# DOCTOR OF BUSINESS ADMINISTRATION

## PORTFOLIO/DISSERTATION SUBMISSION
## SUPERVISOR APPROVAL DECLARATION

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**UniSA Candidate ID Number: 100009215**

Dear Sir

To the best of my knowledge, the portfolio contains all of the candidate's own work completed under my supervision, and is worthy of examination.

I have approved for submission the portfolio that is being submitted for examination.

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Name

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Signature: Associate Supervisor *(where applicable)* Date

Dr Frank Gregory
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Name

Supported by:

.................................................................    8/9/05
Dr. Ian Whyte                    Date
Chair, IGSB Doctoral Academic Review Committee

# Declaration

I declare that this portfolio does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any university; and that to the best of knowledge it does not contain any materials previously published or written by another person except where due reference is made in the text.

Signed:

Date: JULY 29, 2005

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Candidate, Doctor of Business Administration

# Acknowledgements

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Finally, especially for you Dad and Mom, wherever you sleep beautifully in heaven, I want you to know that I am proud to be your daughter. I love you both and I have hope that in some way you can somehow perceive my success.

# Portfolio Overview

In a competitive business environment, hotels need to search for a long-term competitive advantage. Even though today hotels offer similar kinds of services, they can provide differences in terms of service quality. Thus, improved service quality should be adopted to increase customer satisfaction as an ultimate corporate goal and, thus, to maintain their core competence. This service quality strategy must be continuously developed as competitors will strenuously try to imitate any perceived successes.

## Paper I: Literature Review of Service Quality Improvement in the Hotel Industry

This research paper analyses past studies regarding service quality improvement in the hotel industry. The areas of study include: service quality and its determinants, quality improvement models, the hotel industry characteristics, the need for service quality, and the concepts of service quality and the subsequent impact. Previous empirical studies are examined regarding hotels' actions in improving service quality in various aspects, e.g., the reasons for and aims of quality initiatives, approaches for service quality improvement, and the successes and difficulties that are found. These objectives will lead to a better understanding of the various aspects of service quality improvement in the hotel industry. This is one of three research papers on the topic and can be used as a knowledge base for Research Paper II and Research Paper III.

## Paper II: Service Quality Improvement in the Thai Hotel Industry

At present, hotels in Thailand have been experiencing dramatic changes, leading hotel practitioners to pay attention to service quality improvement. Empirical research using in-depth, face-to-face interviews has been conducted to examine service quality improvement in the Thai hotel industry. Thirty hoteliers were recruited from five-star hotels in Bangkok, Thailand (Thai hotel chains and international hotel chains), to find out their problems in customer service, their interest in it, what they were doing about

it, their critical success factors, barriers to success, what should be done to overcome those problems, and what more could be done to continue to improve service quality. Respondents were top and middle management because they work directly within the hotel in order to affect overall service quality.

Though service quality improvement initiatives in the Thai hotel industry are successful to some extent according to respondents' views, the findings, however, indicate hotels in Thailand might not exactly understand their problems or misallocated their resources to solve the problems. Therefore, hotels have to increasingly solve customer service problems, improve quality initiatives, and create more necessary quality programs based on present experiences and expertise. This could suggest that hotels should place more resources in the improvement of communication and customer expectation study as major aspects in the future.

## Paper III: Implications of Service Quality Improvement in the Thai Hotel Industry

This paper is the final study of the three interrelated research studies. It is based on the knowledge and understanding gained from the previous two papers. This paper enables hoteliers to apply the practical implications proposed for their hotels to build upon and improve their service quality. This third paper examines the implications for the practical application of the research findings. The aim of this research is to determine how hotel managers think of using the proposed techniques for service quality improvement in real situations.

According to the results obtained from the questionnaire survey, the finding revealed that most executives found the techniques are efficient and applicable. An encouraging result of this study was that most executives believed that acquiring the proposed techniques would help hotels improve their service quality to respond to the changes in the Thai hotel industry. Interestingly, most executives indicated the techniques which will be utilized in the very near future were as follows: (1) executive training courses on leadership in hospitality, (2) differentiating hotel facility and provided service, such as, focusing on boutique hotel, spa hotel, or hip hotel, (3)

using the "mystery shopper" service to measure the service quality of the hotel, and (4) using Six-Sigma to improve the effectiveness and efficiency of all operations. It is interesting to note that the views of the participants in this study supported the study discussed in Research Paper I and Research Paper II.

Next, the effective service quality improvement system that is proposed in Research Paper III was developed from the literature review and the empirical findings from the second research study together with the third research study. This system will be used as a framework to present the implications of service quality improvement in the Thai hotel industry for hotel practitioners to build upon and improve their competitive edge in order to maintain customer satisfaction. The internal factors in this system are composed of management, staff, communication, work process, and hotel facility and provided service, due to their mutual benefit and support of each other. Other issues which are consumer factors, external factors, service quality measurement and the approaches for service quality improvement, service quality target and feedback that hotel practitioners should focus on. Furthermore, it has found that the starting point to improve service quality is hotels need to have an in-depth understanding of factors influencing perceived service quality in their hotels. Then, the hotels need to provide proper techniques for improving service quality.

The content of this Research Paper III will be suggestions for improving service quality for the Thai hotel industry. Nevertheless, these implications will be effective only if all staff and management act together. Service quality improvement requires long-term commitment, total involvement from staff and management, and continuous improvement. This research paper contributes knowledge and background for hotel providers to apply these findings to better shape and focus their positions in the market and also to provide excellent customer service. The research topic should be examined in other countries to improve this proposed system for its practicability and to see if it is general enough to apply in other situations outside of Thailand.

# Literature Review of Service Quality Improvement in the Hotel Industry
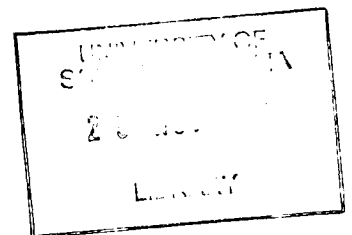
By

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Submitted on this 29th of July in the year 2005 for the
partial requirements of the degree of

**Doctor of Business Administration**

# Declaration

I hereby declare that this paper submitted as a partial fulfillment of the DBA degree is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that it does not constitute any previous work whether published or otherwise. In making this declaration I understand and acknowledge my breaches of the declaration constitute academic misconduct, which may result in my expulsion from the program and/or exclusion from the award of the degree.

_Vida T. Scanlman_

July 29, 2005

Signature of candidate

# Abstract

In today's changing global environment, services are taking on an increasing importance both domestically and internationally. Businesses have to seek profitable ways to differentiate themselves. One strategy that has been related to success is the delivery of high service quality, especially during times of intensive domestic and international competition. This concept has been the subject of many conceptual and empirical studies, and it is generally accepted that service quality improvement has positive implications for an organization's performance and competitive position. However, despite the vast amount of research done in the area of service quality, quality-related issues have received little research attention within the context of the Thai hotel industry. There is no published research regarding these kinds of issues available in Thailand for hotels to which to gear their actions and performance. Therefore, this research study attempts to fill the gaps in this field of study.

The overall objectives of this research paper are to analyze previous studies and to review the literature regarding service quality improvement in the hotel industry from various kinds of studies and sources in order to ascertain the following things: service quality and its determinants, service quality model, quality improvement model, the approaches for service quality improvement, the factors affecting service quality improvement, the critical success factors as well as the barriers to success for service quality improvement. These objectives will lead to a better understanding of the various aspects of service quality improvement in the hotel industry. This is one of three research papers on the topic and can be used as a knowledge base for Research Paper II and Research Paper III.

# Table of Contents

# LIST OF FIGURES

# LIST OF TABLE

# A Review of Literature on Service Quality Improvement in the Hotel Industry

## Section I: Overview

### 1.1 Introduction

Services are taking on an increasing importance both domestically and internationally (Dean *et al.*, 1999). Ingram (2000) states that in today's changing global environment, many businesses are facing intensifying competition and rapid deregulation, and, in order to achieve competitive advantage and efficiency, businesses have to seek profitable ways to differentiate themselves. One strategy that has been related to success is the delivery of high service quality, especially during times of intensive competition in the domestic and international markets (Duran & Eccles, 1997). Maxwell *et al.* (2004) concurs that service has increasingly played a critical role in a hotel's operations. This concept has been the subject of many conceptual and empirical studies, and it is generally accepted that quality has positive implications for an organization's performance and competitive position.

However, despite the vast amount of research done in the area of service quality, quality-related issues have received little research attention within the hospitality context (Harrington and Akehurst, 2000). Furthermore, authors of studies conducted on quality in the service industries have also expressed concern regarding the quality dimensions in hotels and, in particular, with methods used to improve customer perceptions of hotel service quality (Getty & Getty, 2003).

This research paper will be a literature review on service quality in general with specific emphasis on how the hotel industry is applying service quality improvement. Moreover, to better define service quality, the reasons why service quality is valuable, and the approaches for the service quality improvement in the hotel industry, need to be examined. Furthermore, this paper will provide an overview of relevant literature that addresses the determinants of service quality improvement, the barriers to success, and

the strategies for overcoming barriers. Particularly, this research paper will analyse past studies regarding service quality improvement in order to obtain and use these findings as the background in the second research paper to develop an empirical study in the Thai hotel industry

Thus, the major problem for this paper is to explore how to improve service quality in the hotel industry. Then, the research questions for this research paper that will be examined are:

1. Why is service quality needed?
2. What is service quality and its impact?
3. What are the factors influencing service quality improvement in the hotel industry?
4. What are the key barriers to service quality improvement in the hotel industry?
5. What are the hotels' actions and their results in improving service quality in previous research?

## 1.2 Objectives

This research paper's overall objectives are to analyze previous studies and to review the literature regarding service quality improvement in the hotel industry from various kinds of studies and sources. These objectives will lead to an understanding of aspects of service quality improvement in the hotel industry.

## 1.3 Need for Research

There are three main reasons why this research project was conducted:

First of all, the author could find no published research concerning service quality improvement in the Thai hotel industry. Even though the Thai hotel industry is facing many setbacks in its attempts to develop the quality of its services, the main obstacle to the success of these plans is that most of the hotels in Thailand do not have suitable approaches for the improvement of the quality of their services (Thai Hotels Association, 2001; Tourism Authority of Thailand, 2002). Therefore, we do not have a correct understanding of which ways and to what extent the provided services have been effective in meeting customer satisfaction. Therefore, this research study attempts to fill the gaps in this field of study.

Secondly, in such a highly competitive and changing situation as hotel operations, marketing such things as products, price, placing, and promotion are no longer more important than service quality; therefore, hotels have to specifically focus on the core strategy known as "service quality" (Akan, 1995; Dean *et al.*, 1999; Qu and Tsang, 2000). The findings from this research will form the knowledge of service quality improvement. Hopefully, hotel practitioners will be able to apply this knowledge to strengthen their positions in the market and maintain their guests' satisfaction.

Finally, to better define service quality, the reasons why service quality initiatives are valuable in the hotel industry need to be examined. This paper critically demonstrates the commentary of the past literature reviews. In addition, the existing gaps, which will be treated as opportunities for further research exploration, will be used for the next two research papers. As Research Papers I, II and III are directly interrelated, this paper can be utilised as the knowledgeable, background and conceptual framework for the further developmental investigations in Papers II and III.

