Angela P.: “Services Marketing Management”, 3<sup>rd</sup> edition, Elsevier, 2006.
- Pierre E., Eric L.: “Services as Systems: Marketing Implications”, Chiron Edition, 2004.
- Robert C., Michael S., Cherrill P.: “Managing Quality Service in Hospitality”, Cengage Learning, Florence, 2011.
- Sällberg H.: “On the value of customer loyalty programs: a study of point programs and switching costs”, Linköpin, 2004.
- Simon (H), Tourism and Hospitality Marketing “A Global Perspective”, SAGE Publications, London, 2008.
- Solomon M., Bamossy, G.Askegaard, Hogg, M.: “Consumer Behavior: A European Perspective”, 5<sup>th</sup> edition, Pearson, 2013.
- TARDIEU (J. Michel): Marketing and service management, Chiron Edition, 2004.
- Williams C., Buswell, J.: “Service quality in leisure and tourism”, CABI publishing, 2003.
- Zeithaml, V. Bitner, M. J.: “Services Marketing -Integrating Customers Focus across the Firm”, 3<sup>rd</sup> Edition, Boston: McGraw-Hill, 2003.

## 2. Academic works

- AL-Aali, Abdulrahman: "Measuring the Service Quality of Mobile Phone Companies in Saudi Arabia", King Saud University Journal (Administrative Sciences), 2011.
- BELOUADAH F.: "Quality approach in the hotel case Boussaâda hotel" , Master dissertation in Tourism, ENST, Algiers, 2009
- BROWN, S.: "Likert Scale Examples for Surveys", ANR Program Evaluation, 2010.
- Chen, M. F. & Wang, L. H.: "The moderating role of switching barriers on customer loyalty in the life insurance industry. The Service Industries Journal, Volume 29, 2009.
- Chi, G.: "A study of developing destination loyalty model", Doctor of Philosophy Dissertation, Oklahoma State University, 2005.
- Clow, K. E. and Vorhies, D. W., 'Building a Competitive Advantage for Service Firms', Journal of Services Marketing, vol. 7, 1993
- Dick A., Basu K.: "Customer Loyalty: Toward An Integrated Conceptual Framework", Journal of the Academy of Marketing Science.22, 1994.
- Garcia J., Gonzalez E.: "Quality in Customer Service and Its Relationship with Satisfaction: An Innovation and Competitiveness Tool in Sport and Health Centers", International journal of environmental research and public health, 2019.
- Hardie N. & Walsh P.: "Towards a better understanding of quality", International Journal of Quality & Reliability Management, Vol. 11, 1994
- Heskett, J. L., Jones, T. O., Loveman, G. W., Sasser, W. E., Schlesinger: "Putting the service-profit chain to work", Harvard Business Review, 2008.
- Hussain R., Hussain K.: "Service quality and customer satisfaction of a UAE-based airline: An empirical investigation", Journal of Air Transport Management, 2015.
- Oliver, R.L.: "Effect of expectation and disconfirmation on post exposure product evaluations: An alternative interpretation", Journal of Applied Psychology, 1977.
- Parasuraman A., Zeithaml V., and BerryL.: "A conceptual model of service quality and its implications for future research", Journal of Marketing, 1985/.
- Parasuraman, A., Zeithaml, V. A. and Berry, L. L., 'SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality', Journal of Retailing, vol. 64, 1988.

- Peter D.: Quality Management Theory and Application, CRC Press, 2009.
- Sheth, Jagdish & Newman, Bruce & Gross, Barbara: “Why We Buy What We Buy: A Theory of Consumption Values”, Journal of Business Research, 1991.
- Singh H.: “The Importance of Customer Satisfaction in Relation to Customer Loyalty and Retention”, UCTI Working Paper, Malaysia, 2006.
- Sower, V., Fair, F.: “There is more to quality than continuous improvement: Listening to Plato”, The Quality Management Journal, Vol.12, No.1, 2005.
- Wicks, A. M., & Roethlein, C. J.: “A Satisfaction-Based Definition of Quality”, Journal of Business & Economic Studies, Vol. 15, No. 1, 2009.

### **3. Websites**

- <https://asq.org/quality-resources/history-of-quality>, accessed 04/03/2020, 19:52.
- <https://qualitymanagement.co.uk/quality/all-about-history-quality-management>, accessed on 04/03/2020, at 20:34.

