

# **CHAPTER 1**

## **INTRODUCTION**

In this chapter shows introduction of independent study begin with a background concerning the research area which also how important of this study, background of the study, objectives of the study, statement of problem, scope of the study, definition of terms, and significant of the study.

### **1.1 General introduction**

Obtaining an economic development in the purpose of increasing life standards in a comprehensive level is suitable for each society and necessary for human desire improvements. Mankind, who lives in a proper society, tends to inquiry his needs such aspects as, increasing his knowledge, cognition, healthcare improvement, facility, social, and personal improvement, law sovereignty and creating a social environment along safety and discipline. In this respect, in the era of the modern economic history, many product and trade units have been developed and established along each other. In the preceding decades, the tourism industry has become one of the most monetary industries. The hospitality and tourism industry is the largest and fast-growing industry in the world (Walker 2007), likewise be a major source of foreign exchange earnings and employment for many developing countries. Tourism is very vital to the well being as of the income generated consumption of goods and services by tourists and the opportunity for employment and economic growth. Its contribution has dramatically over recent decades. Thailand is the major tourism destination in South-East Asia which shows that the number of tourists has been increasing every year. Thailand is one of well-known developing countries where a large amount of the country's foreign incomes is especially derived from international tourists. As we know that Thailand tourism industry has become one of the most important monetary industries.

Thailand enjoys the growth of its tourism industry and the revenue generated by international tourists mainly from East Asia, Europe, and the Americas (TAT, 2003). In 2003, the World Tourism Organization (WTO) ranked Thailand the third top tourism earner in Asia followed by China and Hong Kong. Additionally, Thailand was ranked

Asia's fourth top-tourism destination in terms of the number of international tourist arrivals behind China, Hong Kong, and Malaysia. Regarding accommodation capacity, the WTO placed Thailand the third for Asia's top tourism destination measured by the number of rooms in 2003. This prominent standing was accomplished by strong support from the Thai government and by rigorous marketing and promotional plans of the Tourism Authority of Thailand (TAT), a national tourism organization with a history of more than 40 years. In addition, the Thai tourism industry has been growing along with the Thai economy. Despite the incidents and crises that have occurred over the decade.

Despite the incidents and crises that have occurred over the decades, tourism remains one of the major sectors contributing prosperity to the Thai economy. According to table 1 shows the number of tourists in 2010 and 2011 by each nationality (see in appendix A)

Tourism has played a significant role to Thai economy by appealing foreign revenues average about four billion baht a year. It has many infrastructures and service institutions in its category such as transportation, restaurant, retails and souvenir shops, in which, among the most important infrastructures, the hotel industry can be named out. Hotels are one of the most important institutions in the field of tourism industry. Therefore, they play a sufficient role in improving and expanding the tourism industry and also developing economic circumstances. Tourism industry contributes the growth of GDP, employment, and investment as well as the government expenditure. Especially, the ere are various types of quality destination services offered as tourism attractions, instead of hotels, are guesthouse, resorts, service apartments , boutique hotels, and etc.

These quality services add on tourist facilities mostly enjoyed by international visitors Thus, it enables Thailand tourism industry to earn a more amount of annual income to the country. Nowadays Boutique hotels are the new gender for Thailand's hospitality industry and the number is dramatically increasing. Boutique hotel is a kind of accommodation favored by upper-premium to high-end visitors nowadays. With the beauty of architecture, luxury and unique decorations distinguishing it among others, the boutique hotel has become a tourism magnet to draw a greater number of visitors to Thailand in each year. By the statistic of The Tourism Authority of Thailand 2548- 2552, most of the rooms are located major tourist destinations including Bangkok, Phuket, Chiang Mai, Hua Hin, Koh Samui. In this research will present about Pranburi Prachuap Khiri Khan Province, which nowadays becomes a very population destination for both

international tourist especially Thai tourist. Pranburi beach has all the classic elements of sun, sea, sand, clear water, and a beautiful setting against the backdrop of verdant forests, a national park, estuary, and many attraction activities. Pranburi beach is located 30 kilometers in south of Hua Hin. This beach itself may not be spectacular but its peaceful environment creating a sense of privacy and exclusively peaceful.

In the past tourists preferred to stay only in Hua Hin and went to Pranburi beach for sightseeing and eating seafood. However today, Pranburi is become the popular gateway among international tourist and especially Thai traveler from Bangkok who seeks to relax on their unique style. Nowadays if you go to Pranburi, you will pass several quiet beaches which are good for swimming. South of Pranburi is Khao Sam Roi Yod, national park with it rugged limestone hills, part of the Tenasserim Mountains, which line the coast, these are full of ravines and caverns, some of which can be reached by the park's network of roads and trails. Whether you're looking for a completely isolated and quiet spot or a place that offers water sports, you're likely to find a piece of beach heaven in Pranburi. On the main beach there are some vendors too who ensure that you won't go hungry or thirsty, while most resorts have direct beach access with activity programs and facilities for guests.

Ministry of Tourism and Sport, Thailand shows the number of guest arrivals at accommodation (Hotels, Guesthouse, and Resorts) in Pranburi. Total amount is 28,794 Thai tourists amount 22,664 and international tourists amount 6,130. This amount come from high rank by United Kingdom 2,060 and followed by Germany 1,225 and the rest are South East Asia, China, Austria, France, and European.(See in Appendix B)

## **1.2 Statement of the Problems**

World trend markets have been changed noticeably from agricultural to service markets (Asian Development Outlook, 2007) plus the new generation tourists' lifestyle. All of the service businesses try to do their best to develop quality of service in order to get more customers' satisfaction, especially in the hotel business. According to the fast growing of tourism industry in Thailand, the number of boutique hotels are also increasing. There is high competition among boutique hotels around tourist destination. Because nowadays boutique hotels have become one of the

popular accommodations among tourists who prefer to stay in the unique, different in look and feel properties from the brand hotels. As Anhar (2007) stated, most customers stay in boutique hotels because it is fashionable to do so, not because of the facilities the hotels offer. Now instead of having only a nice room to draw customer attention, hoteliers need to offer high quality of service as guest satisfaction is the highest priority for hotelier to compete. In this regard, boutique hotels are being marketed in a manner that is similar to many other goods, where the experience and image are sold rather than product itself. So they need to concentrate on marketing because there are generally financial restrictions and the target market of boutique hotels is niche market. The main marketing communications involving sending a message to the right target and create story of the hotels. The unique and easily related story must be delivered through effective and affordable channels such as social media, public relations through press, and direct sales.

Customer satisfaction in boutique hotel focus on 6 aspects which are hotel staff, room and environment, security measurement, food and beverage, facilities and services, and reasonable price (Anhar , 2007) Actually customer were satisfied with the service at all areas, especially regard as staff in terms of good hospitality and interpersonal. Lie (200) stated, customer satisfaction is a function of service performance relative to the customer expectation is formed in order to identify the factors of service satisfaction. Hence hotelier urgently needs to gain more knowledge and understand of customers' expectation and satisfaction as satisfied customers tend to return and make the profit to hotels.

In conclusion, the problems of boutique hotels are an increasing in their number and fierce competition both with one another and between other types of hotels. Hence, the management needs to urgently gain knowledge and better understanding of customers' expectations and satisfactions, if they are willing to stay in a competitive status or it survival is their optimal goal. So that the study of this two variables (expectations and perceptions) will be conducted to indentify the key factors used for boutique hotels.

### **1.3 Objective of Study**

The main objectives of this research are based upon five dimensions of Servqual measuring tools included Tangibles, Reliability, Responsiveness, Assurance, and Empathy (Parasuraman et al. 1998)

1. Measurement of a difference customer's expectation and customer's perceptions toward service quality upon five dimensions of Servqual.

1.1 Measurement of a difference between customer's expectations and customer's perceptions toward service quality of boutique hotels in terms of tangibles.

1.2 Measurement of a difference between customer's expectations and customer's perceptions toward service quality of boutique hotels in terms of reliability

1.3 Measurement of a different between customer's expectations and customer's perceptions toward service quality of boutique hotels in terms of responsiveness.

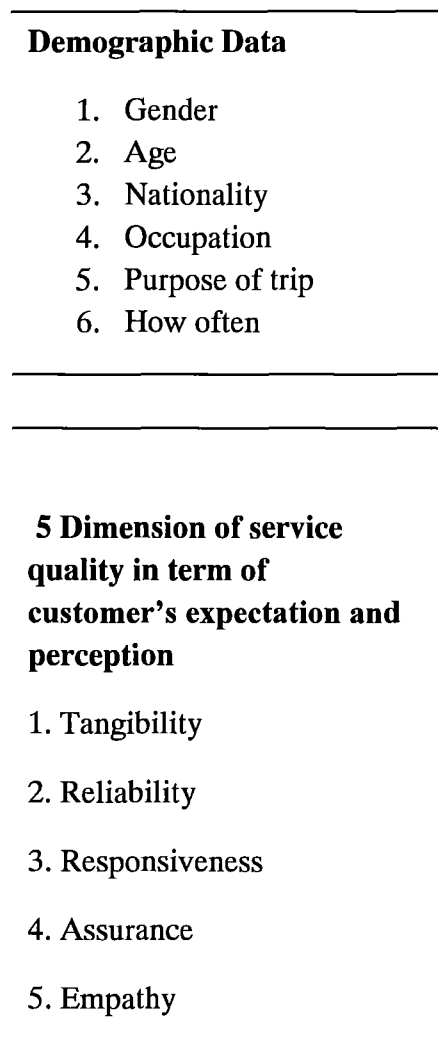
1.4 Measurement of a different between customer's expectations and customer's perceptions toward service quality of boutique hotels in terms of assurance

1.5 Measurement of a different between customer's expectations and customer's perceptions toward service quality of boutique hotels in terms of empathy.