# Section II: Concept of Service Quality

## 2.1 Characteristics of Service

The concept of service originates from a Latin word *servitum* that means "served by slaves" and also means diligent (Kotler, 1991). Over time, and with changes of environment, the concept of service has also changed. The following are some of the definitions of service according to some scholars.

- According to Buell (1984), service is used to sell things or is offered through a variety of activities, benefits or satisfactions for the purpose of selling products.
- According to Juran (1986), service is "work performed for someone else."
- According to Kotler (1991), service means an activity or a performance that is offered by one to another. It is invisible in substance and does not necessarily come with real products.

To sum up, the characteristics of service are (Kotler, 1991):

- **Intangibility**: Services are intangible; they cannot be touched, seen, smelled, or tasted like physical products.
- **Inseparability**: Customers who want services and service staff who provide them have to interact at the same time and cannot be separated.
- **Variability**: Services are highly variable and inconsistent in delivery depending on the person who serves and on the time and place provided.
- **Perishability**: Unlike a physical product, services cannot be stored.

## 2.2 Definition of Quality

Ghobadian *et al.* (1993) state

> The term "quality" means a different thing to different people. This is why defining "quality" is often the first step in most "quality improvement" journeys. A common understanding and vision of what is meant by "quality" will help the organization to focus its "quality improvement" efforts. Thus, defining "quality" is not only important from a semantic point of view, but more importantly, it is required to direct employees' efforts

towards a particular common cause. The common vision of quality is arguably more important in service organizations.

Basically, Ghobadian *et al.* (1993) classify the definitions of "quality" into the following five broad categories:

1. *Transcendent:* Here "quality" is defined as innate excellence. The product or service will have unequalled properties. Implicit in this definition of "quality" is the relationship between individual salience and the perceived quality. The presence of this relationship has important implications for "goods" and "service" quality.

2. *Product led:* Here "quality" is defined as the units of goodness packed into a product or service. Thus, a "quality" service will contain more units of goodness than a lower "quality" service. This definition relies on the quantification of the service's units of goodness or tangible attributes.

3. *Process or supply led:* In this approach, "quality" is defined as "conformance to requirements." The definitions of quality proposed by Crosby (1980) and Taguchi (1986) fall within this category. These definitions lay emphasis on the importance of the management and control of supply-side quality. The focus is internal rather than external.

4. *Customer led:* Here the focus is external. "Quality" is defined as "satisfying customer's requirements" or "fitness for purpose." The definitions of quality put forward by Deming (1986) and Juran *et al.* (1974) fall within this category. This approach relies on the ability of the organization to determine customers' requirements and then meet these requirements.

5. *Value led:* In this case, "quality," is defined either as the "cost to the producer and price to the customer" or as "meeting the customer's requirements in terms of quality, price, and availability." The focus again is external. The approach implies that there is a trade-off between "quality," "price," and "availability."

5

## 2.3    Defining Quality in the Context of Service

Service quality needs be neither illusory nor elusive, it can be measured and the elements that cause problems can be pinpointed and rectified (Nel and Pitt, 1993). This appears to be a very ingenuous viewpoint and finds little or no support in the service quality literature. Indeed, many researchers would take the opposite view (Bolton and Drew, 1991; Carman, 1990; Mattsson, 1994a, 1994b) that service quality is an elusive concept and there is considerable debate in the literature about how best to conceptualise this phenomenon. Thus, it seems that an all-embracing definition of service quality is difficult to produce. Parasuraman *et al.*(1988) described it as the ability of the organization to meet or exceed customer expectations, customer expectations that may be defined as the "desires and wants of consumers," i.e., what they feel a service provider should offer rather than would offer.

Definitions of service quality, therefore, focus on meeting the customers' needs and requirements and how well the service delivered matches the customers' expectations of it. Recently, greater emphasis has been placed on the need to understand the role of expectations (Chen *et al.,* 2003; Getty & Getty *et al.,* 2003; Lee *et al.,* 2000; Qu & Tsang, 2000; Santos, 2002), given the fact that consumers' expectations of quality are increasing ( Behara *et al.,* 2002; Voss, 2003) and people are becoming more discerning and critical of the quality of service that they experience. Gone are the days when the consumer was merely a passive recipient in the whole service process. Expectations are pre-trial beliefs about a product or service (Soriano, 2002). Most consumers enter a service encounter with some form of expectations, ranging from the ill defined in unfamiliar situations to well defined in familiar situations. Whether or not these expectations are met will have a significant bearing on perceived service quality (Getty & Getty, 2003 ). Moreover, Juwaheer & Lee-Ross (2003) suggest that perceived service quality can therefore be defined as the discrepancy between what the customer feels a service provider should offer (i.e., expectations) and his/her perceptions of what the service firm actually offers.

In conclusion, a preliminary review of literature on service quality reveals that most of the literature has focused on the following two areas:

**1. Within the framework of quality management theory**

Quality is commonly defined as conformance to requirement (Crosby, 1980; Oakland, 1993) and fitness for use (Deming, 1986; Juran, 1986). The concept emphasises the quality of the entire product (i.e., goods and services).

**2. Within the framework of marketing theory**

Quality is defined as meeting or exceeding customers' expectations (Gronroos, 1978; Lovelock *et al.*, 2001; Parasuraman, *et al.*, 1985). This concept of service quality stresses the quality of service encounter with tangibles constituting one of many dimensions of service quality.

## 2.4    Service Quality and its Determinants

Hazlett and Philip (1997) suggest that it would be impossible to ensure service quality without first determining the salient aspects that are incorporated under this term. Again, this poses some difficulty and many possible attributes have been put forward in an attempt to capture the true meaning of service quality. For example, Olsen *et al.* (1978) list seven service attributes that they believe adequately embrace the concept of service quality. These service attributes include security, consistency, attitude, completeness, condition, availability, and training.

On the other hand, Gronroos (1978, 1988) believes that service quality is made up of three dimensions, that is, the "technical quality of the outcome," the "functional quality of the encounter," and the "company corporate image."

Lehtinen and Lehtinen (1991) also believe that service quality comprises three dimensions, which they define as the Physical Quality, i.e., products and/or services;

Corporate Quality, i.e., the company image; and Interactive Quality, where the dimensions of quality originate in the interaction between the consumer and the service organization. Lehtinen and Lehtinen (1991) also argue that in examining the determinants of quality it is necessary to differentiate between quality associated with the process of service delivery and quality associated with the outcome of service, judged by the consumer after the service is performed.

Johnston *et al.* (1990) identified 15 dimensions of service quality which they categorized as Hygiene Factors, i.e., those factors which are expected by the customer and will cause dissatisfaction if they are not delivered; Enhancing Factors which will lead to customer satisfaction but will not necessarily lead to dissatisfaction if they are not delivered; and Dual-Threshold Factors where failure to deliver will cause dissatisfaction, but, when delivered above a certain threshold, will enhance a customer's perceptions of service and lead to satisfaction. This idea is similar to research put forward by Cadotte and Turgeon (1988) who investigated the key factors in guest satisfaction in the hotel industry by focusing on complaints and compliments, together with features which they label "dissatisfiers," which earn complaints if present but no compliments if absent, and "satisfiers," which earn compliments if present but no complaints if absent. Therefore, Cadotte and Turgeon (1988) believe that it is vital for organizations to identify elements of service that are potential satisfiers and/or dissatisfiers.

Parasuraman *et al.* (1985) offer the most widely reported set of service quality dimensions. They suggest that the criteria used by consumers that are important in moulding their expectations and perceptions of delivered service ultimately fit into ten dimensions. These were subsequently condensed into five dimensions of service performance known as SERVQUAL: Tangibles, Reliability, Responsiveness, Assurance, and Empathy.

However, O'Neill (2001) points out that there are difficulties in defining service quality. The factors affecting customer satisfaction and service quality are many and as varied as the number of potential customers themselves. Different things are important to different

people for different reasons and as such are perceived in different ways. Evidence suggests that successful organizations are able to diagnose their customer expectations fully and satisfy them completely during each and every service encounter (Zemke and Schaaf, 1990).

In conclusion, with the plethora of different definitions of service quality, there is as yet no real consensus as to what these definitions and its determinants might be. This existing gap will also be treated as an opportunity for further research.

# Section III: Service Quality in the Hotel Industry

## 3.1 Hotel Industry Characteristics

The World Tourism Organization (WTO, 2000) defines hotels as follows:

> These are typified as being arranged in rooms, in number exceeding a specified minimum; as coming under a common management; as providing certain services, including room service, daily bed making and cleaning of sanitary facilities; as grouped in classes and categories according to the facilities and services provided.

According to Buttle (1997), the term "hotel" covers boarding- houses, inns, guesthouses, bed and breakfast establishments, unclassified hotels, in addition to 1, 2, 3, 4 and 5 star hotels. Hotels may vary by:

- Location: coastal, countryside, small towns, large towns, cities.

- Demand: business, holiday.

- Size: 4 bedrooms to several hundred bedrooms.

- Standard: unclassified to 5 star.

- Ownership: independent, franchised or group operated; and

- Atmosphere: busy, efficient or relaxed, homely.

Moreover, Knowles (1998) suggests that this interpretation and the analysis of hotel industry structure can vary considerably. Indeed, in many countries no systems are in place that could even attempt to fulfil the provision of such data definitions.

Furthermore, according to Knowles (1998, p. 41),

> Star classification is essentially a guide to the type of hotel, indicating the character of the accommodation and service it sets out to provide. It is based on a minimum requirement for each star rating level.

Accordingly, the literature reviews show that the resulting classification indicates different things from different countries.

## Growing Importance of Hotel Chains

Knowles (1998) suggests that since the mid-1980s there has been a significant change in the ownership of hotels worldwide, with the tendency to construct and operate larger properties, which require larger investments. The hotel owner is usually a financial institution, insurance company or a number of joint equity owning companies, which typically employ an industry expert to help control and monitor their hotel investment.

Independent hotels tend to be smaller in size, and are increasingly surviving mainly in niche market segments of the hotel industry. Although these may seem difficult times for independents, a select number will continue to have a privileged place in the market because they can make decisions on their own without recourse to institutional investors, be flexible and offer personalized services to a specific market segment. With this exception, however, the hotel industry is experiencing a gradual but steady switch from independently owned and operated hotels, to hotel chain affiliation. Knowles (1998) goes on to point out that in the late 1940s, fewer than one hotel in ten had any chain affiliation. In the late 1990s, more than 60% of all hotels in the USA belong to chains. This rapid growth of hotel chains can be attributed to three factors:

- Emergence of franchising systems,
- Hotel management contracts, and
- Need for corporate growth.

The expansion of hotel chain companies has already been explained by the desire for and availability of economies of scale. It is through this that the advantages provided by national and international reservation networks, staff training and marketing programs can be recognized. In the USA, Canada and Europe combined, there are an estimated 3,000 hotel groups with more than 10 hotels each. The 200 largest companies account for the operation of at least 20% of all bedrooms.