# **Appendix**

Ecole des Hautes Etudes Commerciales



## **Online Survey Questionnaire**

Research topic:

**“Impact of service quality on customer satisfaction:  
The case of Sheraton resort hotel Algeria”.**

This survey questionnaire consists of 3 parts:

**SECTION A:** Demographic Information

**SECTION B:** Hotel Service Quality

**SECTION C:** Customer Satisfaction

This research project is conducted as part of the requirements for Master degree in Commercial Sciences. All information is meant for academic purpose only and it will strictly remain confidential. It takes about 5-10 minutes of your time in order to complete this survey. If you have any inquiry, please do not hesitate to contact: [b.sekiou@hec.dz](mailto:b.sekiou@hec.dz) or [a.salmi@hec.dz](mailto:a.salmi@hec.dz)

Thank you for your precious time and participation in this study.

## SECTION A: Demographic Information

1. Did you ever stay in the Sheraton resort Hotel?

Yes  No

-If the answer is no, we thank you for taking part in this questionnaire.

2. Gender:

Male  Female

3. Age:

19-29  30-39  40-49  +50

4. Income:

Less than 35,000 Da.

Between 35,000 DA and 70,000 DA.

Between 70,000 DA and 100,000 DA.

More than 100,000 DA.

5. How often do you stay in hotels ?

Rarely  Occasionally  Regularly

6. Do you stay in hotels for:

Business  Leisure

7. What is your profession?

Student

Employed

Self-employed

Liberal profession

Retired

Unemployed

Other:

8. Marital Status:

Single  Married

**SECTION B: Hotel service quality**

9. For you, what are the most important criteria in your choice of hotels?

Quality   Price ratio of hotel rooms	<input type="checkbox"/>
Staff attitude	<input type="checkbox"/>
Food quality	<input type="checkbox"/>
Leisure centers	<input type="checkbox"/>

Others, please specify:

.....  
 .....  
 .....

For the next statements, please indicate your level of agreement according to your experience in Sheraton resort hotel.

**SD:** Strongly disagree, **D:** Disagree, **N:** Neutral, **A:** Agree, **SA:** Strongly agree

**Hotel physical presence:**

No	Statements	SD	D	N	A	SA
1	The hotel physical facilities are visually appealing					
2	The hotel design is modern and innovative					
3	The furnishings in the rooms are appealing					
4	The hotel atmosphere is clean and comfortable					

**Food & Beverage:**

No	Statements	SD	D	N	A	SA
1	The hotel provides a variety of items on the menu					
2	The overall selection of beverages is satisfactory					
3	Quality of the restaurant food is good					
4	Food and beverage served are hygienic, adequate and sufficient					
5	Food and beverage prices are reasonable					

**Front office services:**

No	Statements	SD	D	N	A	SA
1	The front-desk staff provides services at the time it was promised					
2	The front-desk staff accurately verify reservations					
3	The front-desk staff quickly apologized when service mistakes are made					
4	The check-in and check-out procedure is efficient					

**Staff:**

No	Statements	SD	D	N	A	SA
1	The hotel employees appear neat					
2	Employees in the hotel are always willing to help					
3	The behavior of the employees of the hotel installs confidence in me					
4	Employees in the hotel are consistently courteous to me					
5	The hotel employees understand my specific needs					

**Rooms:**

No	Statements	SD	D	N	A	SA
1	The hotel performs regular Maintenance and cleaning of rooms					
2	The hotel provides variety of basic product and services (toothpaste, soap, shampoo, towels, toilet paper, coffee, tea, iron)					
3	The hotel provide comfortable and clean mattress, pillows, bed sheet and covers					
4	The Wi-Fi is available and easy to connect and access					

**Leisure centers:**

No	Statements	SD	D	N	A	SA
1	The hotel provides entertaining and clean leisure centers					
2	The hotel provides a variety of leisure center ( Spa, Gym, Pool, Bar, ...)					
3	The hotel leisure centers are well equipped and comfortable					
4	The service quality provided in the leisure centers met/exceeded my expectations					
5	The environment in the hotel facilities made me feel well taken care of					

**Overall value for money:**

No	Statements	SD	D	N	A	SA
1	The money that I spent on this hotel services is worth					
2	The time I spent to come to this hotel is worth					
3	The effort I spent to enjoy the facilities is worth					
4	I got what I paid during my stay at this hotel					

**SECTION C: Customer Satisfaction**

No	Statements	SD	D	N	A	SA
1	The Overall performance at the hotel met my expectations					
2	I enjoyed my stay in Sheraton resort hotel					
3	I am willing to stay again in this hotel					

**10. What services have made you loyal to the Sheraton Alger hotel?**

Good reception

Rooms' quality

Food quality

Luxurious leisure activities.