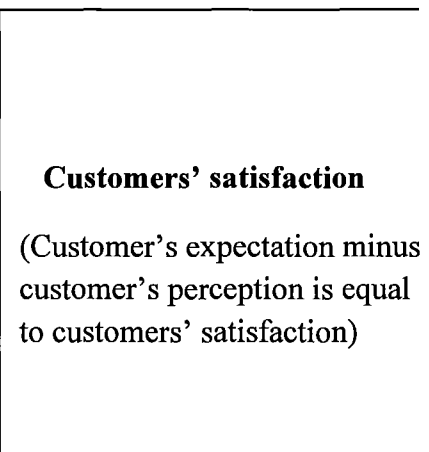
2. Analyze the discrepancy gap between customer's expectations and customer's perceptions toward service quality in terms of five dimensions of Servqual.

## Conceptual Framework

### Independent Variables



### Dependent Variables



#### **1.4 Scope of the Study**

This research study the level of customer satisfaction towards service quality in aspect of customer's expectations and customer's perceptions of service quality of Boutique hotels in Pranburi Prachuap Khiri Khan Province. This study is limited its scope on only boutique hotels which are located in Pranburi. The respondents of this study are both international and Thais tourists who stay at least one night in those boutique hotels.

#### **1.5 Significance of the Study**

1. The hotelier can use this information to develop their quality of boutique hotels in term of services and products. For example, boutique hotel many understand more about the method to improve their capacities and strategic plan in gaining more customer's satisfaction and develop their service quality to be top standard.
2. This survey of this study can be used to be reference to university, researcher, and interested people for further study in term of the development of boutique hotels business in Thailand tourism and hospitality industry.
3. Thailand Authority of Thailand (TAT) or Thailand Hotel Association (THA) and other concerning about hotel business can use this information of the study to develop and promote boutique hotels business in Thailand.

#### **1.6 Definition of Term**

1. Boutique Hotel: a thematic architecturally hotel with unique designed and offer unique and traditional styles. Boutique hotels normally have room start 30-200 designed rooms. For example in Thailand, the northern traditional style is the most famous to be decorated in boutique hotels around Thailand.

2. Service Quality: There are many researchers defined the service quality that are consisted of 5 elements of Servqual instrument which are tangible, reliability, assurance, responsiveness, and empathy. As Parasuraman Zeithaml, and Burry (1985) defined service quality as a function of the difference between expectation and performance along the quality dimension.
3. Customer Satisfaction: defined as an individual's feeling of pleasure or disappointment resulting from comparing a product's perceived performance in relation to the customer's expectation. As Johnson, Anderson and Fornell (1995) referred that there are two general conceptualizations of satisfaction, namely, transaction-specific satisfaction and cumulative satisfaction. Transaction-specific satisfaction is a customer's evaluation of their experience and reactions to particular service encounter, and cumulative satisfaction refers to the customer's overall evaluation of the consumption experience to date.
4. Customer expectation: defined as the needs, wants and preconceived ideas of a customer about a product or service. Customer expectation will be influenced by a customer's perception of the goods and service which that can create by previous experience, advertising, word of mouth and brand image.
5. Customer perception: customers & feelings of pleasure / displeasure or there action of the customers in relation to the performance of the hotel staff in satisfying /dissatisfying the services.



## **CHAPTER 2**

### **LITERATURE REVIEW**

This chapter outlines the concept of service quality and customer satisfaction. The reasons are to define service quality to illustrate why we should measure service quality, customer satisfaction in hotel industry. In addition, in this chapter will examine the theory and characteristic of customer's expectation, customer's satisfaction and measurement of service quality towards the characteristic of boutique hotels in Pranburi, Prachuap Khiri Khan Province.

In today's world economic and in this competitive market, hospitality industry all over the world attempt to achieve a unique and distinguished position over their competitors through getting competitive advantage points to fulfill their customer's satisfaction and accordingly to create re-purchase and loyalty customer. On the other hand, customers also are always in seek of suppliers that offer goods and services of much better quality and meet their expectation. But, as there are suppliers or products with relatively equal quality, most customers, why buying goods and receiving required services, are able to select multiple choices that is they consider other quality indexes apart from apparent specifications of product. Therefore, nowadays hotel should recognize these indexes in the arena of their own business and careers to retain survive and increase the productivity, to respond their customer's expectation and strive to meet the customers' satisfaction as much as possible. In this regard, considering service quality and customer satisfaction in hotel retaining industry is of significant important as one of the main infrastructure of hospitality. Hence, it is very necessary to apply appropriate procedures for recognition and development of service to satisfy customer needs. The Servqual model has been recognized as the best efficient measurement for measuring service quality.

#### **2.1. General information of Boutique hotel**

During the last decades of 20<sup>th</sup> century, after the birth of Boutique hotel concept, it is highly increasing in Boutique Hotel development and Boutique Fever, which show that the reaction in lifestyle of people can influence the hotel industry. Again boutique Hotels represent the hotel industry's main response to the growth of designs and lifestyles which have been a major trend worldwide. The target market of

boutique hotel is the customers who have lifestyle and are highly individual person. Although, the group of customers are niche market but they are always upscale or with middle to upper income averages. Each boutique hotel has the same main issue, that is the design and the service which are different by the lifestyle and characteristic of its target market group.

The new generation customers' lifestyle and need are much various together with the Boutique trend; they expect more than simply comfort and convenience but they prefer to stay in the unique hotel, different in look and feel properties from the brand hotels. However, with its small of each boutique hotel around Thailand, they have the obstacle to grow into the world market by lacking of new technology and market.

Due to the rapidly growing of boutique hotel business in Thailand and it is a new trend logging in hotel industry which can persuade more customers who are categorized as fashionable and hip (highly individual person. Thai boutique hotels offer the foreign tourists the uniqueness of Thai different theme logging around Thailand with authentic Thai service.

## **2.2 Definition of Boutique Hotel**

Nowadays in the hospitality and tourism industry, there are many vocabularies that the business owner tries to claim that his/her hotel is, beside the word "Boutique" in order to create the differential characteristic and competitive advantage point from other hotels as they are extremely increase of Boutique hotel and it is harder to find the difference of each hotel.

Boutique hotel is a term origination in North America to describe intimate, usually luxuries or quirky hotel environments. Boutique hotels differentiate themselves from chain or branded hotels by providing personalized level of accommodation and service facilities. Boutique hotels are furnished in a themed, stylish and inspirational manner. Although usually considerably smaller than a chain hotel (often ranging from 3 to 100 guest rooms), boutique hotels can often have

hundreds of guest rooms in major city destination. Essentially the room in the boutique hotel is not quite big; the hotelier has to use all spaces in the hotel valuably. Guest rooms and suites are qualified with telephone and Wi-Fi internet, air conditioning, mini bars and cable TV. Guest services are attended to 24 hours hotel staff. Many boutique hotels have onsite dining facilities, and the majority offer bars and lounges which may be also opened to the general public. In the past, Boutique hotels did not fulfill the individual needs and lifestyle of the businessman, so they did not have the conference rooms and other facilities for the businessman, but now the trend of the business travelers who prefer to stay in the boutique hotel is favorably increase. These hotels have to attend more in the service and the business facilities such as conference room and small meeting room.

Boutique hotels bring certain benefits in term of operations and profitability. For example, boutique owners do have to pay a franchise fee to become part of a larger chain. The hotel can survive and succeed without such costly amenities as restaurants and ballrooms or meeting spaces; however, these amenities, when styled in a boutique manner can bring significant additional profitability to the hotel's room revenue. Once established boutique hotels also tend to have a higher percentage of repeat business compared to the industry in general, which may reflect a smaller degree of volatility when going through difficult economic times. Nevertheless, smart boutique hotels must continue to adapt to the incessantly changing needs, tastes, preferences, and fashions in order to remain competitive in the flourishing boutique hotel market.

Boutique hotel always has its own design and its outstanding or interesting theme to differentiate from other hotels. At the boutique hotel industry explores the creative revise of historic building. Some hotel may adapt from an ancient building which has a very long and interesting history. Due to its small size of hotel, the staff can pay attention in many details of each guest and are closer to guest more than big hotel. Sometimes Boutique hotel has been known as "Design Hotel" or "Lifestyle Hotel" or "Hip Hotel"

Design hotel is a hotel that emphasizes on the design in every detail of component and benefits all spaces with many decorations. Occasionally, the hotelier overlooks the service especially customized service. Mostly, it happens in a boutique hotel that

belongs to a chain hotel which tries to change importantly in design, still the service is the same as standard of the hotel.

Lifestyle hotel is a hotel that attends mostly in the lifestyle of the guest and has an atmosphere to build the experience from the relationship of the visitor and the nature and locality. For example, The Metropolitan Bangkok, Thailand; focus on a group of customers who care in their health, so there are Yoka mats preparing in every room to let the guest do Yoka among the sunshine in the morning. Once more, there is Como Shambhala Spa and healthy organic food to service the guest.

Hip hotel (highly individual place) is a notable and modern hotel that has significantly its own characteristic or totally differentiates from other hotels and reflects the characteristic of the hotel and guests.