## The Hotel Marketing Environment

In hotel itself, no business operates in isolation. Although initially they may appear to operate as self-sufficient units, they do; in fact, all have a cause and effect relationship with each other. Davis & Stone (1992) support that they are subsystems operating within

a much larger system—the hotel. A "system" may be defined as an interaction of all parts or subsystems, with the whole not equal to but actually greater than the sum of its parts. For example, the food and beverage department in a hotel consists of a series of closely linked subsystems-the kitchen, bars, restaurants etc.-which, together, from the whole-the food and beverage system. The food and beverage department operates within a still larger system (the hotel)-interacting with other departments such as housekeeping, front of the house, etc. (see Figure 1).

**Figure 1: The Food and Beverage System in Hotel Context**



External environment

The Hotel system (internal environment)

Food and beverage

Sales and marketing

Front of house

The food and beverage

Kitchen

Bars

Restaurants

Cashiers

Room service

The unit

Coffee shop

House-keeping

Lounge service

Banqueting

Accounts

Portering

Leisure facilities
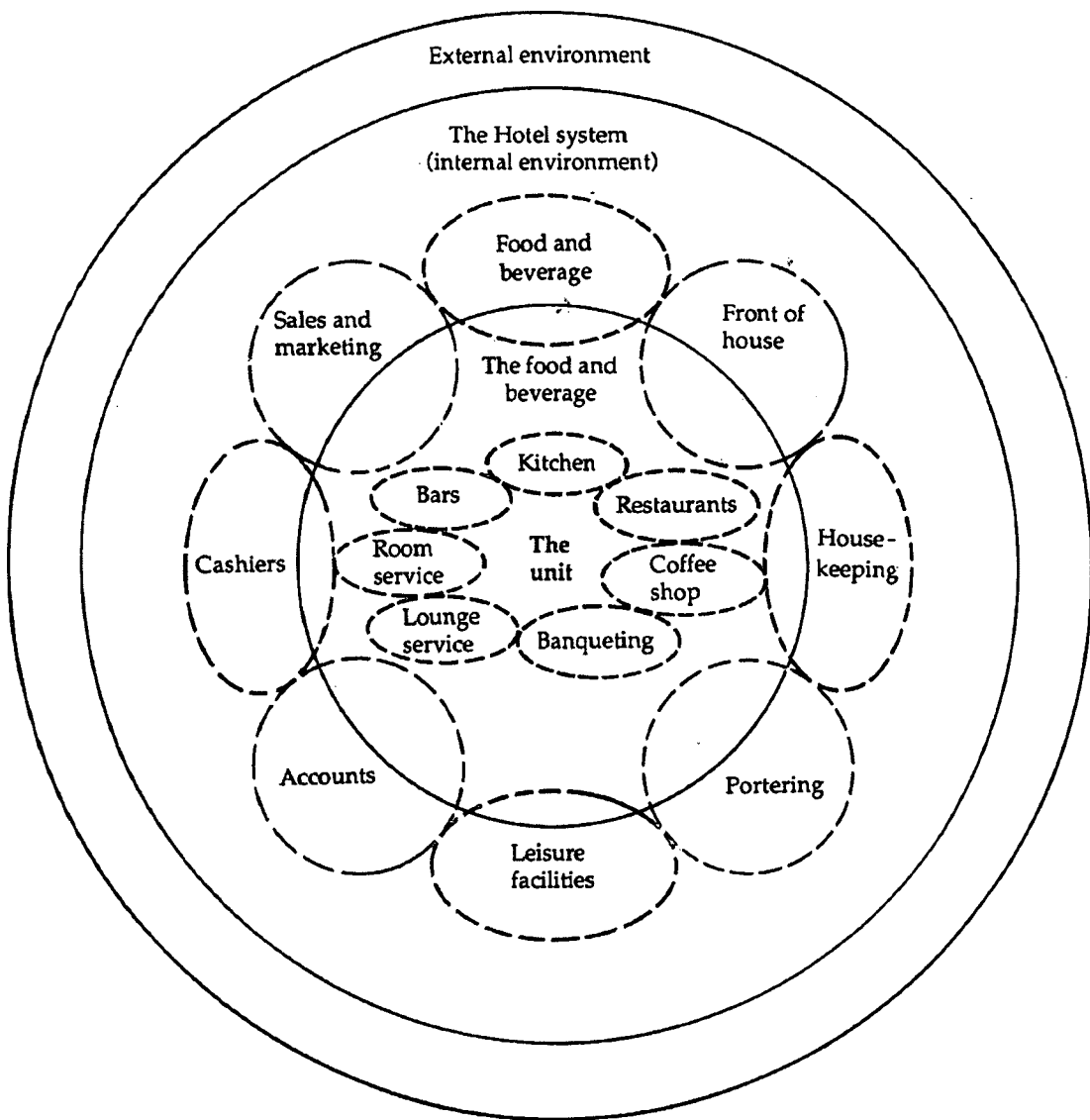
( Source: Adapted from Davis & Stone,1992)

Accordingly, individual operations and departments are, therefore, affected by changes in their own internal environments. Any problems arising internally can usually be solved adequately within the establishment itself. The problems are also affected by external factors such as; economic, political, demographic, and technical. Because any problems that arise are outside the organization's control and can not be solved internally.

## 3.2 Need for Hotel Service Quality

In the complexity of the hotel industry, hotels have to seek specific and competitive positions in the market. Service quality is one of the most effective and differentiated strategies adopted and applied in many hotels around the world (Akan, 1995; Dean *et al.*, 1999; Qu and Tsang, 2000).

According to Wuest (2001, p. 56),

> Customer service has a direct impact on the customer's level of satisfaction, which, in turn, ultimately reflects on the service provider's bottom line. Although it is difficult to measure the true impact of customer service, quality customer service has been cited as a means for improving a variety of aspects of a business.

Accordingly, from the literature reviews, the major objectives of service quality are discussed as follows:

### 1. Improve Guest Convenience

Many services contribute to the guest's sense of convenience, comfort, and well being. Services, such as accessible rest rooms, refreshment vending, shuttle service, and comfortable seating, add to guest convenience, enjoyment, and satisfaction and indirectly encourage guests to extend their stay. The key to getting closer to one's customers is making it easier for them to do business with the service provider, better known as convenience (Anton, 1996).

13

## 2. Enhance Service Provider's Image

The number and quality of services offered establishes the image of the service provider. Wuest (2001) points out that one star hotels offer limited services in order to reduce overall costs whereas five stars hotels provide almost every imaginable service to their guests. Although the price paid by the guest may vary, the greater difference may be in the perceived image of each of these properties.

## 3. Ensure Customer Security

Multiple services reinforce guests' sense of security. Protective services, such as adequate lighting, security staff, emergency medical facilities, guestroom locks, sprinklers, and clearly marked exits, all instill confidence. Conversely, in a study commissioned by *Lodging Hospitality*, questionable neighborhoods and lack of deadbolt locks were cited as the primary reasons for guests to avoid lodging at a hotel (Wagner and Watkins, 1994).

## 4. Generate Traffic

Quality customer service has the potential to generate increased traffic for the service provider. Satisfied guests will be more likely to extend their stay, return to destination, and recommend the property to other potential guests. Furthermore, the delivery of quality service and customer satisfaction has been clearly linked with profits, cost savings, and market share (Sager, 1994). As a result, a satisfied guest is a key element in improving traffic and creating repeat business.

## 5. Establish a Competitive Edge

Tourism, hospitality, and leisure service providers, as members of the service industry, are expected by the great majority of potential guests to provide a set of baseline services. However, service providers who extend their services beyond minimal expectations have a far better chance of satisfying their guests. With creative ideas and a strong understanding of the needs and desires of their guests, hospitality service providers are developing innovative, extensive service strategies. The "critical differences in customer/guest service are what often separate hospitality industry leaders from industry followers" ("The New Imperative," 1998, p. 54).

## 6.  Customer Demand

By providing specific services, business can generate demand among certain target markets. Business travelers, family vacationers, and conventioneers have been among the most frequently targeted groups. Each group requires a series of customized services that can be promoted as a special package in order to attract greater guest demand. According to a survey conducted by *Lodging Hospitality*, topflight businesspeople use and expect the amenities of home including such services as basic cable television, newspaper delivery, coffee, room service, fitness facilities, and laundry/dry cleaning Wolff (1998). The quality-conscious service manager should provide these services if vying for travel dollars and attempting to generate customer demand among business travelers (Wuest, 2001).

# Section IV: Service Quality Improvement

## 4.1 Application of Quality Improvement Models

### 4.1.1 The Malcolm Baldrige National Quality Award

Figure 2: Baldrige Criteria for Performance Excellence Framework: A Systems Perspective
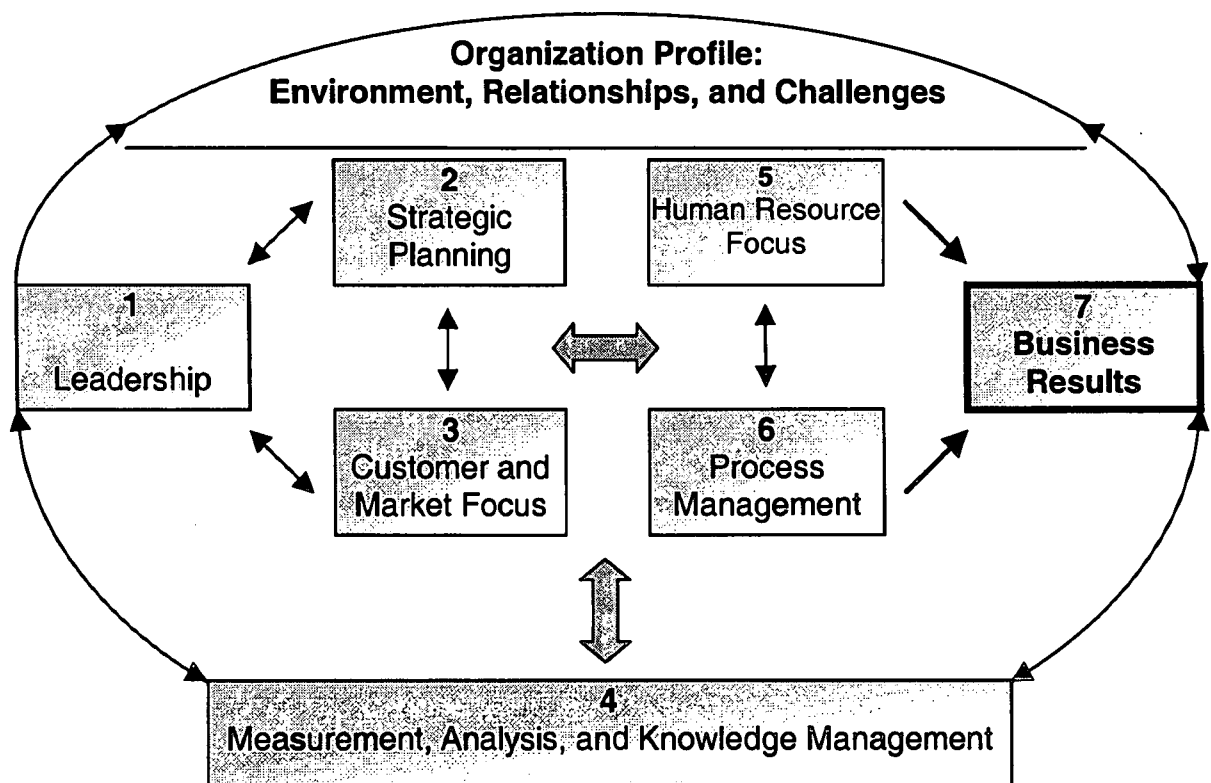
The Malcolm Baldrige National Quality Award (MBNQA) promotes three important characteristics: awareness of quality to increase competitiveness, understanding the requirements for excellence in quality, and sharing the information and benefits derived from successful quality strategies that are employed by the companies. Seven categories of criteria are included in evaluating the company's overall strategic and operational strategies employed in implementing quality improvement efforts. These categories are: 1 Leadership; 2 Strategic Planning; 3 Customer and Market Focus; 4 Measurement, Analysis, and Knowledge Management; 5 Human Resource Focus; 6 Process Management; and 7.Business Results (MBNQA Criteria for Performance Excellence, 2004).