Staff ethics.

Others, please specify:

.....

.....

.....

**11. What would you improve at the Sheraton Hotel?**

Price

Staff

Rooms

Leisure centers

Food

Others, please specify:

.....

.....

.....

If you have any additional comment or suggestion to make, we will very grateful to know about it. Please use the space below to state it.

Thanks a lot for your precious collaboration.

We really appreciate it.

**END**

# **Table of contents**

# Table of Contents

**Dedication**

**Acknowledgments**

**Abstract**

**List of tables**

**List of figures**

**List of abbreviations**

**Summary**

**Introduction ..... 1**

**Chapter I: Quality management in Services Marketing ..... 4**

**Introduction ..... 5**

**Section 1: Notions and characteristics of services ..... 6**

1.1. Service definition: ..... 6

1.2. Service objectives: ..... 6

1.3. Service components: ..... 7

1.4. Service classification: ..... 8

1.5. The characteristics of the services: ..... 9

1.5.1. Intangibility: ..... 9

1.5.2. Inseparability/Simultaneity of production and consumption: ..... 9

1.5.3. Heterogeneity/Variability: ..... 9

1.5.4. Perishability: ..... 9

1.6. The SERVUCTION system: ..... 9

1.6.1. Definition of Servuction: ..... 10

1.6.2. The Servuction Factors : ..... 10

a. The customer : ..... 10

b. Physical evidence: ..... 10

c. Contact personnel/service providers: ..... 10

d. Other customers : ..... 10

e. Organizations and systems: ..... 10

**Section 2: Services marketing ..... 12**

2.1. Marketing Orientations: ..... 12

a. Production orientation: ..... 12

b. Product orientation: .....	12
c. Sales orientation.....	12
d. Marketing orientation: .....	12
e. Societal marketing orientation:.....	13
2.2. Definition of Marketing: .....	13
2.2.1. Definition of services marketing:.....	13
2.2.2. Services marketing forms:.....	14
A. Internal marketing:.....	14
B. External marketing: .....	14
C. Interactive marketing:.....	14
2.3. Services marketing mix:.....	15
2.3.1. Product: .....	15
2.3.2. Price:.....	16
2.3.3. Place:.....	16
2.3.4. Promotion:.....	16
2.3.5. People:.....	16
2.3.6. Process:.....	16
2.3.7. Physical evidence: .....	17
<b>Section 3: Quality of services .....</b>	<b>18</b>
3.1. Understanding Quality Concept:.....	18
3.1.1. Definition of quality:.....	18
3.1.2. The developing of quality concept:.....	19
3.1.2.1. The quality inspection (Early 20 <sup>th</sup> century): .....	19
3.1.2.2. Quality control (1930 to 1950): .....	20
3.1.2.3. Quality assurance (1950 to 1970): .....	20
3.1.2.4. Total quality management (1970 to 2000):.....	20
3.2. Quality management system QMS: .....	20
3.2.1. Exploratory and decision-making process: .....	21
3.2.2. Implementation of a QMS:.....	21
3.2.3. Making quality a reality: .....	21
3.3. Quality management principles QMP:.....	21
3.4. ISO standards: .....	22
3.5. Service quality Concept: .....	22
3.5.1. Definition of service quality:.....	22
3.5.2. Service quality dimensions: .....	23

a. Reliability: .....	23
b. Responsiveness: .....	23
c. Assurance:.....	24
d. Empathy:.....	24
e. Tangibility: .....	24
3.6. Measurement of Service quality: .....	24
3.6.1. Gap analysis (SERVQUAL): .....	25
3.6.2. Service performance measures (SERVPERF): .....	27
3.6.3. Soft measures: .....	27
a. Customer satisfaction surveys: .....	27
b. Internal performance analysis:.....	27
3.6.4. “Hard” measures: .....	27
3.6.5. Importance/Performance analysis (IPA): .....	27
3.6.6. Critical Incident Technique (CIT):.....	29
3.6.7. Mystery shopper technique: .....	29
<b>Conclusion.....</b>	<b>30</b>
<b>Chapter II: Customer focus in the service operation.....</b>	<b>31</b>
<b>Introduction .....</b>	<b>32</b>
<b>Section 1: Customer psychology.....</b>	<b>33</b>
1.1. Definition of the customer: .....	33
1.2. Customer Perceived Value:.....	33
1.3. The process of perception: .....	34
1.4. Consumption Values theory.....	35
a. Functional Value.....	35
b. Social Value .....	35
c. Emotional Value .....	35
d. Epistemic Value .....	36
e. Conditional Value .....	36
1.5. Customer Expectations: .....	37
1.5.1. Desired service: .....	37
1.5.2. Adequate service: .....	37
1.5.3. Predicted service: .....	38
1.5.4. Zone of tolerance:.....	38
1.6. Management approaches about customer expectation.....	39