## **2.3 Service Quality**

According to Fisk et al (1993) stated that service quality disclosed its subjective nature, but it was not until several years later that the concept of service quality as the result of differences between actual and expected level of service began to emerge. Supported by the most researched field in services marketing to date, is the service quality. The interest in service quality had its roots in the area of quality; more specially total quality management dominating. Most of the recent work in field of service quality be referred by Parasuraman, Berry and Zeithaml(1995). Previously there are the roots of the service quality research reside in early conceptual work from e.g. Gronroos (1983) and Lehtinen and Lehtinen (1982), customer satisfaction theory, e.g. Horovitz and Jurgens-Panak (1992) and Oliver (1980). Service quality is the result of the comparison that customer make between their expectations about service and their perception of the way the service has been performed (Gronroos, 1984; Parasuraman et al 1985, 1998). Parasuraman et al (1985) defined that the differences between customers' expectation of services and their perceived service. If the expectation is greater than the service performance, perceived quality is less than satisfactory and hence, customer dissatisfaction occurs. Other reference from Lewis and Mitchell (1990), Dotchin and Oakland (1994), and Asubonteng et al. (1996)

defined that service quality as the extent to which a service meets customer's need and expectation.

The service quality measurement has revolved around the concept of dimensions of service quality where dimensions refer to a set of attributes which consumers use in evaluating the quality of the service provided. Similarly, many of the definitions of service quality revolve around the identification and satisfaction of customer needs and requirement (Amstrong et al., 1999)

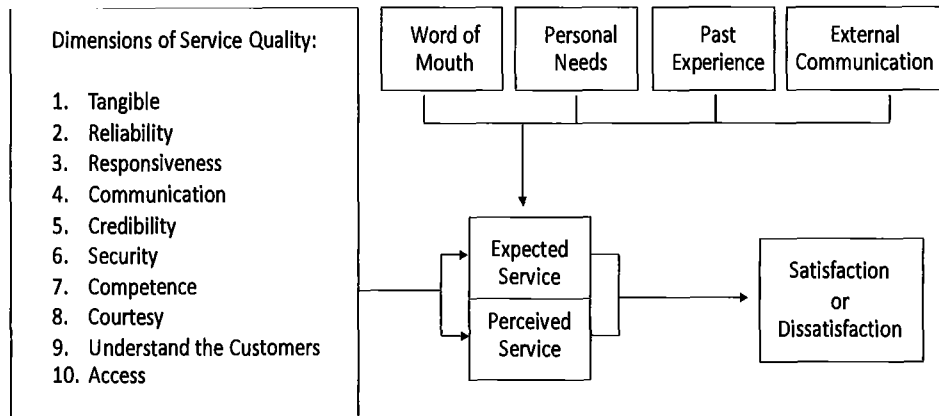
Parasuraman et al. (1986) argue that service quality can be defined as the difference between predicted, or expected, service (customer expectations) and perceived service (customer perceptions). If expectations are greater than performance then perceived quality is less than satisfactory and a service quality gap materializes. This does not necessarily mean that the service is of low quality but rather that customer expectations have not been met hence customer dissatisfaction occurs and opportunities arise for better meeting customer expectations.

Form the customer's perspective, the quality is divided into two-dimensional consisting of "output" and "process" quality. This model proposed by Gronroos (1990) highlights the role of technical (output) quality and functional (process) quality as occurring prior to outcome quality.

1. Technical quality: Focuses on the technical accuracy diagnosis and procedures.

2. Functional quality: The manner in which or process by which the bank is delivered.

There are four factors influencing expectation which are word of mouth communication, personal need, past experience and external communication as show in figure 3.



**Figure 1:** Customer Assessment of Service Quality

Source: Parasuraman et al. (1986)

Service quality perception is based on multiple dimensions. Ten dimensions of service quality defined by Parasuraman et al. (1986) are as follows:

1. **Tangibles:** Appearance of physical facilities, equipment, personnel, printed and visual materials.

2. **Reliability:** Ability to perform promised service dependably and accurately.

3. **Responsiveness:** Willingness to help customers to provide prompt service.

4. **Communication:** Listening to customers and acknowledging their comments, keeping customers informed in a language they can understand.

5. **Credibility:** Trustworthiness, believability, honesty of the service provider.

6. **Security:** Freedom from danger, risk or doubt.

7. **Competence:** Possession of required skill and knowledge to perform service.

8. **Courtesy:** Politeness, respect, consideration and friendliness of contact personnel.

9. **Understanding the customer:** Making the effort to know customers and their needs.

10. **Access:** Approachability and ease of contact.

The various statistical analyses conducted in constructing SERVQUAL revealed considerable correlation among items of the original the dimensions. From the correlations suggested consolidating the competence, courtesy, credibility, security into assurance and combining access, communication, understanding the customer into empathy. The remaining dimensions of tangible, reliability and responsiveness remain intact throughout the scale development and refinement process. SERVQUAL examines five dimensions that have been consistently ranked by customers to be most important for service quality

1. Tangibles: Appearance of physical facilities, equipment personnel and communication materials.
2. Reliability: Ability to perform the promised service dependably and accurately.
3. Responsiveness: Willingness to help customers and provide prompt service.
4. Assurance: (including competence, courtesy, credibility and security). Knowledge and courtesy of employees and their ability to inspire trust and confidence.
5. Empathy: (including access, communication, understanding the customer). Caring and individualized attention that the firm provides to its customers.

Figure 2: Correspondence between SERVQUAL Dimensions and Original Ten Dimensions for evaluating Service Quality.

Original ten dimensions for evaluating service quality	Tangibles	Reliability	Responsiveness	Assurance	Empathy
Tangibles					
Reliability					
Responsiveness					
Competence					
Courtesy					
Credibility					
Security					
Access					
Communication					
Understanding the customer					

Source: Parasuraman et al. (1986)

## **2.4 SERVQUAL Model**

Based in Parasuraman et al. (1998) conceptualization of service quality, the original SERVQUAL instrument included 22 items. The data on the 22 attributes were grouped into 5 dimensions: tangibility, reliability, responsiveness, assurance, and empathy. This model has been made to measure service quality in a variety of service such as hospitals (Babakus & Glynn 1992), hotels (Salen & Rylan 1991), travel and tourism (Fick & Ritchie 1991). In this study use SERVQUAL model as an instrument to measure customers expectations and perception levels of service quality toward Boutique hotels in Amphoe Prانبuri.

## **2.5 SERVQUAL Dimension**

Servqual was developed to measure the service quality construct as defined by the service quality model and the extended service model. Servqual is used to measure customer's expectation and perception toward service provider. This approach enables the expectation and perception gap to be accessed, while providing a measurement of the service quality gap and the service delivery gap ( Mangold and Emin, 1990) According to Parasuraman at el ( 1998) model, the gap between customers' expectation and perceptions are a function of several other gaps in the service delivery process (Mangold and Emin, 1990)

Servqual (Parasuraman et al 1991) used the determinants methods of service quality and gap theory Service quality is calculated as the differ

Parasuraman et al. (1985) identify 10 determinants for measuring service quality which are tangibility, reliability, responsiveness, communication, access, competence, courtesy, credibility, security, and understanding/knowledge of customers. Later these 10 dimensions were further purified and developed into 5 dimensions are tangibility, reliability, responsiveness, assurance, and empathy to measure service quality by SERVQUAL (Parasuraman et al. 1998).



Parasuraman et al. (1986) developed model, which depicts how various gap in the service process, may affect the customer's assessment of the service quality. The model is useful in assisting manager and staff to examine their own perceptions of quality and to recognize how much they really understand the perceptions of customers. The foundation of the Model is a set of five gaps, which are the major contributors to the service quality gap, which customers may perceive:

1. Tangibility

The physical evidence of hotel staff is including a personality and appearance of personal, tools, and equipment used to provide the service.

2. Reliability

The ability involves the performance to promised service dependably and accurately. This means that doing it right the first time which is one of the most important service components to customers. Reliability also extends to provide services when promised and maintain error-free records.

3. Responsiveness

The hotel staffs are willing to help customers and provide prompt service to customers such as quick service, professionalism in handling and managing problem. Consequently, service provider's ability to provide services at timely manner is a very critical component of service quality to attract customers' satisfaction.

4. Assurance

Refer to the hotel staffs' knowledge, courtesy, and their ability to convey trust and confidence including courtesy, credibility, competence, and security

- 4.1 Courtesy including respect, friendliness of contact personal, politeness, and respect.

- 4.2 Credibility including believability, honesty, trust, and worthiness. Contributing to credibility is the company reputation, personal characteristic of the contact personnel. The level of hard sell involved interaction with the customer

4.3 Competence including knowledge and skill of the contact and operational support personnel. Competence means possession of the required skill and knowledge to perform service.

4.3 Security including freedom from danger, risk or doubt. It also means in physical, financial, and confidentiality.

## 5. Empathy

It refers to the provision of caring and individualized attention to customers including access, understanding customer, and communication.

5.1 Access including approach, ability and ease of contact. It means the service is easily accessible by telephone, waiting time to receive service is not extensive hours of operation are convenient and location of service facility is also convenient.

5.2 Understanding customer means making the effort to understand the customer's need. It includes learning the customer's specific requirements, providing individualized attention, recognized the regular custom.