The figure 2 provides the framework connecting and integrating the categories. From top to bottom, the framework has the following basic elements:

**Organizational Profile**

Organizational profile sets the context for the way the organization operates. The environment, key working relationships, and strategic challenges serve as an overarching guide for the organizational performance management system.

**System Operations**

The system operations are composed of the six Baldrige Categories in the center of the figure that define the operations and the results that the organization achieves.

Leadership (Category 1), Strategic Planning (Category 2), and Customer and Market Focus (Category 3) represent the leadership triad. These Categories are placed together to emphasize the importance of a leadership focus on strategy and customers. Senior leaders set the organizational direction and seek future opportunities for the organization.

Human Resource Focus (Category 5), Process Management (Category 6), and Business Results (Category 7) represent the results triad. The organization's employee and key processes accomplish the work of the organization that yields the business results.

All actions point toward Business Results—a composite of customer, product and service, financial, and internal operational performance results, including human resource, governance, and social responsibility results.

The horizontal arrow in the center of the framework links the leadership triad to the results triad, a linkage critical to organizational success. Furthermore, the arrow indicates the central relationship between Leadership (Category 1) and Business Results (Category 7). The two-headed arrows indicate the importance of feedback in an effective performance management system.

**System Foundation**

Measurement, Analysis, and Knowledge Management (Category 4) are critical to the effective management of the organization and to a fact-based, knowledge-driven system for improving performance and competitiveness. Measurement, analysis, and knowledge management serve as a foundation for the performance management system.

As shown is the dynamic relationships among these criteria in Figure 2. The primary focus of the award is on customer focus and quality and operational results. As the Malcolm Baldrige National Quality Award (2004) stated, the award is not given for a specific product or service, nor is it an endorsement of a company's product or service. It is given to those companies that have world-class systems for managing their people and processes. Each system must ensure continuous improvement in its product or service and provide a way of satisfying and responding to its customers. The seven categories are divided into several examination items. The examination items are further subdivided into several areas.

As shown in Figure 2, the senior executive leadership provides the driving force to create the values, expectations, goals, and the systems in order to guide and sustain the pursuit of quality excellence in satisfying customer requirements and corporate performance improvement. Management of process quality, human resource development and

management, strategic quality planning, and information and analysis provide a system to develop well-defined and well-designed processes for meeting customer satisfaction and corporate performance requirements. The quality and operational results category, on the other hand, provides the fact-based framework for measuring the progress and challenging actions in delivering the improved customer value and company performance. The basic aim of the quality process should be the delivery of ever-improving value to customers, which is reflected in the customer focus and satisfaction category.

The relative importance of these seven categories in terms of category point values and the associated percentages shows that customer focus and satisfaction carries the most weight. It should be noted that the examination items and their relative importance in terms of point values have been changed over the years based on the feedback from applicants, board of examiners and other quality experts.

Most companies use Malcolm Baldrige Award criteria as a quality blueprint to improve their quality to the point where they are as competitive as possible in the marketplace without competing for the award. Furthermore, as Reimann (1989) stated, the award can be adapted to the needs of any organization. The MBNQA, as Garvin (1991) said, not only codifies the principles of quality management in clear and accessible language, but also provides companies with a comprehensive framework for assessing their progress towards the new paradigm of management and such commonly acknowledged goals as customer satisfaction and increased employee involvement. Knotts *et al.* (1993), in their study involving 500 industrial and service firms, found that this is true. In particular, the respondents indicated that the MBNQA criteria were very useful as an internal assessment tool and, if followed, they will provide quantifiable results.

### 4.1.2 The European Quality Award

The European Foundation for Quality Management (EFQM) established the European Quality Award (EQA) for the first time in 1992, mainly to accelerate the acceptance of quality as a strategy for global competitive advantage, to stimulate and assess the development of quality improvement activities, and to recognize the companies in Western Europe that demonstrate excellence in the management of quality as their fundamental process for continuous improvement. The EQA is also supported by the European Committee of the European Organization for Quality (EFQM Level of Excellence, 2004).

### Fundamental Concepts of Excellence

The EFQM Excellence Model is a non-prescriptive framework that recognizes there are many approaches to achieving sustainable organizational excellence. Within this non-prescriptive approach there are some basic concepts that underpin the EFQM Excellence Model (EFQM Level of Excellence, 2004).

# The EFQM Excellence Model

Entries for the European Quality Award 2004 will be judge against the 2003 version of the EFQM Excellence Model. The Model is presented in diagrammatic form below:

**Figure 3: The EFQM Excellence Model**
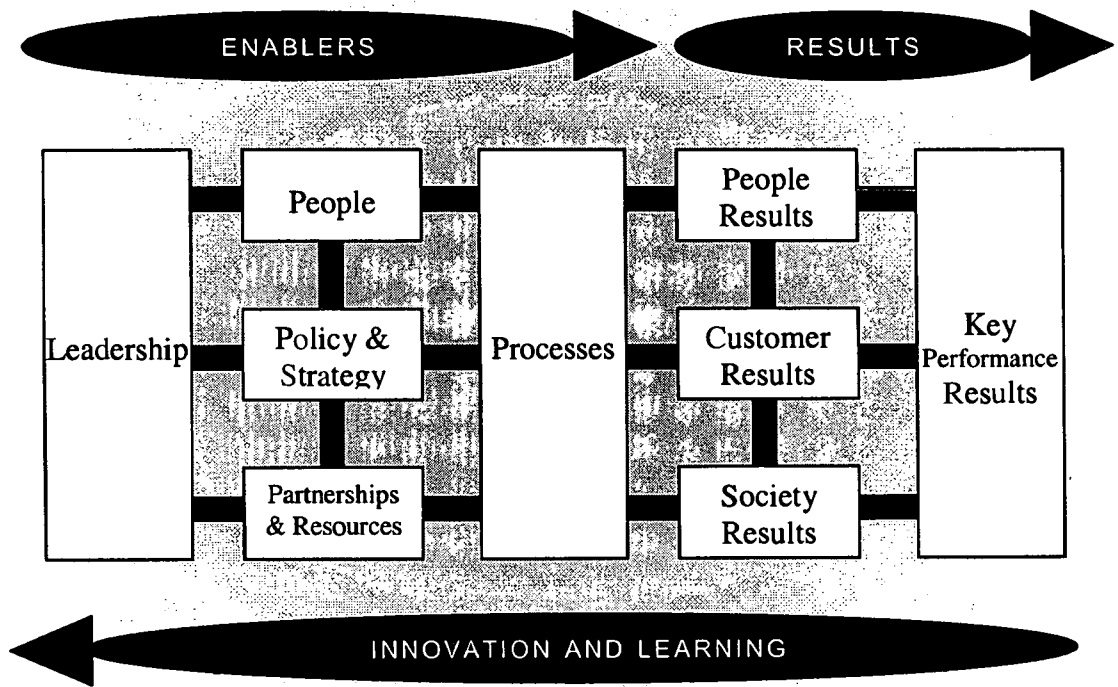


(Source: EFQM Levels of Excellence European Quality Award Information, 2004)

The nine boxes in the EFQM Model correspond to the criteria that are used to assess an organization's progress towards excellence. For convenience, it use **Enablers** and **Results** to group criteria. The Enabler criteria are concerned with *how* results are being achieved. The Results criteria are concerned with what the organization has achieved and is achieving. The arrows emphasize the dynamic nature of the Model. They show innovation and learning help to improve Enablers, which in turn lead to improved Results.

The achievement of excellence requires total leadership commitment and acceptance of these concepts. To start the process of gaining a mutual understanding of the importance of these Fundamental Concepts to an organization, the Fundamental Concepts of

Excellence consists of nine criteria for evaluation: **1** Leadership; **2** Policy and strategy; **3** People; **4** Partnerships and Resources; **5** Processes; **6** Customer Results; **7** People Results; **8** Society Results; and **9** Key Performance Results.

The dynamic relationships among these nine criteria describe the processes and the people, including the leadership, people, policy and strategy, partnerships and resources, and processes categories as the enablers that will accomplish the results which include customer satisfaction, people (employee) satisfaction, impact on society and key performance results.

The European Foundation for Quality Management has assigned a certain number of points for each of these nine criteria. The EQA gives the maximum weight to customer results. This is followed by (in order of importance) key performance results, processes, leadership, people, people results, partnerships and resources, policy and strategy and society results.

## Core concepts

The similarity of some core concepts between the Malcolm Baldrige National Quality Award (MBNQA), and the European Quality Award (EQA) are as follows:

### Customer Focus

As the quality gurus (Gronroos, 1978; Parasuraman, *et al.*, 1985) stated, quality must be defined by the customer. The quality process is a continuous loop that begins, ends, and begins again with the customer. Thus, the focus on quality must be from a process-driven discipline to a customer-driven discipline. All product or service attributes that contribute value to the customer and lead to customer satisfaction need to be addressed.

The concept of service quality improvement is the goal of producing facilities or services that customers want. Thus, customer focus must be the overall goal of all quality objectives and strategies in implementing strategic quality improvement.

## Leadership

All senior managers must create clear and visible quality values and high expectations and build their employees into the way the organization operates. This requires their personal commitment and involvement in substantial proportions. They must take part as role models in the creation of strategies, systems, and methods for achieving excellence in quality (Axland, 1993). Also, as Crosby (1980) said, the senior managers should position their companies in such a way that inspection, testing, checking, and analysis are not necessary. In addition, they should encourage leadership at all levels of management to maintain close relationships among the many divisions in an organization, communicate quality goals and objectives vertically down the organization, educate employees about making quality their first priority, and spread the concept of continuous improvement on an organization-wide basis (Dale & Tidd, 1991). Senior managers must demonstrate the leadership role they play in creating and communicating quality values and expectations and establishing the quality culture in their organizations in achieving the quality excellence. As Juran (1991) pointed out, stunning results cannot be achieved without the active and personal leadership of senior managers.

## Employees

Employees must work together to achieve quality and productivity objectives so that the product or service meets customer satisfaction. This requires a fully committed, well-trained and involved work force in all quality activities. Necessary actions to formulate and implement employee strategies for creating a quality culture and changing the organizational structure to do the right things correctly the first time are to be seriously considered. Innovative strategies related to multi-functional employee programs, self-managed teams of workers programs, and participative management programs must be encouraged to improve employee skills and knowledge as well as performance and

flexibility to solve quality related problems. Moreover, reward and recognition systems, quality of work-life environment consisting of safety, health, well being and morale, education, and training to reinforce full participation should be part of the system.