<b>Section 2: Customer satisfaction as an approach for organizations.....</b>	<b>41</b>
2.1 Definition of Customer satisfaction: .....	41
2.2 Customer Satisfaction/Dissatisfaction Model: .....	42
2.3 Measuring Customer Satisfaction: .....	43
2.3.1 Evolution of Customers Satisfaction Measurement:.....	43
2.3.2 Measurement and Sources of Information: .....	43
2.3.2.1 Direct measurement systems:.....	45
2.3.2.2 Indirect measurement systems: .....	45
2.3.3 the importance of developing a customer database:.....	45
2.4 Importance of measuring customer satisfaction: .....	47
<b>Section 3: Impact of service quality on customer satisfaction.....</b>	<b>49</b>
3.1 Service quality as an antecedent for customer satisfaction:.....	49
3.2 Customer satisfaction as an antecedent for Customer loyalty: .....	50
3.3 Definition of Customer Loyalty:.....	51
3.3.1 Benefits of customer loyalty: .....	51
3.4 Relation between customer satisfaction and loyalty: .....	52
<b>Conclusion.....</b>	<b>54</b>
<b>Chapter III: Investigating the impact of service quality on customer satisfaction .....</b>	<b>55</b>
<b>Introduction .....</b>	<b>56</b>
<b>Section 1: Presentation of Sheraton resort hotel Algeria .....</b>	<b>57</b>
1.1 Marriott: .....	57
1.2 Marriott's brands:.....	57
1.2.1 Sheraton hotels and resorts:.....	57
1.2.2 Delta Hotels:.....	57
1.2.3 MERIDIEN:.....	57
1.2.4 Westin: .....	58
1.2.5 Renaissance Hotels:.....	58
1.3 Sheraton resort hotels:.....	58
1.3.1 Sheraton's hotel creation:.....	58
1.4 Sheraton's spec sheet: .....	58
a. Rooms: .....	58
b. Dining: .....	60
c. Recreation centers:.....	60

d. Events and meetings: .....	60
e. Other services: .....	61
1.5 Management of the Sheraton resort hotel: .....	61
1.5.1 Sheraton's mission and objectives: .....	61
1.5.2 Missions for each department: .....	61
1.5.2.1 General management: .....	61
1.5.2.2 Finance and accounting department: .....	61
1.5.2.3 Equipment and maintenance department: .....	62
1.5.2.4 Accommodation department: .....	62
1.5.2.5 Human resources department: .....	62
1.5.2.6 Marketing and sales department: .....	62
<b>Section 2: Methodological framework .....</b>	<b>63</b>
2.1 Aim of the study: .....	63
2.2 Objectives of the study: .....	63
2.3 Importance of the study: .....	63
2.4 Research strategy: .....	64
2.5 Data collection process .....	65
2.5.1 Primary data collection - Questionnaire: .....	65
2.5.2 Secondary data collection - Literature review: .....	66
2.6 Sampling: .....	66
<b>Conclusion.....</b>	<b>67</b>
<b>Section 3: Analysis and findings.....</b>	<b>68</b>
3.1 Demographic Information of Respondents .....	68
3.2 Hotel service quality .....	70
3.2.1 Hotel physical presence .....	71
3.2.2 Food and Beverage .....	72
3.2.3 Front office services .....	73
3.2.4 Staff.....	74
3.2.5 Rooms.....	75
3.2.6 Leisure centers.....	76
3.2.7 Overall value for money.....	77
3.3 Customer satisfaction.....	78
3.3.1 Reason of loyalty.....	79
3.3.2 Areas to improve .....	80
3.4 Summary of the questionnaire .....	81

3.5 Recommendations .....	82
<b>Conclusion: .....</b>	<b>83</b>
<b>General Conclusion.....</b>	<b>85</b>
<b>Bibliography</b>	
<b>Appendix</b>	