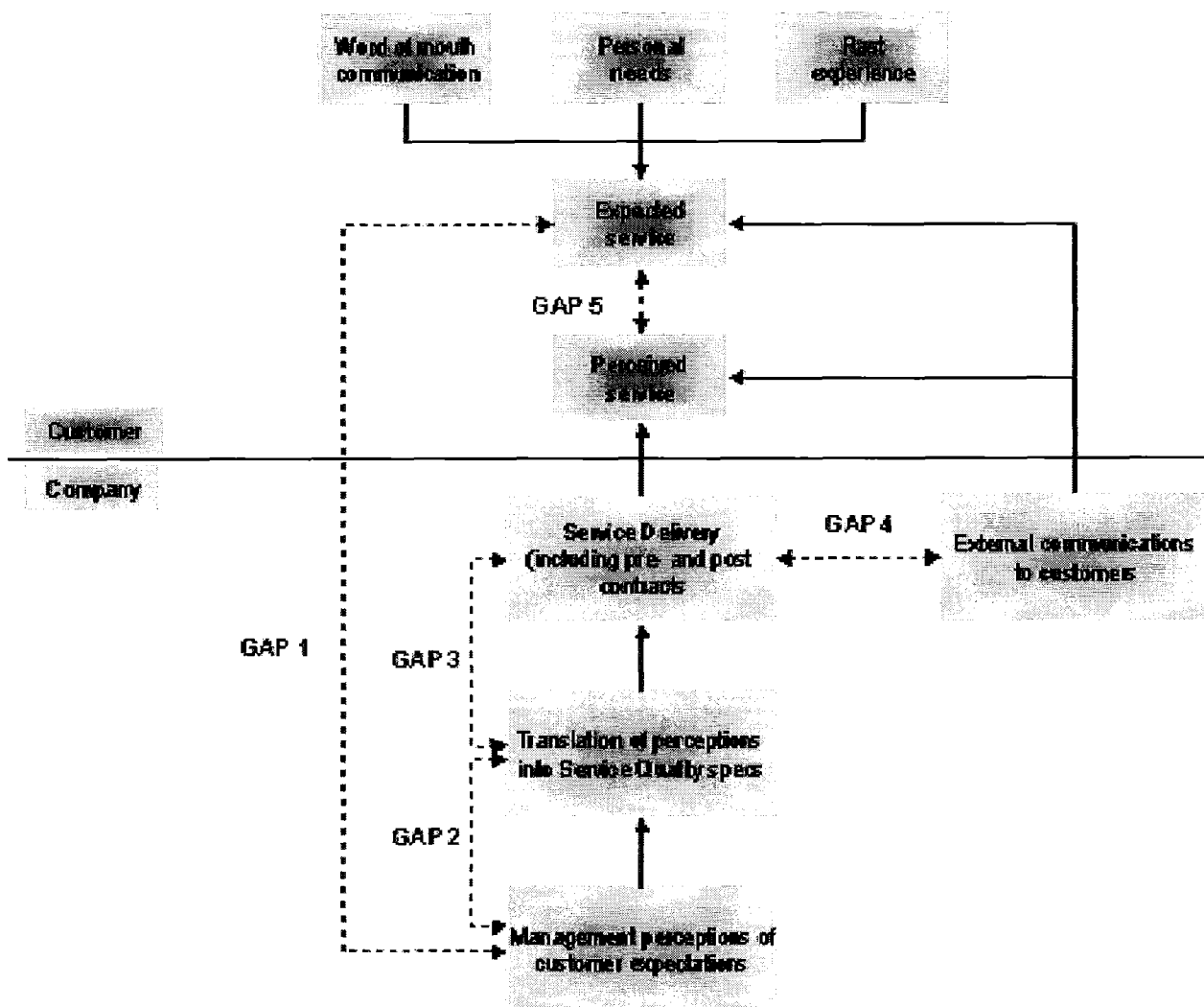


Figure 3: Conceptual model of Service Quality

Source: Kotler, 2000

5.3 Communication listening to customer, keeping customers informed, and adapting its language for different customer with speaking clearly and simply voice. It also involves assuring the customer that a problem will be handled and explaining the service itself.

The importance of empathy may be the root of this statement “If one looks at who is swimming, it tends to be companies that see the guests as individual” Due to guest desires that hotel staffs see thing same as their point of view.

Parasuraman et al. (1986) developed model, which depicts how various gaps in the service process, may affect the customer’s assessment of the service quality. The model is useful in assisting manager and staff to examine their own perceptions of quality and to recognize how much they really understand the perceptions of customers. The foundation of the Model is a set of five gaps, which are the major contributors to the service quality gap, which customers may perceive:

#### **Gap 1**

The difference between the customer’s expectations and management perceptions of customer expectations is as a result of the lack of a marketing research orientation, inadequate upward communication, and too many layers of management. Management does not understand how the service should be designed and what support or secondary services the customer requires.

#### **Gap 2**

The difference between the company’s quality specifications and management perceptions of customer expectations of the service and its quality is a result of inadequate commitment to service quality, a perception of unfeasibility, inadequate task standardization, and an absence of goal setting. Often in an attempt to reduce costs, management places internal restrictions on how a service to perform which deprive the staff of the opportunity to meet the customer’s expectations.

#### **Gap 3**

The difference between the quality of the service delivery and service quality specifications is as a result of role ambiguity and conflict, poor employee-job fit, poor technology –job fit, inappropriate supervisory control systems, lack of perceived

control, and lack of team work. Even if the quality of the service is carefully specified in a company, the result in practice may be different from what was intended. Service quality is difficult to standardize since it is often dependent on personal contact between the customer and company staff.

#### **Gap 4**

The difference between the quality of the service delivery and the quality promised in communicating the product/service is as a result of inadequate horizontal communications and propensity to over-promise. It is important not to promise the customer more than the company can deliver. At the same time, it is important for the company to inform customers about the efforts being made to elevate the quality, which would otherwise not be visible to the customer.

#### **Gap 5**

The difference between customer expectations and their perceptions of the service delivered is as a result of the influences exerts from the customer side and the shortfalls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation, and past service experience

The gap model is basically customer-oriented. The customer realizes quality after the service has been received, and it relates to the difference between expected and perceived quality. The model is also process-oriented because it identifies the gaps that may arise in various parts of the service process, which eventually affect the difference between the customer's expected and perceived quality. The model is thus based on what is known as the "disconfirmation of expectations paradigm" in service marketing literature. This gap corresponds to the Gronroos model of service.

This new model illustrates the inter-organizational factors, which affect the different gaps. It facilitates an analysis of what caused the gaps and how they can be reduced.

## 2.6 Customers' Satisfaction

Satisfaction is defined as the consequence of comparing expectation with perceptions of performance (Oliver 1981), and therefore appears to result from dynamic process. However, expectation, perceptions of performance, and the difference between the two are typically measure simultaneously despite evolving different points in time. It appears that the notion of individual-level changes in customer satisfaction across purchase periods has not previously been studied. Nevertheless, until there is no disconfirmation –implying that a customer is completely familiar with a product and service- there is no reason to presume that satisfaction will remain constant over repeated purchase and consumption cycles, even when there is consistent objective product performance. Varying satisfaction can affect the probability of switching to a competitor. Kotler Philip (1998) defined customer satisfaction by stating a customer is the most important person ever in this office, in person or by mail. Webster (1998) defined customers are the person why an organization exist. Nuamann (1995) said customer are to be satisfied with quality service and product. Doug(2002) explained that customer satisfaction is becoming more difficult and also more important to maintain in nowadays competitive business. Keep your customers satisfied are the key success to ensure that they will re-purchases products and service. Kotler Philip (1998) noted that customer satisfaction; whether the buyer is satisfied after purchase, depend on the offer's performance in relation to the buyer's expectation. Customer satisfaction is a result of your product or service meeting a certain set of customer requirements. Richard (1985) claimed that everyone was rushing around the find the way to make customer happy by meeting and exceeding their expectation.

Factors influencing customer satisfaction defined as the customer is the person or unit receiving the output of a process on the system. In fact, it is worth emphasizing that a customer can be the immediate, intermediate, or ultimate customer. Also, a customer may be a person or persons, or a process or processes. Customer satisfaction, however, is when the customer is satisfied with a product or service that meets the customer's needs, wants, and expectations. To further understand customer satisfaction, a deeper investigation of the levels of specific satisfaction must be taken. Also, it should be acknowledged that there are levels of customer satisfaction that define the basic ingredients of quality.

Zeithaml and Bitner (2003) mentioned that customer satisfaction is influenced by specific product or service features and by perceptions of quality. Satisfaction is also influenced by customers' expectation, emotional responses or what they attribute as being a success or failure, perceptions of equity or fairness, and opinions of other consumers, family members and co-workers.

## **2.7 Customer's Expectation**

In this part, the definition of customer's expectation and Disconfirmation theory are revealed. In addition, the significance of customer's expectation which has influenced customer's satisfaction is discussed.

In order to understand service quality, it is first important to define the term. Service quality has been widely researched in multiple disciplines. As such, a number of definitions exist to describe the phenomenon. Although these definitions differ somewhat, the majority share some key concepts which have become standard in the academic conceptualization of service quality. Mangold and Babakus (1991) provide one of the most complete definitions. Specifically, they define service quality as "the outcome of a process in which consumers' expectations for the service are compared with their perceptions of the service actually delivered". The disconfirmation process used to explain service quality's formation begins with the expectations. According to Kettinger and Lee (1994), consumers form expectations about a service prior to its delivery. These expectations are based on factors such as personal needs, word-of-mouth, and past experiences. Consumption of the service reveals a perceived level of quality. The consumer then either confirms or disconfirms the original expectation based on this perceived quality.

There are many factors that can influence service expectations. In the study of Zeithaml and Bitner (2003), the two important factors that are related to the desire service are personal needs and enduring service intensifiers. The researchers defined personal needs as states or conditions essential to the physical or psychological well being of the customer, including physical, social, psychological, and functional condition. As of enduring service intensifiers, they described these factors as individual or stable that leads the customer to heightened sensitivity to service. On other world, this factor represents the line a customer is ready to cross the line between being satisfied and dissatisfied with given service.