### Continuous Improvement

Continuous improvement is the cornerstone of service quality improvement in these models and requires well-designed and well-executed management of all systems and processes. Enhancing value to the customer through new and improved products and services; getting consistently uniform products and services by benchmarking; improving responsiveness; and improving effectiveness in the use of all resources should be the objectives for continuous improvement of all operations and of all work unit activities of the organization. This means promoting organizations to be learning organizations, taking initiatives to try something and taking correcting actions spontaneously, if something goes wrong. According to Deming (1986) and Juran (1991), the baseline for continuous improvement is the control of processes and the reduction of variation and waste.

## 4.1.3 Six Sigma Model

### Six Sigma and its Fundamentals

In recent years, there has been much interest in the applications of Six Sigma statistical techniques to process improvement (Breyfogle, 1999). Traditional manufacturing firms embrace Six Sigma as a vital process improvement mechanism. By applying the same principles found in Six Sigma, many service-focused companies obtain similar improvements, including reduced waste in internal processes and improved customer-facing metrics (Operations Management Roundtable, 2002).

DeYong and Sehwail (2003) believes that Six Sigma, originally initiated by Motorola and General Electric, offers a process improvement strategy that has been successfully applied in manufacturing. Service firms have recently tended toward Six Sigma methodology for internal processes and consumer centric as shown in Figure 4. Six Sigma identifies and aligns improvement initiatives with strategic objectives and business goals and looks at key processes across the entire system. Six Sigma examines quality, as defined by the customer, in order to focus on the requirements and expectations that are truly critical and measurable. Disciplined methodologies and aggressive variation reduction can speed improvement efforts and sustain gains.

**Figure 4: The Customer-Centered Six Sigma Way**
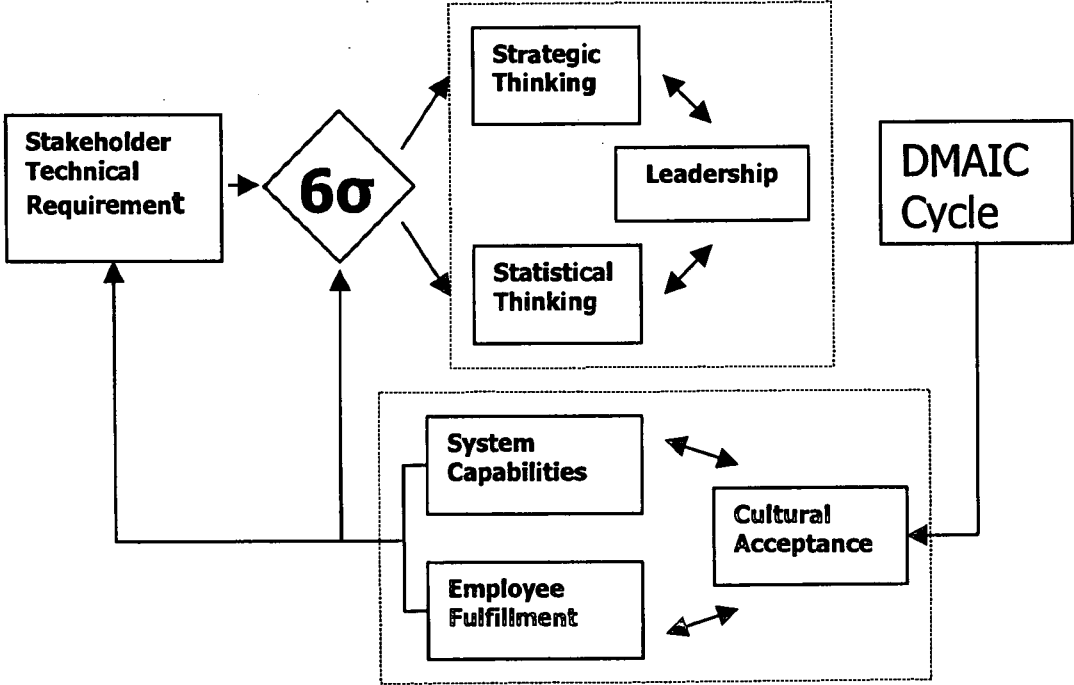


(Source: Adapted from Kuei & Madu, 2003)

However, Six Sigma has different interpretations and definitions for different people. The fundamental idea behind the Six Sigma philosophy is to continuously reduce variation in processes and aim at the elimination of defects or failures from every product, service and transactional process (Hoerl, 1998). Six Sigma can be defined in both statistical and business terms. In business terms, Six Sigma is a business improvement strategy used to improve profitability, to drive out waste, to reduce quality costs and improve the effectiveness and efficiency of all operations that meet or even exceed customers' needs and expectations (Antony & Banuelas, 2001). In statistical terms, Six Sigma is a term that refers to 3.4 defects per million opportunities (DPMO), where sigma is a term used to represent the variation about the process average.

## Challenges of Implementing Six Sigma in Service Industries

Manufacturing firms that successfully implemented Six Sigma generally followed the following three initiatives (Operations Management Roundtable, 2002):

### 1 *Focus on selecting and measuring the correct metrics.*

The define, measure, analyse, improve and control methods (DMAIC) present a clear strategy for Six Sigma implementation as shown in Figure 5. The definition phase entails the definition of the problem and the definition of critical quality characteristics that are most important to customers. In the measure phase, select the most appropriate output quality characteristics to be improved and establish what is unacceptable performance or a defect for such characteristics. Once this is done, gather preliminary data to evaluate current process performance and capability. In the analysis phase, we need to analyse the root causes of defects or errors. In the improvement phase, we need to reduce the defect rate or number of defects using simple but powerful statistical tools/techniques. For some processes, several rounds of improvements may be required to achieve a desired process performance or capability. In the control phase, we need to sustain the improvement that has been achieved from the improvement phase.

**Figure 5: The DMAIC Cycle**

Xvi : Vital Few Factor i.
Zi : Target Value for Xvi

| Define | Measure | Analyze | Improve | Control |
|---|---|---|---|---|
| Factors of Six Sigma Product/ Process $(X1,...,Xn)$ | Experimental Design plan $Y = F$ $(X1...Xn)$ | Trials (small scale production) /Pilot | $C_{pk}$/Critical Factor of Six Sigma | 7 Mgt. Tools /7 Basic QC Tools | Production plan $Xvi = Zi$ |
| Sequential House of Quality | | Product Lab/Process Lab | ANOVA probability plot $(Xvi)$ | | Full scale production |
| Stakeholder needs (Y)/Benchmarking Performance Gap. | | Further Optimization Opportunity | $C_{pk}$ | Variation / Waste reduction | SPC $(Xvi = Zi)$ |

**Customer/Supplier Participation**

(Source: Adapted from Kuei & Madu, 2003)

## 2 Create a process-oriented, data-based driver for change.

Six Sigma implementation cause companies to view change differently within their organization. To make a successful implementation, companies apply some of the following principles: implementation efforts must be driven by senior managers, Six Sigma must be integrated with existing initiatives and business strategies, efforts must

be led by fulltime trained team leaders, and supported by frame work of process thinking (DMAIC).

**3** *Identify the benefits and work to maintain the financial results.*

After defining the metrics and creating a cultural change within their organizations, companies must capture the financial rewards of Six Sigma, and continue to maintain these savings over time.

Despite demonstrable benefits seen in service-focused environments, manufacturing continues to be the focus of Six Sigma initiatives. Service industries implementing Six Sigma face a lot of challenges. The following are the major three challenges when companies implement Six Sigma in a service-focused environment (Operations Management Roundtable, 2002):

**1** *Service (non-production) focused environments struggle with metrics identification.* Companies in service industries are faced with two main challenges in selecting appropriate metrics:

- *Creating a measurement of a process.* For a production focused Six Sigma project, companies are able to count product defects as the measurement. For internal processes in a service environment, firms struggle to identify processes which can be measured in terms of defects per million.

- *Dealing with customer variability.* For many service companies, Six Sigma applies to customer service metrics. As a result, response differences (and defects) cannot be segmented individually due to greater variability of responses.

**2** *Non-manufacturing firms face difficulties with creating cultural change and creating new behaviors.* The most important element in shaping the vision of a Six Sigma culture is the creation of new behaviours that will help achieve the new goals and mission. Creating new behaviours is when resistance can begin.

**3** *Non-production focused environments fail to capture the benefits of Six Sigma application.*

Six Sigma projects must show cost savings. Companies have found difficulty in the past with other quality improvement strategies that did not demonstrate value. Six Sigma projects often require time and patience before results are demonstrable, and before employees see the progress of their work. Companies that do not create and reach goals for the financial benefits of Six Sigma may find themselves abandoning the projects soon after implementation.

However, Six Sigma has proven its benefits in service industries through successful implementation of many providers (DeYong & Sehwail, 2003; Eckes, 2000; Hendricks & Kelbaugh, 1998; Hoerl, 1998; Kuei & Madu, 2003). Appropriately implemented, Six Sigma clearly produces benefits in terms of better operational efficiency, cost effectiveness and higher processes quality. Six Sigma initiatives in service companies may start as a means to improve internal process, but eventually Six Sigma becomes an indicator of future performance and growth.

## Core Concepts Comparative Analysis

The ultimate objective of this part is to combine all the key ingredients from the existing literature on Six Sigma implementation by analyzing the success and failure stories of a number of organizations. This part illustrates the essential or key ingredients that are necessary for the effective implementation of Six Sigma projects. The key ingredients, which are essential for Six Sigma implementation, are as follows:

### Management Involvement and Commitment

Those who have implemented and practiced Six Sigma agree that the most important factor is continued top management support and enthusiasm (Henderson & Evans, 2000). People in the highest level of the organization must drive Six Sigma. In Six Sigma

success stories like Motorola, GE, and AlliedSignal, the CEOs are the ones who have made it possible. All of them support, participate and are actively involved and dedicated in company-wide Six Sigma initiatives.

Any successful initiative like Six Sigma requires top management commitment and provision of appropriate resources and training (Halliday, 2001). Some managers will find it easy to commit to Six Sigma. However, being committed to a course of action is one thing, but in order to be successful in implementing Six Sigma, there must be management involvement. Managers must be involved in the creation and management of the process management system and also participate in projects themselves (Eckes, 2000). Six Sigma should be part of everybody's job, including top management and senior managers (corporation, business unit, or even department managers). Without the top management commitment and support, the true importance of the initiative will be in doubt and the energy behind it will be weakened (Pande *et al.*, 2000).

**Communication**

A communication plan is important in order to involve the personnel with the Six Sigma initiative by showing them how it works, how it is related to their jobs and the benefits from it. By doing this, resistance to change can be reduced (Henderson & Evans, 2000). It is important to establish a communication program that can describe what should be communicated by whom and how often. It would help organizations to propagate their business strategy, customer requirements and work team. After implementation of Six Sigma projects, it is best to publish results, but these should not be restricted to success stories but also admit and communicate setbacks. It will help other projects in the pipeline to avoid the same mistakes and learn from mistakes.