Concerning adequate service, a different set of determinants that can affect adequate service seems to be short-term. In other words, these set of influencer tend to fluctuate more than factors that influence desired service. There are five determinants: transitory service intensifiers, perceived service alternatives, customer self-perceived service role, situational factors and predicted service. Although there are many factors that shoe their relationship to customer's expectation concerning service quality, this study aim to examine individual's expectation towards service quality provided by boutique hotels in Pranburi Prachuap Khiri Khan Province only.

### **Disconfirmation Theory**

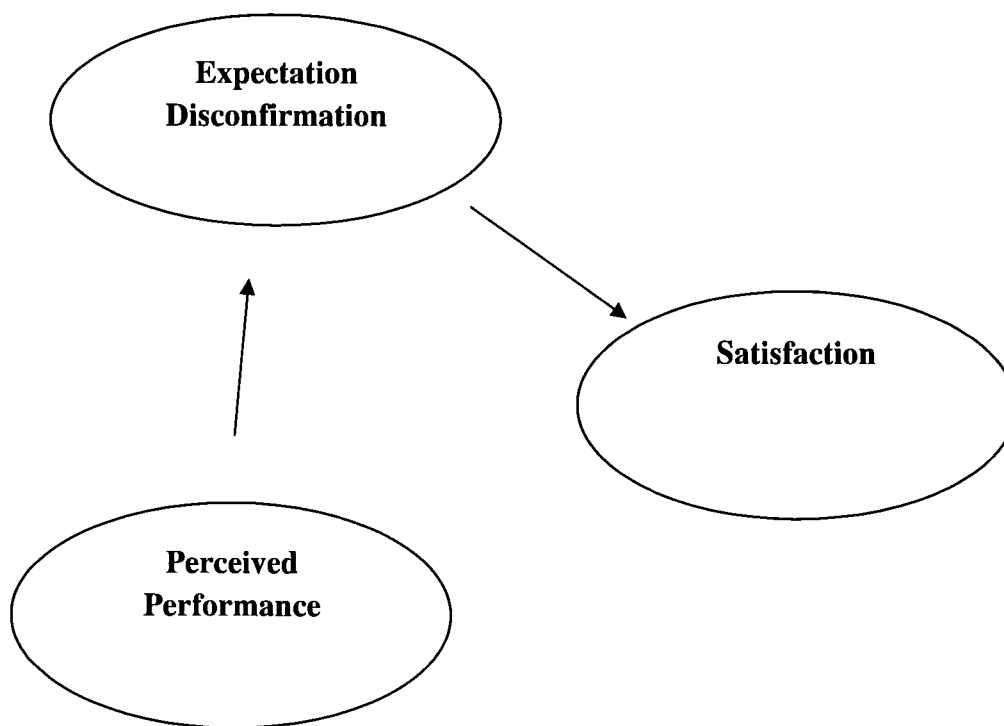
In marketing literature (Churchill and Surprenant, 1982; Oliver,1980) as well as in recent information system studies (McKinney et al., 2002), the disconfirmation theory emerges as the primary foundation for satisfaction models. According to this theory, satisfaction is determined by the discrepancy between perceived performance and cognitive standards such as expectation and desires (Khalifa and Liu, 2003).

Customers, expectation can be defined as customer's partial beliefs about a product (McKinney, Yoon and Zahedi, 2002). Expectations are viewed as predictions made by consumers about what is likely to happen during impending transaction or exchange (Zeithmal and Berry,1988). Perceived performance is defined as customer's perception of how product performance fulfills their needs, wants and desire (Cadotte et al., 1987). Perceived quality is the consumer's judgment about an entity's overall excellence or superiority (Zeithmal,1988). Disconfirmation is defined as consumer subjective judgments resulting from comparing their expectations and their perceptions of performance received product (McKinney, Yoon and Zahedi, 2002). Expectations are viewed as predictions made by consumers about what is likely to happen during impending transaction or exchange (Zeithmal and Berry,1988). Perceived performance is defined as customer's perception of how product performance fulfills their needs, wants and desire (Cadotte et al., 1987). Perceived quality is the consumer's judgment about an entity's overall excellence or superiority (Zeithmal,1988). Disconfirmation is defined as consumer subjective judgments



resulting from comparing their expectations and their perceptions of performance received (McKinney et al., 2002, Spreng et al., 1996). Disconfirmation theory was declared that satisfaction is mainly defined by the gap between perceived performance, expectations and desires which is a promising approach to explain satisfaction.

This theory was proposed that satisfaction is affected by the intensity (or size) and direction (positive or negative) of the gap (disconfirmation) between expectations and perceived performance (Figure 4).



**Figure 4** Expectation disconfirmation theory Khalifa and Liu (2003)

#### **Expectation disconfirmation**

Expectation disconfirmation occurs in three forms:

1) Positive disconfirmation: occurs when perceived performance exceeds expectations.

2) Confirmation: occurs when perceived performance meets expectations.

3) Negative disconfirmation: occurs when perceived performance does not meet and is less than the expectations. It is more probable for customers to be satisfied if the service performance meets (confirmation) or exceeds (positive disconfirmation) their expectations. On the contrary, customers are more likely to be dissatisfied if the service performance is less than what they expected (negative disconfirmation). Khalifa & Liu (2003) discussed that taking expectation disconfirmation as the only determinant of satisfaction; this theory does not cause the fact that if high expectations are confirmed, it would much more lead to satisfaction than confirmation of low expectations. To resolve this drawback perceived performance is included as an additional determinant of satisfaction. In other words the only way to ensure satisfaction is to empirically create disconfirmation by manipulating

## **2.8. Other Related Research**

Many previous researchers have studied customer satisfaction towards service quality in service business such as spa, tourism and hospitality focusing hotel.

Phenphun (2003) studies International tourist's satisfaction with the quality of service in accommodation in Thailand and the factors related to satisfaction, problems and the requirements of international tourist. The research revealed that satisfaction of international tourists towards quality of service was at a high level. However, the most common problems were lack of employees' skills and knowledge to communicate in English, therefore tourists suggested that should improve in language and convenient facility improvement. So government policy suggested that The TAT and related organizations should create and develop a curriculum and training. According, they also have to focus on language skills.

Kitisuda (2006) studied a survey of customer satisfaction with spa services at Sivalai Spa. Both first-time and repeated customers were satisfied with the spa services on a high level. They satisfied with the following service dimensions; responsiveness, empathy, reliability, assurance, and tangibility of the service quality

at Sivalai Spa. Most customers agreed that the location of spa was the most important factor. They suggested that the food and beverages should be improved. Moreover, this study showed that there were four demographic factors that influenced the service quality were age, gender, nationality, and income.

## CHAPTER 3

### RESEARCH METHODOLOGY

This chapter explains the research method that used for “Customer’s perceptions of service quality of Boutique hotels in Amphoe Pranburi Prachuap Kriri Khan Province” and there are the procedures as follow:

1. Population and sample
2. Research Instrument
3. Instrument Validity and Reliability
4. Data Collection
5. Data Analysis

#### 3.1 Population and Sample size

The subjects were both male and female who travel in Pranburi Prachuap khiri Khan Province. A questionnaire was designed to survey via face-to-face, website, and e-mail interviews with the sample include 400 total respondents, which 300 questionnaire are face-to-face interview and 100 e-questionnaires are website and e-mail interview. Other demographic variables were chosen.

In determining the adequacy of the sample size, the researcher has selected number of International and Thais tourists visit Pranburi Prachuap khiri Khan Province population with an approximately 28,794 people (Department of Provincial Administration, 2010). The study of this research will utilize of Sample size and applies to the formula of TARO YAMANE as below:

$$n = \frac{N}{1 + (1 + N(e)^2)}$$

When **n** is sample size

**N** is population size

**e** is the incorrect level

$$\text{Population} = 28,794 / 1 + (28,794) (0.05)^2$$

The result of calculation will be 394.54 so at least of sample amount is 400.

The populations to be studied in this research are four hundred of International and Thais travelers visit Pranburi Prachuap khiri Khan Province

### **3.2 Research Instrument**

The research instrument of the study of expectations and customer's perceptions of service quality of Boutique hotels in Pranburi Prachuap Khiri Khan Province conducted by primary data obtained from questionnaires via website survey by ask for information about using expectations and customer's perceptions of service quality of Boutique hotels in Pranburi Prachuap Khiri Khan Province of people which were categorized into 4 part as follow:

Part I: Questions of general information

Part II: Questions of Survey of your expectations and perceptions towards service. The servqual instrument operationally is consisted of a set of 22 questionnaires included by rating the extent of their satisfaction with each question on the five-point(Likert) scale, ranging from one (extremely poor) to five (excellent) The 22 items of Servqual have been interpreted according to five dimensions of service quality as showed below;

Tangibility:

1. The staff dress appropriately
2. The staff uniform is clean
3. The staff provide the services with smiling
4. The staff have attractive appearance ex. Elegant, smart

Reliability:

1. The staff can provide you the service as promised ex. Upgrade room, early check in and late check out.

2. The staff provides you accurate information ex. Hotel facilities, recreational facilities and tourist's attraction destinations.
3. The staff performs the service right at the first time ex. The receptionist has your correct record of your booking details.
4. The staff offer you some help ex. Once you arrive at the front desk of hotel, the receptionist asks you if she or he can help.