**Organisational Infrastructure**

In order to implement Six Sigma within any organization, some organizational characteristics need to be already in place. For instance, it is highly desirable to have

some degree of communication skills, long-term focus/strategy and teamwork. Moreover, it should have enough resources and investment to embark on Six Sigma.

Companies that have decided to adopt Six Sigma must know that to see benefits, they need to wait, they need to have a long-term focus (Dale, 2000). To keep people interested in Six Sigma, small quick wins can be reached in the earliest phases and then focus on more ambitious projects that require more time and resources to reach them. Furthermore, teamwork is a fundamental element within Six Sigma. The value of teamwork formed by cross-functional teams will launch a sense of ownership, better communication, team working value and overall view of the organization (Aviation Week, 1998).

## Training

Training is a crucial factor in the successful implementation of Six Sigma projects. It is critical to communicate both the "why" and the "how" of Six Sigma as early as possible, and provide the opportunity to people to improve their comfort level through training classes (Hendricks and Kelbaugh, 1998). It needs to be provided by identifying the key roles of the people directly involved in applying Six Sigma.

Although these people are the ones who receive a proper training, this does not mean that they are the only individuals within the organization in charge of Six Sigma. They are agents of change who should spread the Six Sigma philosophy throughout the company. Operators who know their process better than anybody should also be familiarized with it since they are the main contributors of the quality in products and services (Antony, 2000).

## Customer Focus

Six Sigma should begin and end with the customer. Projects should begin with the determination of customer requirements. It is essential to set project goals based on reducing the gap between the company's expected and actual performance, especially in

terms of delivery time, reliability and customer satisfaction. The understanding of markets, operations, measures used and creativity to maximize value and performance are the core elements of Six Sigma approach (Pande *et al.*, 2000).

Eckes (2000) points out that Six Sigma should also be linked to what is important to the customer. An important issue here is the identification of the critical-to-quality characteristics (CTQ). Six Sigma is a performance target that applies to a single CTQ, not to the total product contrasting to other TQM initiatives. CTQs or customer's wants are identified quantitatively in the starting phase of the Six Sigma methodology. It is when several tools and techniques are applied in order to obtain data that describe customer expectations. In some cases this is not an easy task, especially when customer requirements are ambiguous, subjective and poorly defined. In service industries, this occurs more frequently than in manufacturing companies. For instance, Westin Hotels identified characteristics such as customer attention or amiability as CTQs. Traditionally these are difficult to define and measure. However, through Six Sigma approach they found different ways to measure these characteristics. They found that personnel of the Westin Hotel should be the first and last contact with the customer (Eckes, 2000).

From the above discussion, the key ingredients for implement Six Sigma will be important approach to compare with challenges faced by service companies.

The first challenge related to selected correct metric which will be reduced by increasing customer focus imperative. All metrics used for Six Sigma eventually be reduced or lead to customer needs and satisfaction.

The second challenge concerning cultural change and creating new behaviors can be overcome by clear communication and training. Organization infrastructure can also influence the efficacy of Six Sigma implementation. Promotion of cross-functional teams and eliminating bureaucratic procedures and rigid functional structures can promote acceptance of change in culture. Finally, the lack of clear apprehension of the benefits

and cost saving can be minimized with management involvement and commitment of the Six Sigma program.

In conclusion, as far as the author is concerned from the literature reviews, quality improvement models are useful in so much as they provide an overview of the factors which have the potential to influence the quality of an organization and its service offerings. Furthermore, the models facilitate our understanding and can help organizations to clarify how quality shortfalls develop.

## 4.2 Improvement Cycle

Oakland (1993) suggests that the Deming cycle of continuous improvement-PLAN DO
CHECK ACT as shown in Figure 6- clearly requires measurement to drive it, and yet it is
a useful design aid for the measurement system itself as follows:

PLAN:    establish performance objectives and standards.

DO:        measure actual performance.

CHECK:  compare actual performance with the objectives and standards-determine the
            gap.

ACT:      take the necessary actions to close the gap and make the necessary
            improvement (Deming, 1986).

**Figure 6: Deming Cycle**
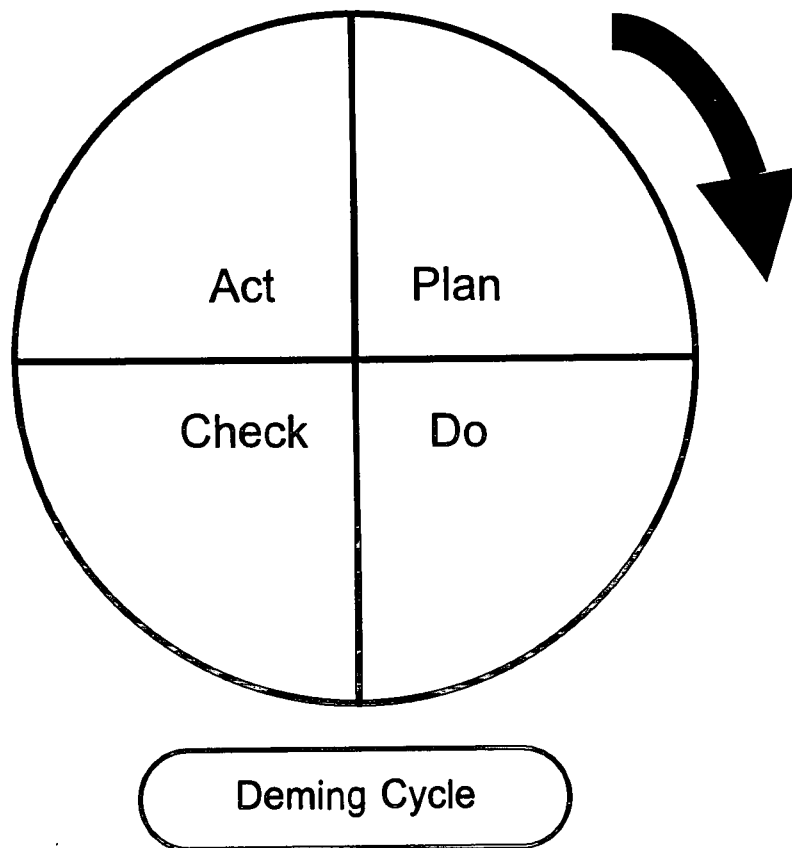


( Source: Adapted from Oakland,1993)

Moreover, Cleary (1995) further explains that Deming's cycle, also known as the Shewhart cycle after statistician Walter Shewhart, is illustrated in Figure 7. The cycle has been broken down further, into the seven-step process outlined originally by Kume (1988) and variations of that process, such as that utilized in the total quality transformation system (Ball *et al*, 1991). Regardless of the precise steps in the process, it is the structure of the improvement cycle itself that enables team members to address problems with confidence. Outcomes of the process include not only improvement of these problems, then, but a simultaneous enhancement of the individual employee's ownership of the organization's processes.

**Figure 7 : Seven-Step Improvement Process**
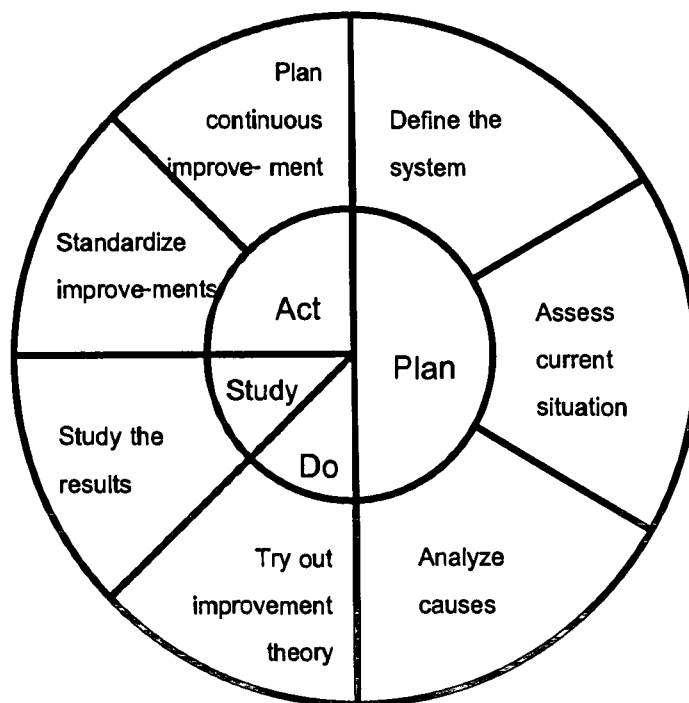


( Source: Adapted from Cleary,1995)

The emphasis of the cycle is on careful, step-by-step improvement based on data collection and analysis. Reflecting the scientific method, a theory of improvement lies at the heart of the process. That is, after enough data have been collected to understand and

describe a process as it exists, a theory is formulated by a project team to begin to address a particular aspect of that process. That theory is tested with appropriate action and observation, and ultimately it is standardized (if it has brought about improvement) or modified (if it has not). It represents a cycle because, regardless of how well the specific improvement may work, the improvement process calls for continuous monitoring and study to bring about even greater improvement. Every member of the team, which may represent all levels of the organization, participates at every step of the way, using problem-solving and team skills appropriate to that step.

## Other applications

Cleary (1995) points out that the seven-step improvement process applies to any organization and its systems, from manufacturing to government and education to various other service organizations. In a hospital, for example, the use seven-step approach to improvement brought about a reduction of waste of supplies that were provided to patients, and an improved tracking system for such supplies. Summarizing the steps to this improvement, they included:

- *Defining the system*: The tracking system for patients' supplies.
- *Assessing the current situation*: Using flow charting, the team traced the way in which the system was actually working when they began the improvement process (not the way team members thought it should operate, but what they actually saw happening). A deployment flow chart illustrated the steps in this system and the division of responsibilities for each of these steps.
- *Analyzing causes*: What emerged from the team's analysis of causes for supplies that were used but not tracked or billed was a cause-and-effect diagram illustrating these causes and breaking them down with respect to people, equipment, environment, measurement materials, and methods. A root cause seemed to lie in the fact that patients were often admitted when a unit secretary was not on duty, and therefore supply usages were not correctly attributed.

- *Trying out an improvement theory*: After discussing the implications of data that had been collected and analyzed, the team formulated its theory: if charge cards were assigned to patients at the point of admission, tracking and charging of supplies would improve.

- *Studying the results*: Putting the theory into place demanded continued data collection and analysis. Control charts and other tools reflected ways in which the supply tracking was affected by the change in the system which the team had made.

- *Standardizing the improvement*: Data suggested that the improvement theory seemed to be correct and the change in the system brought about improvement; therefore, the team took steps to make the changes standard practice.

- *Planning continuous improvement*: No improvement process is ever "finished", since systems can always be improved even further. The hospital team continued to gather data which led to its next improvement project related to supply usage.

# Section V: Service Quality Improvement in the Hotel Industry

## 5.1   Concepts of Service Quality Improvement

In today's hospitality environment, the true measure of company success lies in an organization's ability to continually satisfy customers. Increasingly, customers are demanding value for money in terms of both the price/quality ratio and actual quality of product or service being offered (O'Neill, 2001). Consequently, to ensure market success, hospitality organizations of all types are now being forced to stand back and take a long, hard look at the way they are currently doing business.