#### Responsiveness:

1. The staff tells you exactly when service will be provided ex. The receptionist informs you about breakfast time during your check-in period.
2. The staff give you prompt service ex. the receptionists serve you a welcome drink immediately during you arrival.
3. The staff are willing to help you ex. Guiding you a hotel direction

#### Assurance:

1. The staff have product knowledge of hotel information ex. describing all room type and the restaurants
2. The staff have required skill to perform service ex. the receptionist can explain clearly about hotel direction
3. The staff speak with you by using appropriately address forms ex. hello , may I help you Sir/Madam
4. The staff make you feel safe when staying at the hotel ex. the doorman observes the persons who come in the hotel

#### Empathy:

1. The staff are able to communication with you in English
2. The staff are able to communicate effectively with you
3. The staff shows personal attention to you ex. The bell boy helps you to carry your luggage during your check-out.
4. The staff know your specific needs ex. The doorman opens the door while you are entering the hotel.

Part III: Do you have planned to return to Pranbuir area? Why?

Part IV: Customer suggestions towards service quality of boutique hotels in Pranburi area. (E.g. compliment, complaint)

### **3.3 Instrument Validity and Reliability**

The result of all 400 respondents was calculated and analyzed by using strategic program, SPSS version 16 as the Frequency, Percentage, Mean, Standard deviation, Chi-square, Independent Sample t-test, also using Reliability Analysis to calculate reliable of the result as well.

### **3.4 Limitations of the Study**

There are three limiting factors in this research project. Firstly, there could be lacking of accuracy in the data collected. Data from the questionnaire on website survey may not be trustworthy and can be limited only in small group. This may in turn distort the consumer behaviors that we wish to observe from the sample. Secondly, there is likely to be a low response rate from the target population with adversely affects the representation of the sample and could generate unreliability in this study. Thirdly, there could be lacking of the details in some part of this study, due to time constraint only in one month period.

### **3.5 Data Collection**

Due to time constraint, which the researcher will use one sample technique called Convenience Sampling. It's one kind of non-probability sampling method. The convenience samples are samples drawn at the convenience of the interview. Certain members of the population are automatically eliminated from the sampling process. Sample frame error occurs in the form of members' population who are infrequent used of non-users of that location. Other errors may result from any arbitrary way that the interviewer select respondent from the sample frame.

Secondary data: The researcher had collected from other researcher that related to this study and also the textbooks and some information on website.

Primary data: The researcher was gathering information by using 400 questionnaires to measured customer' satisfaction towards service quality.

### **3.6 Data Analysis**

After collecting raw data from completed 400 questionnaires, coding approach and statistic analysis were used to scrutinize the data. Descriptive analysis using mean, standard deviation is used in this study.

#### **Part 1: Characteristic of respondent.**

The questionnaire was designed to find out respondents' personal information. It' s included all 6 closed –end questions such as gender, age, nationality, occupation, purpose of trip, and how many times have you previously stayed at boutique hotels in Pranburi. The consumer's personal information of respondents were using the descriptive statistical toos of percentage and frequency.

Part 2: Measurement service quality which provided by customer satisfaction of usage boutique hotels in Pranburi.

In this part, the questionnaire has 20 questions represented the rating scale questions. The rating indicated that degree of satisfaction for measuring the service quality. The rating were determined as below;

Satisfaction level	Score
Extremely poor and must be improved	1
Poor and should be improved	2
Fair	3
Good	4
Excellent	5



The level of average scores would use the below criteria:

$$\begin{aligned}
 \text{Range of scores} &= \frac{\text{Highest score} - \text{Lowest score}}{\text{Number of range}} \\
 &= \frac{5 - 1}{5} \\
 &= 0.08
 \end{aligned}$$

Description as the following score range:

Mean score		Interpretation
1.00 – 1.80	=	strongly dissatisfaction
1.81 – 2.60	=	dissatisfaction
2.61 – 3.40	=	neutral
3.41 – 4.20	=	satisfaction
4.21 – 5.00	=	strongly satisfaction

The study would use statistical analysis as follows:

1. Descriptive statistics; to use the statistic of frequency, percentage, mean and standard deviation or S.D. so the formula of this statistic would be: (Zikmund. 2000)

$$\text{Percentage} = \frac{\text{Number of collected data} \times 100}{\text{Sampling size}}$$

$$\text{Mean} = \frac{\text{Sum of number of collected data}}{\text{Sampling size}}$$

$$\text{S.D.} = \sqrt{\frac{\sum (X_i - \bar{X})^2}{n - 1}}$$

## **CHAPTER IV**

### **RESULTS**

This chapter described the finding of survey conducted the difference between each individual characteristic and customer's satisfaction in the hotel service quality of boutique hotels and identify the relationship between customer's expectations towards each dimension of service quality and their satisfaction toward each of the aspect of the service quality of boutique hotels in Prانبuri Prachuap Khiri Khan province.

The analysis focuses on evaluation of Data were collected from 400 questionnaires of characteristic and customer's satisfaction in the hotel service quality of boutique hotels the target respondents. The analyses were divided into three main sections as follows:

#### **Characteristic of respondents**

This section covers seven questions to gather information about the respondent's gender, age, education, occupation, frequency. The reason this information is imperative is that such characteristics may affect to the perception of the service provided. This would help researcher to understand customer behavior associated with them. The researcher presented the revealed data in the form of table by arranging data into 4 parts as shows:

Part 1: Analysis of demographic data, General information of the respondents by gender, age, nationality, occupation, purpose of trip, number of previous visitors.

Part 2: The respondents' expectations and perceptions towards service quality of boutique hotel in Prانبuri

Part 3: Return to the hotel.

Part 4: Customer suggestions towards service quality of boutique hotels in Amphoe Prانبuri (e.g. compliment, complaint)

**Part 1: Analysis of demographic data, General information of the respondents by gender, Nationality , occupation, Purpose of trip, Number of previous visits**

Analysis of demographic aspect of respondent separated out gender, nationality, occupation, propose of trip and number of previous visits by using percentage, frequency, mean, and standard deviation analysis method.

**Table 4.1: Represent frequency and percentage of respondents classified by gender**

Gender	Frequency	Percentage
Male	169	42.25
Female	231	57.75
<b>Total</b>	<b>400</b>	<b>100.0</b>

Results from total respondents are 400 of this table state that 57.75 percent of the respondents are female and 42.25 percent are male. Thus the majority of respondents are female.

**Table 4.2: Represent frequency and percentage of respondents classified by age**

Age	Frequency	Percentage
Below 20 years old	42	10.50
21-30 years old	89	22.25
31-40 years old	168	42.00
41-50 years old	63	15.75
Over 51 years old	38	9.50
<b>Total</b>	<b>400</b>	<b>100.0</b>

Results of this table state that 10.5 percent of the all respondents are in the age below

20 years old, which next is age 21-30 years old that has 22.25 percent and 42.0 percent is age 31 – 40 years old which is the highest percent. Follow by 15.75 percent in age 41 - 50 years old and the last is age over 51 years old that has only 9.50 percent which is almost equal to age below 20 years old.

**Table 4.3: Represent frequency and percentage of respondents classified by nationality**

<b>Nationality</b>	<b>Frequency</b>	<b>Percentage</b>
Asian	135	33.75
American	40	10.00
UK	54	13.5
European	133	33.25
Scandinavian	38	9.5
Other	0	0.00
<b>Total</b>	<b>400</b>	<b>100.0</b>

In term of nationality, the largest group of sample is Asian (33.75%) followed by European (33.25%), UK (13.5%), American (10%), and Scandinavian is only (9.5%). Result of this table state that number of Asian and European are almost the same.

**Table 4.4: Represent frequency and percentage of respondents classified by occupation**

<b>Occupation</b>	<b>Frequency</b>	<b>Percentage</b>
Student	47	11.75
Employee	103	25.75
Owner / Private business	132	33.00

Government Official	93	23.25
Others	25	6.25
<b>Total</b>	<b>400</b>	<b>100.0</b>

Results of this table state that the respondents are mainly work as owner or private business is 33.00 percent and the second is employee is 21.5 percent. Follows by government official is 23.25 percent, student is 11.75 percent, and other is 6.25 percent.

**Table 4.5: Represent frequency and percentage of respondents classified by Purpose of trip**

<b>Purpose of trip</b>	<b>Frequency</b>	<b>Percentage</b>
Vacation	235	58.75
Honeymoon	49	12.25
Seminar	27	6.75
Business	76	19.00
Others	13	3.25
<b>Total</b>	<b>400</b>	<b>100.00</b>

Results of this table state that 58.75 percent is vacation followed by 19.00 percent is business issue. 12.25 percentage is representing for honeymoon followed by 6.75 and 3.25 are seminar and others.

**Table 4.6: Represent frequency and percentage of respondents classified by Number of previous stayed at Boutique Hotels in Pranburi.**

<b>Number of previous visits</b>	<b>Frequency</b>	<b>Percentage</b>
1 time	57	14.25

2 times	153	38.25
3 times	98	24.50
4 times	67	16.75
more than 4 times	25	6.25
<b>Total</b>	<b>400</b>	<b>100.0</b>

Results of this table state that 38.25 percent of the mostly respondents have second time stayed in Boutique hotel 24.50 percent is third time stayed. Follows by 16.75 percent and 14.25 percent are the fourth time stayed and first time stayed at Boutique hotels in Amphoe Prانبuri. 6.25 percent is more than 4 times stayed at boutique hotels in Amphoe Prانبuri.

**Part 2:** Measurement customer's expectation and perceptions toward service quality of boutique hotel in Pranburi Prachuap Khiri Khan Province categorized by five dimension of service quality.