Given the increasingly competitive nature of the hospitality environment, industry professionals must now concern themselves with not only increasing market share, but also satisfying and maintaining the existing customer base. Consequently, a large proportion of organizational effort is now being directed at "both getting and keeping customers" (Christopher *et al.*, 1991). Evidence suggests that an organization's ability to deliver consistently on the service quality front will, without doubt, go a long way toward achieving this central business objective. Indeed, the importance of service quality, and its relationship with customer satisfaction, brand loyalty, and market share, has long been lauded by those in the hospitality field (Knutson, 1998). Both are now viewed as fundamental to the well being of individual customers, which will have a significant effect on post-purchase perceptions and, in turn, future purchase decisions.

In an attempt to achieve sustained competitive advantage, hospitality organizations are now investing quite heavily in a host of service quality improvement initiatives. O'Neill (2001) observed that the hospitality industry has been investing quite heavily in raising quality standards through human resource development. Such initiatives include the Investors in People Award, the Welcome Host Initiative, and various vocational qualification schemes. Oliver (1996) describes these initiatives as belonging to the total

quality management movement, advocating organizational strategies and changes, which are thought to make a firm more customer friendly. It is believed that the attainment of satisfaction will be enhanced if practices such as instilling the appropriate organizational culture, personnel training and customer responsiveness within employee ranks are followed.

According to Van Der Wagen (1994, p.4), individual "customers have many different perceptions which are influenced by their education, upbringing, experience and many other factors." Therefore, as hospitality professionals whose future very much depends upon these customers' perceptions of actual service delivery, we must strive to gain an understanding of how we are performing in the customers' eyes. As Bank (1992, p.4) states, " the idea is to stay ahead of the customer, to anticipate his or her needs...so that when he or she articulates the need you have already planned for it and are ready (ahead of the competition) to meet it." Knowledge of customer perceptions of the service offering would undoubtedly aid hospitality professionals in this process.

In proposing a more behavioral focus, Oliver (1996, p.7) goes on to state that such managerial practices alone cannot guarantee customer satisfaction for the principal reason that management cannot see "inside the head of its constituents." By adopting a more behavioral focus, however, "managers may be better able to see the working of the consumer's mind, and in so doing may be better placed to consistently satisfy customer demands." The central tenet of any such approach is the study of consumer perceptions of service quality or that process by which individuals select, categorize, and interpret purchase and nonpurchase-related stimulants, which, in turn, may lead to either first time, repeat, or transferred patronage.

## 5.2 Service Quality Measurement

According to Witt and Muhlemann (1995), an integral part of any organization's attempt to instil a "quality culture" is a commitment to a process of "continuous improvement". To support this, a systematic approach to quality measurement is needed. This is especially true of businesses whose predominant product is service, but, unlike their counterparts in the manufacturing sector, they have fewer objective measures of quality by which to judge their production (Hudson and Sheppard, 1998). Cronin and Taylor (1992, p. 50) concur with this viewpoint, stating that managers need to know "what aspects of a particular service best define its quality." In turn, this should enable the organization to take up a competitive position based upon its ability to deliver that which is demanded as opposed to that which the organization perceives to be in demand. The fact is that clear, sustained, and continuous quality improvement is not possible without some indication of quality performance. To know the real effect of changes over time, managers need measures to compare the quality performance of the service (Edvardsson *et al.*, 1994).

Also, Ramaswamy (1996) identifies three different sets of measures with which a company must be concerned:

1. *Service performance* are measures that are primarily internally focused and evaluate the current performance of the service and ensure that it is continuing to reliably meet the design specifications.

2. *Customer measures*, on the other hand, are both internal and externally focused, and aimed at assessing the impact of the service performance on customers.

3. *Financial measures* are indicators of the financial health of the organization.

Naturally, the correlation between financial and customer measurements will determine the revenue-generating potential of the service, while the relationship between service performance measures and customer measures will give some indication as to how the

service is performing in the customers' eyes. In turn, this will have a direct bearing on a company's financial performance and overall market share.

It cannot be assumed, however, that a service that continues to meet internal performance standards will continue to provide the desired level of customer satisfaction. Customer-perceived measures must be independently developed and correlated with performance. These measures will direct future improvement efforts aimed at both improving operational efficiency and satisfying and retaining customers.

Although traditionally it has been easy for operators to claim that the unique characteristics of services precluded any attempt at measurement, the present-day competitive environment has forced a serious rethinking of this attitude. This is especially true of the hotel industry, where an increasing oversupply of hotel accommodation worldwide has forced managers to invest in the delivery of high level of service quality as a competitive strategy aimed at differentiating their product and service offering. As evidence continues to suggest that continual measurement is one way of differentiating the successful long-term quality improvement program, it has become imperative for managers to provide for its application in the hospitality context (Lewis, 1987; Getty and Thomson, 1994).

Moreover, Gabbie and O'Neill (1996) suggest that organizations from all economic sectors are now turning to service quality as the means of differentiating their business offerings and turning one-time customers into longer-term clients. This requires an approach to quality improvement that concentrates on the continual measurement of service quality as perceived by the customer. In short, what gets measured gets done, completed, and continually improved upon.

Also, Durand and Eccles (1997) point out that important influences on the level of customers' expectations often go beyond the control of the service provider. The benefit of the SERVQUAL measurement scale is that the impact of management action on service quality can be assessed and monitored by its use, and conclusions can be drawn

about the focus of the organization, i.e. how well it is doing against those factors which are regarded as being most important by the customers. Furthermore, understanding shifts in customer expectations, by service quality dimension, may yield important information influencing the design and specification of this and other, related, services provided by the organization. Finally, identifying the gaps in meeting customer expectations, by their category of service dimension, will support better prioritization by the organization in developing future service improvements.

## 5.2.1 SERVQUAL

In an effort to understand the main concepts incorporated in making service quality better, many conceptual quality models have been granted. Obviously, service quality research has given customer perspective a predominant role and these quality models have centred on measuring the gaps between customer expectations and experiences as a determinant of satisfaction. Much of this recent research has been carried out within the framework of the Service Quality Gap Model of Parasuraman *et al.* (1985). This conceptual framework has made a substantial contribution to our understanding of the concept of service quality and the factors that influence it by identifying "gaps" which can occur in organizations.

The SERVQUAL model of service quality claims that the consumer evaluates the quality of a service experience as the outcome of the difference or "gap" between expected and perceived service (Parasuraman *et al.*, 1991). The model helps analyse possible sources of quality problems through the identification of five discrepancies between the various elements of the basic structure, termed as "quality gaps." These following five quality gaps are the result of inconsistencies in the quality management process:

### Gap 1. The Management Perception Gap
Managers' perceptions of customers' expectations may be different from actual customers' needs and desires, suggesting that management perceives the quality expectations inaccurately.

**Gap 2. The Quality Specification Gap**

Divergences in service quality specifications might signify that even if customer needs are known, they may not be translated into appropriate service specifications.

**Gap 3. The Service Delivery Gap**

This is referred to as the service performance gap and denotes that quality specifications are not met by the performance in the service production and delivery process.

**Gap 4. The Market Communication Gap**

This gap indicates that promises given by market communication activities are not consistent with the service delivered.

**Gap 5. The Perceived Service Quality Gap**

This gap results when the perceived service falls short of the expectations of customers. It compares actual to perceived service delivery.

**Strengths of the SERVQUAL**

As far as the author's concern with the SERVQUAL tool from many research studies in service quality area (Akan, 1995; Buttle, 1996; Cronin & Taylor, 1994; Dean *et al.*, 1999; DeSarbo *et al.*, 1994; Ekinci *et al.*, 1998; Ghobadian *et al.*, 1993; Knutson *et al.*, 1992; Luk *et al.*, 1993; McColl-Kennedy & White, 1997), the benefits derived from the SERVQUAL tool are clear and may be summarize as follows:

- SERVQUAL gives management a clear indication of how the company is performing in the customer's eyes.

- It helps prioritise customer needs, wants, and expectations by identifying what is most important in the customer's eyes. This information can be gleaned from the weighting of individual dimensions.

- It allows the organization to set an expected standard of performance that can then be communicated to all staff and customers.

- It can also identify the existence of any gaps between customers and providers and thereby helps focus improvement efforts by directing organizational energies at closing these gaps.

**Weaknesses of the SERVQUAL**

Many articles in the service quality area deal with some problems with the SERVQUAL model (e.g., Cronin and Taylor, 1994; Teas, 1993). The principal criticism is related to the fact that the SERVQUAL model is based on disconfirmation theory, in which Parasuraman *et al.* (1985) define service quality as a "gap" between consumer's expectations and their perceptions of the performance of the firm providing the service. However, Parasuraman *et al.* (1985) and other researchers within the field seem to be aware of the differences between satisfaction and service quality; they stress that in distinguishing service quality from satisfaction, researchers have defined quality as a form of attitude—a long-term overall evaluation—whereas satisfaction is transaction specific. Nevertheless, this statement does not seem to be reflected in the principles and structure of the SERVQUAL scale (Cronin and Taylor, 1994). Moreover, the applicability of the SERVQUAL model's five generic dimensions of service quality to hotel and tourism industry is also increasingly being questioned (Ekinci *et al.*, 1998; Ekinci and Riley, 1998). Furthermore, Buttle (1999) stated that SERVQUAL has undoubtedly had a major impact on the business and academic communities. He did review a wide range of literature and concluded that although SERVQUAL is growing in popularity and is widespread in its application, it has been subjected to a number of theoretical and operational criticisms.

# 5.3 Approaches for Service Quality Improvement

According to Berry *et al.*(1994), one of the common mistakes in service quality improvement to be aware of is business providers spend money in ways that do not affect the improvement of service quality and, in effect, they do not have any incentives to spend more as their money invested does not produce any results. Accordingly, the management has to take this into consideration to prevent such mistakes.

To achieve the objectives of service quality improvement, various kinds of approaches can be employed. However, in this research some effective approaches and tools will be presented as follows:

## 5.3.1 ISO 9000 Quality Standard

ISO stands for International Organization for Standardization and ISO 9000-2000 is quality management of products and services provided to customers in order to ensure their standardization and consistency in delivery by establishing the processes, procedures, and plans for quality systems, quality control, quality assurance, and quality improvement. To succeed in ISO 9000 implementation, the management have to set up effective approaches to achieve quality goals, define customer requirements and expectations, encourage participation from all staff within the organization, develop record systems for quality improvement and quality audits, and take action when mistakes are made (Wiraseranee, 1999; Uthairat, 1999).

The process to implement ISO 9000 is as follows:

Firstly, the studies about the ISO concept with the training for the ISO working team have to be done in order to build the ISO understanding and adjust attitudes among working team members. Secondly, the scope of ISO 9000 implementation has to be defined, whether some departments or units or the whole organization will adopt and implement the ISO system. The strict quality policy, with the commitment from the management, has to be defined and announced throughout the organization. Thirdly, the resources, including staff and budget, have to be planned and the quality system documentation required by ISO 9000 has to be reviewed and prepared. After that, the ISO 9000 implementation will be processed as planned with quality improvement, quality maintenance and quality auditing. Finally, ISO 9000 certification has to be approved (Uthairat, 1999).