This section was divided into five specific dimensions of service quality which is composed of tangibility, reliability, responsiveness, assurance and empathy. Total 400 respondents were asked to rate each statement concerning their expectations and perceptions towards service quality of boutique hotel in Pranburi Prachuap Khiri Khan Province by answer The means, standard deviation, and interpretation of mean scores of customers' expectation and perception toward service quality of boutique hotel in Pranburi Prachuap Khiri Khan Province are presented below;

**Table 4.7 : Means and standard deviation of customer's expectation and perception of Tangibility dimension**

Tangibility dimension	Customers' expectation			Customers' perception		
	X	S.D.	Level	X	S.D.	Level
1.The staff dresses appropriately	3.95	0.68	Good	4.43	0.53	Excellent
2.The staff uniform is clean	3.97	0.68	Good	4.53	0.56	Excellent
3.The staff provide the services with smiling	3.92	0.82	Good	4.45	0.56	Excellent
4. The staff have attractive appearance i.e. Elegant, smart, ect.	3.97	0.78	Good	4.40	0.64	Excellent
<b>Overall means score</b>	<b>3.92</b>	<b>0.52</b>	<b>Good</b>	<b>4.45</b>	<b>0.41</b>	<b>Excellent</b>

Table 1 shows those overall customers' expectations and perceptions towards service quality of boutique hotel in Amphoe Pranburi in aspect of Tangibility are 3.92 and 4.45 percent. The staff uniform is clean and the staff provide the services with smiling are shown a 3.97 percent for customer's expectation. About customer's perception 4.45 percent is the highest percent for the staff provide the services with smiling followed by 4.53 percent of staff uniform.

## Reliability

The Reliability dimension refers to staff provide services dependably and accurately Dataholkar (et al.1996) performance has to meet customers' expectation and service must be accomplished on time and also every time ,in the same manner and without errors.

**Table 4.8 : Means and standard deviation of customer's expectation and perception of Reliability dimension**

Reliability dimension	Customers' expectations			Customers' perceptions		
	X	S.D.	Level	X	S.D.	Level
1. The staff can provides service as promised.	3.95	0.685	Good	4.38	0.533	Excellent
2. The staff provides you accurate information.	3.88	0.688	Good	4.33	0.566	Excellent
3. The staff performs the services right at all the first time	3.88	0.829	Good	4.20	0.565	Good
4 The staff offer you some help	4.02	0.780	Good	4.25	0.643	Excellent
<b>Overall means score</b>	<b>3.93</b>	<b>0.554</b>	<b>Good</b>	<b>4.29</b>	<b>0.451</b>	<b>Excellent</b>

Table 2 shows that overall customer' expectations and perceptions towards service quality of boutique hotel in Pranburi in aspect of Reliability are 3.93 and 4.29 percent. The highest percent for expectation and perception is about the staff provides service as promised shown as 3.95 and 4.38 percent followed by staff offer you some help 4.02 percent for expectation and 4.29 percent for perception.



## Responsiveness

The Responsiveness dimension involves willingness to help customers and provide prompt services (Zeithaml et al., 1988). It is essential that hotel staffs are willing and able to help customers provide prompt service to meet customer's expectation.

**Table 4.9 : Means and standard deviation of customer's expectation and perception of Responsiveness dimension**

Responsiveness dimension	Customers' expectations			Customers' perceptions		
	X	S.D.	Level	X	S.D.	Level
1. The staff tells you exactly when services will be provided.	4.12	0.761	Good	4.38	0.533	Excellent
2. The staff give you prompt service.	3.83	0.827	Good	4.23	0.566	Excellent
3. The staff is willing to help you.	4.02	0.770	Good	4.38	0.565	Excellent
<b>Overall means score</b>	<b>3.97</b>	<b>0.604</b>	<b>Good</b>	<b>4.33</b>	<b>0.545</b>	<b>Excellent</b>

Table 3 shows that overall customer' expectations and perceptions towards service quality of boutique hotel in Pranburi in aspect of Responsiveness are 3.97 and 4.33 percent. The highest mean of customer's expectation is the staff responds to your requests quickly (4.12%) followed by the staff is willing to help you (4.02%) and staff give a prompt service is 3.83. The highest means of customers' perception are 4.38 percent from the staff responds to your request quickly and the staff willing to help you and followed by the staff give you prompt service is 4.23 percent. . The results indicated that the hotel staffs were enthusiastic to help hotel guests. One first time customer commented, "The bell boy brought my baggage immediately to the shuttle bus upon my check out".

## Assurance

The 'assurance' dimension refers to the knowledge and courtesy of employees and their ability to inspire trust and confidence including competence, courtesy, credibility and security (Parasuraman et al., 1991)

**Table 4.10 : Means and standard deviation of customer's expectation and perception of Assurance dimension**

Assurance dimension	Customers' expectations			Customers' perceptions		
	X	S.D.	Level	X	S.D.	Level
1. The staff have product Knowledge of the hotel information	4.10	0.706	Good	4.62	0.640	Excellent
2. The staff has required skill to perform service	3.95	0.746	Good	4.37	0.610	Excellent
3. The staff speak with you by using an appropriately address form	3.95	0.832	Good	4.35	0.606	Excellent
4. The staff is trustworthy.	4.17	0.806	Good	4.30	0.671	Excellent
5. The staff makes you feel safe when staying at the hotel.	4.10	0.752	Good	4.20	0.640	Good
<b>Overall means score</b>	<b>4.05</b>	<b>0.561</b>	<b>Good</b>	<b>4.36</b>	<b>0.440</b>	<b>Excellent</b>

Table 4 shows that overall customer' expectations and perceptions towards service quality of boutique hotel in Pranburi in aspect of Assurance are 4.05 and 4.36 percent. The highest of customer's expectation is staff is the trustworthy showed 4.17 percent and followed by staff has product knowledge of hotel and staff makes you feel safe when staying at the hotel showed at 4.10 percent, which me that they feel very comfortable and safe during their period of stay. For their perception is highest is staff have high product knowledge represented at 4.62 followed by staff has required skills to performed service.

## Empathy

The 'empathy' dimension represents the provision of caring and individualized attention to customers including access or approachability and ease of contact, effective communications, and understanding the customers (Parasuraman et al., 1991).

**Table 4.11: Means and standard deviation of customer's expectation and perception of Empathy dimension**

Empathy dimension	Customers' expectations			Customers' perceptions		
	X	S.D.	Level	X	S.D.	Level
1. The staff is able to communicate with you in English.	4.00	0.736	Good	4.28	0.524	Excellent
2. The staff is able to communicate effectively.	4.17	0.693	Good	4.22	0.739	Excellent
3. The staff shows personal attention to you.	4.05	0.790	Good	4.37	0.663	Excellent
4. The staff knows your specific needs.	3.88	0.825	Good	4.28	0.783	Excellent
<b>Overall means score</b>	<b>4.02</b>	<b>0.563</b>	<b>Good</b>	<b>4.28</b>	<b>0.530</b>	<b>Excellent</b>

Table 5 shows that overall customer' expectations and perceptions towards service quality of boutique hotel in Pranburi in aspect of Empathy are 4.02 and 4.28. The highest ranks of customer's expectation is the staff is able to communicate effectively represented up to 4.17 present followed by staff show personal attention to customer is 4.05 percent. For customer's perception the highest rank is the staff shows personal attention to customer represented 4.37 followed 4.28 for staff is able to communicate with you in English and staff knows your specific needs. The success of hotel work is based on effective communication (Paige, 1977). The front office deals with reservations, serves as the information centre and as the cashier. They must notify the housekeeping and kitchen divisions of guest information.

And also receive feedback. For example, more rooms can be sold by the front office division as long as housekeeping notifies them of any damage in rooms has been repaired and is ready to be returned to service. Effective communication among divisions in the hotel is one of the main factors that contribute to customer satisfaction.

#### **Overall customer satisfaction towards service quality**

**Table 4.12 : Overall mean score of customers' expectation and perception towards service quality**

<b>Five dimension</b>	<b>Customers' expectations</b>			<b>Customers' perceptions</b>		
	<b>X</b>	<b>S.D</b>	<b>Level</b>	<b>X</b>	<b>S.D</b>	<b>Level</b>
Tangibility	3.92	0.52	Good	4.45	0.415	Excellent
Reliability	3.93	0.55	Good	4.29	0.451	Excellent
Responsiveness	3.97	0.60	Good	4.33	0.545	Excellent
Assurance	4.05	0.56	Good	4.36	0.440	Excellent
Empathy	4.02	0.56	Good	4.28	0.530	Excellent
<b>Overall means score</b>	<b>3.97</b>	<b>0.38</b>	<b>Good</b>	<b>4.34</b>	<b>0.355</b>	<b>Excellent</b>

Table 7 shows that overall satisfaction of expectation towards the five dimensions was at a high level (3.97%). The result of customers' expectation showed that 'assurance' dimension was at the highest (4.05%). Followed by empathy (4.02%), responsiveness (3.97%), reliability (3.93%), and tangibility (3.92%). Most customers expected all service in the high level especially in front office areas as it is the first gate to welcome the guest upon their arrival and check-in and check-out process.

Overall satisfaction of perception towards the five dimensions was at the highest level (4.34%). Most customers perceived tangibility as the most important dimension at (4.45%). Followed by assurance (4.36%), responsiveness (4.33%), reliability (4.30%), and empathy (4.28%). In this study 'tangibility' dimension was the most vital factor. Most customers

identified the importance of the appearance and cleanliness of the hotel staff as the first impression.

**SERVQUAL gap between customers' expectation and perception level towards service quality of front office staff at the hotel**

The SERVQUAL gap is calculated between the mean score of expectation and perception. The findings of the study showed the difference between expectation and perception as shown in the table below.

**Table 4.13 : SERVQUAL gap of customers' expectation and perception towards the service quality of boutique hotels in Pranburi**

<b>Attributes</b>	<b>Customers' Expectation</b>	<b>Customers' perceptions</b>	<b>SERVQUAL Gap</b>
Pair 1) Tangibility	3.92	4.45	0.53
Pair 2) Reliability	3.93	4.29	0.36
Pair 3) Responsiveness	3.97	4.33	0.36
Pair 4) Assurance	4.05	4.36	0.31
Pair 5) Empathy	4.02	4.28	0.26
<b>Overall means score</b>	<b>3.97</b>	<b>4.34</b>	<b>0.37</b>

Table 8 demonstrates the gap between customers' expectation and perception. The study shows that the overall level of perception of all dimensions was higher than level of expectation. This positive gap indicated that customers are satisfied with the services. 'Tangibility' was the most important dimension with the highest positive gap (0.53). The study revealed that physical evidence such as uniforms, appearance and behavior of hotel staff yield customer satisfaction. Similarly, Ramchurrun 2008) suggested that customers attached importance to the dimension of tangibility because services are intangible. Hence, customers place great importance on the appearance neatness of the staff.

In summary, the results showed a positive gap between perception and expectation. Tangibility was determined to be the most important dimension. The hotel staff also understood and exceeded customers' expectation of service quality in all dimensions.

#### **Potential for repeat customers to the hotel**

**Table 4.14 : Number of customer plan to revisit the hotel**

<b>Revisit to the hotel</b>	<b>Number</b>	<b>Percentage</b>
Yes	317	79.25%
No	23	5.75%
Not sure	60	15%
<b>Total</b>	<b>400</b>	<b>100%</b>

Table 9 shows the majority of customers up to 79.25 percent will return to the Hotel. This finding may result from their appreciation of service of hotel staff that paid individual attention to them. Example of one guest appreciation showed that the staff contacted dissatisfied customers immediately to understand problems and perhaps offer compensation by providing a free dinner voucher or a free additional night at the hotel. This affirmed that the staff was professional in solving problems immediately. The result of this study conforms with Juwaheer and Ross (2003). Who found that when customers' requirements are clearly identified and understood, hotel managers are more likely to be able to anticipate and fulfill their customers' needs and wants, rather than merely reacting to their dissatisfaction.

**Table 4.15:Customers' suggestions toward service quality of boutique hotels  
in Pranburi**

<b>Customers' suggestions</b>	<b>Number of respondents</b>	<b>Percentage</b>
Compliments	380	97%
Complaints	20	3%
<b>Total</b>	<b>400</b>	<b>100%</b>

Table 10 shows that the majority of customers at 97 percent compliment the hotel services. Customers reported that all of the hotel staffs were very nice, polite, and provide a quick and smooth service during their stay period so they felt very comfortable. Customer also pointed that the receptionists were willing to help them to introduce nearby attractions with special discount and some hotel offers shuttle van for delivery. On the other hand, only 3 percent of total 60 respondents who marked this part made complaints that some of hotel staff should improve their English and communications skills plus provide more information of F&B promotion.

## **CHAPTER 5**

### **CONCLUSION**

This chapter presents the conclusion of the study and the limitations of the research findings. It also presents recommendation for further studies.

#### **Conclusion**

This study aimed to explore the level of customer's satisfaction in the hotel service quality of boutique hotels and identify the relationship between customer's expectations towards each dimension of service quality and their satisfaction toward each of the aspect of the service quality of boutique hotels in Pranburi Prachuanp Khiri Khan province. SERVQUAL instrument (Parasuraman, 1988) was used to design the questionnaire using five dimensions of service quality, namely, tangibility, reliability, responsiveness, assurance and empathy. A questionnaire consisted of four parts; part one is questions for gathering general information such as gender, age, nationality, part 2 is defined as the customer's belief concerning to their expected and received service. Part 3 question asking about customer plan to return to hotel and last part is customer suggestions towards service quality. The result revealed that the "assurance dimension raised the highest level of expectation whereas the tangibility, dimension fulfilled the highest level of perception. This study focused further on the gap between customer's expectations and customer's perception of the service quality of boutique hotels in Amphoe Pranburi Prachuanp Khiri Khan Province. The results showed that the overall mean score of customers' perception was higher than customer's expectations which mean a positive SERVQUAL gap. Hence, customers were satisfied with all dimensions of service quality.



## **Implications of the Study**

In this study, the result showed both strengths and weaknesses of customer's expectations and customer's perception of the service quality of boutique hotels in Pranburi Prachuap Khiri Khan Province

1. For customer's expectation, assurance was the highest dimension while as the rest are lower than 4.00. Management team should arrange special courses to improve their staff in aspect of tangibility, reliability, responsiveness, and empathy to reach the highest customers' expectation to become a first choice in customer's mind.
2. For customer's perception, tangibility was showed to be the strongest dimension of customer's satisfaction. Management team should continually maintain the attributes of tangible service quality at hotel.
3. Management team should understand their situation to arrange in-house system to improve all departments in hotel to get a lowest of gab between customer's expectation and perception by commitment to excellence of service.

## **Limitations of the Study**

Some limitations were found in this study as follow;

1. The area of this research was limited only at Amphoe Pranburi Prachuap Khiri Khan Province. So the result showed in the high level. If the area were not limited only in Amphoe Pranburi, the result should be more generalize and gain more customer's opinions.
2. When the questionnaires were distributed to the respondents, it was very difficult to collect all the right data as some of respondents deny to participate and fulfilled with wrong information. If all the respondent have more willing to offer the feedback, the result would be more useful for management team to realize their situation for improving hotel service.

## **Recommendations for Further Studies**

1. For further studies should be applied from this study. First research should expand the research area includes other customer who used to visit boutique hotels in Amphoe Pramburi and use e-questionnaire to gain more different outcome by sending the well-known travel agency which usually send booking to hotels. It would be valuable to conduct further study concerning customer's attitude or customer's behavior towards the service quality of boutique hotels or other hotels and also business in related fields by applying the same model. However, further research in these areas should be conducted as they would contribute to overall improvement of high service quality throughout all hotels in Thailand.

2. Through in-depth interviews with hoteliers, future research is recommended to identify hidden obstacles that inhibit hotels and similar establishments from participating in the Thailand Hotels Standard. Some hotel managers expressed their concern that being a star rated hotel would increase price and decrease the number of their repeat customers. Theoretically, having a star rating will allow a hotel to increase the price of its services is supported by this study. Conversely, why did some of the hoteliers still have the perception that increasing price as a result of the hotel rating would lessen their repeat customers? An in-depth interview can reveal covert facts so as to identify an effective motivation for these hotel managers to be a part of the star rated hotels.

As the number of certified star-rating hotels is small due to the recent adoption of Thailand Hotels Standard, future studies could have larger population of the certified star-rating hotels. Replicating this study is suggested to examine if there is a different result by a different period of time and the increasing number of the population. Indeed, the retention of the star-level by awarded star-rating hotels is of special interest and examination. How do the star rated hotels still keep the star level? How long will the hotels be listed on the list of star rated hotels? Is it possible that some hotels will keep their star rating for a while to have their hotel names widely recognized and then discontinue their status in the Thailand Hotels Standard? Are there factors such as an annual fee affecting the retention of hotels' status in the Thailand Hotels Standard?

As mentioned previously, data collection of this study was conducted during tourism high season in Thailand. Future researchers can try collecting data in low season discontinue

their status in the Thailand Hotels Standard? Are there factors such as an annual fee affecting the retention of hotels' status in the Thailand Hotels Standard?

As mentioned previously, data collection of this study was conducted during tourism high season in Thailand. Future researchers can try collecting data in low season as more hotel managers can devote time to participate in the study. Researchers can then compare their findings for differences.

Additionally, it is appealing to compare the ranking of star level hotels that have been certified in the Thailand Hotels Standard and the ranking of the Green Leaves, the same hotel has in the Green Leaf standard. The purpose is to help hotels improve their efficiency in saving energy, water and other resources under the theme "Save Money, Save Environment." If the relationship is found between the star ranking of the Thailand Hotels Standard and the Green Leaf ranking of Green Leaf standard, it can absolutely reveal that the growth of hotel industry in Thailand goes with the direction of sustainability.

The canonical correlation analysis of the four dimensions of the service quality improvement and the three hotel performance changes generated low redundancy indices though considered acceptable. This index implies there are other important variables excluded in this study. Therefore, the implication suggests including other dependent variables in future research. Kaplan and Norton (1992) quoted in Medlik and Ingram (2000) recommended four perspectives to measure and monitor tangible and intangible hotel performance following their concept of 'Balanced Scorecard'. The four perspectives include: financial perspective, internal business perspective, innovation and learning perspective, and customer perspectives. Currently boutique hotels are growing rapidly in Thailand. Owing to the boutique hotel's unique characteristics, does the hotel rating system respond to this special attribute or is the hotel rating system flexible enough for the different style of this hotel type? Therefore, a study to examine the effectiveness of the hotel rating system in correspondence to the changing hotel industry structure is suggested.

Regarding the star rating users or hotel guests, future research should examine the importance and role of the Thailand Hotels Standard plays in their perception of hotel selection in the Thai tourism market. In addition, the difference between Thai customers and foreign customers toward the use of star rating should be investigated. Thus, hotels serving mainly Thai tourists and hotels serving primarily foreign tourists will be able to make a decision to hold their rating status in the Thailand Hotels Standard and to apply the star rating status in their marketing strategies. Finally, a future study should identify how well the star rating system's criteria reflects the criteria formed in the hotel customers' mind.