The benefits of ISO 9000 implementation are many and can be seen in the following areas: the quality improvement of service and product; the development of each staff

knowledge, understanding, skills and attitude; the encouragement of teamwork and cooperation; and cost savings due to the decrease in cooperative actions and preventive actions. In addition, the customer satisfaction, customer loyalty and profits will increase as a result of the improvement of corporate brand image and the building of competitive advantage for the organization (Wiraseranee, 1999).

The ISO 9000 series, which was introduced by the International Standards Organization in 1987 as a quality system model, forms a useful standard guide for quality assurance in business operations. An ISO 9000 certificate proclaims to the world that a company has a standard procedure for every part of its business that it follows every time, that it measures its own performance, and that it constantly tries to make improvements.

Daskalakis and Ingram (1999) point out that the ISO standard has not been widely adopted in hotels because it requires the formation of formal procedures for the implementation and control of quality in all aspects of the operations. Quality system standards offer useful guidance for the effectiveness of the processes and provide an in-depth consideration of what needs to be controlled (Stebbing, 1989). Asher (1996) describes the ISO standard as one that documents what a firm does, not what it produces.

Accordingly, Daskalakis and Ingram (1999) suggest an approach for improving hotel service quality by using the ISO quality standard to measure quality gaps in hotels. They point out that one way of increasing the focus on quality in hotels is through the International Standards Organization (ISO) quality accreditation ISO 9000, and their study investigates the way that ISO-accredited hotels in Crete manage service quality. The main aim is to explore the extent to which the ISO accreditation enables hotels to anticipate and match the needs of their guests, and this can be tested by measuring the gaps in perceptions.

Following Gabbie and O'Neill's (1996) findings that the hotels in their study placed too strong an emphasis on the more tangible elements of customer service, the study conducted by Daskalakis and Ingram (1999) aimed at testing the importance placed on

tangibles and intangibles by providers and customers in ISO-accredited hotels. Despite reservations about the SERVQUAL instrument, it does enable a gap analysis to be made between the views of the main stakeholders: customers and providers.

The findings of the study conducted by Daskalakis and Ingram (1999) produce very interesting results. They found that leisure guests in the Cretan hotels view tangibles as the most important satisfaction attribute. The prime factor in booking a holiday hotel might include comfortable bedrooms, facilities for children, attractive public areas, bars and restaurants. This emphasis on tangibles has been confirmed in studies in which guest perceptions were ranked in order of preference. However, the managers in the study regarded tangibles as the least important quality dimension for guests. This gap raises some issues about how managers should monitor quality and prioritise resources to manage it effectively. In addition, this gap calls into question the assumption that all five dimensions of quality are equally relevant in every hotel context, as suggested by Balmer and Baum (1993).

In most cases, service quality in the study met or exceeded the expectations of the guests. Daskalakis and Ingram (1999) identify differences in the expectation in hotels of four- and five-star standards. Guests of the five-star hotels demonstrated an assumption that tangible quality would be provided and that excellence would be differentiated by empathy or individual attention. They were more likely to be disappointed than the four-star guests, who were more focused on those tangible attributes that they might have read about in their holiday brochure. In that sense, they may be said to have a clearer view of what they expected than the five-star guests, who hoped to be delighted in a rather unclear way. This emphasises the difficulty of managing hotels of luxury quality and of specifying and delivering intangible quality.

## 5.3.2  Soft System Methodology  (SSM)

The systems approach is a widely used method of exploring the nature of complex business situations by mapping the activities in a systems model.  Systems can be described as "hard" or "soft."  Hard systems have precise objectives that can be expressed in mathematical terms whereas soft systems are used in relation to human activities where there is unlikely to be agreement about the precise objectives of the system (Kirk, 1995). Soft systems may, therefore, be appropriate to the study of people-orientated hospitality activities.

As Johns *et al.* (1994) argue, the "hard" systems approach is limited in scope because of the assumption that the transfer of tangible items is the main focus of the system. Alternatively, the "soft" systems approach emphasizes the "rich picture," where there is a need to consider every feature of the system being studied. Hospitality operations are complex and involve much interpersonal contact between staff and customers as well as connection with other systems such as human resources and finance. Accordingly, the "soft" systems approach is particularly appropriate for the study of hotel operations and enables its richness and complexities to be modelled without preconceptions.

Moreover, Patching (1990) explains how soft systems methodology (SSM) can help to unpack complexity using a mixture of systems thinking in the systems world and practical activities in the real world.  The steps involved in soft systems methodology moving from the real world to the systems world and back again to the real world. From an unstructured situation, the problem is expressed in the form of conceptual models, which are compared with reality in order to elicit desirable action. Patching (1990) proposes the mnemonic CATWOE to use as a checklist to ensure that the all the components of the root definition are covered:

> **C.** Clients or customers;
>
> **A.** Actors who carry out the activities within the system;
>
> **T.** Transformation, or the changes that take place in converting the inputs to outputs;
>
> **W.** Worldview, or how the system is perceived from a particular viewpoint;
>
> **O.** Owner of the system;

**E.** Environment, or the world that surrounds and influences the system.

A case study by Ingram (2000) that uses soft systems methodology to manage hotels stands out for this approach. His study considers the use of the soft systems methodology to understand the complexity of hospitality operations and demonstrates its use through a fictional case study, which is drawn from real-life experiences. He points out that complexity and a focus upon operations that characterizes the modern hospitality industry often prevents management from spending time on reviewing strategic business activities. His article argues that soft systems methodology can be a useful tool to understand and map complexity and to solve problems. This approach is demonstrated in practice through the use of a fictional case study of the Faraway Hotel, where soft systems analysis helped the owner to think more objectively about improving his business.

Finally, Ingram (2000) concludes that soft systems methodology can be a powerful tool to review business activities in the hospitality industry, which is often complex and people-orientated. Soft systems methodology can be a useful tool in conceptualising and modelling hotel operations in a holistic way as well as emphasising the richness of its socio-technical systems.

## 5.3.3 Total Quality Management (TQM)

Total Quality Management is the management of work system and work discipline in order to protect and reduce errors and mistakes in the organization and create value in each work process to meet the success of the corporate operational functions in the areas of customers services, marketing, human resource, finance and accounting with the cooperation and participation from all staff (Makasiranont, 1998). In the U.S., The Malcolm Baldrige National Quality Award was established in 1998 to be granted annually for U.S. companies excelling in quality management and quality achievement. This leads to the awareness of the importance of quality to competitiveness,

understanding of the requirements for excellence in quality, and sharing of information on successful quality strategies (Makasiranont, 1998, p.80; Zeithaml & Bitner, 1996, p.253).

The following are the basic concepts for setting up a quality plan for TQM:

1. Customer satisfaction is the centre for the TQM plan since customer satisfaction indicates the business's survival in the long term.

2. The establishment of vision and a plan for all services (products) are required to create their strategic positioning.

3. The understanding of customer need is necessary to serve customers appropriately.

4. The analysis of the company's and competitor's strengths and weaknesses is essential to understand the competitive position.

5. One's own ideas and creativity, not imitation, is one of the key success factors.

6. The cooperation and participation from all staff is encouraged to gain the information.

7. Sub-strategies are required as much as possible and then the selection of main strategies will be done to enhance the quality of the strategic plan (Lueprasitsakul, 1998).

Furthermore, the result of a case study conducted by Breiter *et al.* (1995) shows that total quality management in hotels is becoming more commonplace. But the meaning of total quality management (TQM) is often misunderstood. They present an overview of TQM and a case study of quality processes in a US hotel company. Bergstrom Hotels of Wisconsin has been practising quality principles since 1989. What started out as a "quality commitment" has evolved into "continuous improvement." The case study explains a variety of the tools used by Bergstrom, including the team process, data-based decision making, and human resource support systems.

Interestingly, Breiter *et al.* (1995) conclude that the Bergstrom hotels' experiences are important because they prove that quality can be achieved with standard staffing levels and reasonable investment. In fact, one of the most important features of Bergstrom's process is that it is affordable. There is no quality manager or training manager at the corporate or property level. While the quality initiative came from the senior managers, all company employees acted on it. By making quality a part of everybody's job, from the president of the corporation to the bus person in the restaurant, quality is truly the guiding principle for the hotels.

Consequently, Bergstrom has designed a culture that is quality oriented. A shared vision is achieved, largely through communications, relationships, measurement and training. Customer satisfaction is understood through the use of surveys and interviews and continuous improvement of processes is now the job of all Bergstrom staff.

## 5.3.4   Benchmarking

According to Furey (1987, p. 30),

> The main goals of benchmarking are to: identify key performance measures for each function of a business operation, measure one's own internal performance levels as well as those of the leading competitors, compare performance levels and identify areas of comparative advantages and disadvantages, and implement programs to close a performance gap between internal operations and the leading competitors.

Moreover, benchmarking involves searching for the best way to achieve the objectives of service quality improvement by establishing a firm's performance relative to its competitors to obtain long-term superiority. Benchmarking originated in Japan and is known as the concept of *dantotsu*, which means the best of the best (Zeithaml & Bitner, 1996, p.231) and it has been widely used in various kinds of industries, not only the service industry, and in wide range of functions within the organization such as marketing, sales, advertising, distribution, research and development (Payne, 1993).

Respectively, the service company who would adopt benchmarking needs to set the operations standards to be achieved. Four types of benchmarking exist as follows:

1. Internal benchmarking – against the best internal operations.
2. Competitive benchmarking – against external direct service competitors.
3. Functional benchmarking – against external functional best operations.
4. Generic benchmarking – against generic functions or processes regardless of industries (Zeithaml & Bitner, 1996).

Furthermore, even though the application of benchmarking to the service sector is challenging due to the intangible nature of service quality and the subsequent lack of universal service standards, benchmarking has been successfully applied to the hotel industry (e.g., Morey and Dittman, 1995; Min and Min, 1996, 1997; Phillips and Appiah-Adu, 1998). The application of benchmarking to hotel organizations consists of four steps:

(1) identify and prioritize customer service attributes that influence the customer's perception of service quality;

(2) develop service metrics as performance standards;

(3) identify the best-practice hotel as a benchmark and compare the hotel's service performance with that of the benchmark using performance gap analysis; and

(4) develop a strategic action plan for continuous service improvement (Balm, 1992; Camp, 1989; Min and Min, 1996).

## 5.3.5 Business Process Reengineering (BPR)

BPR involves creating new processes and approaches for the company's operational function to serve customers with higher value propositions, especially quick responsiveness with appropriate results which might mean the existing processes and approaches have to be completely ignored and changed to the new ones (Zeithaml &

Bitner, 1996). Reengineering is not organization downsizing and its impact may somehow reduce the number of staff due to the new efficient processes (Panthubanyong, 1994). In addition, reengineering is different from Total Quality Management principally in the way that reengineering changes existing processes radically whereas TQM focus on the improvement of existing process gradually and continuously. However, both approaches support each other (Panthubanyong, 1994).

For TQM and BPR to support one another, many tasks that are repetitive and related will be reduced and merged into a single task leading to operational cost savings and various independent tasks can be processed at the same time to reduce the service time. Moreover, staff will be enhanced to make a decision by themselves, to work as a team, and to adjust tasks to serve customers in different situations, and, most importantly, they will be proud with the work results; thus, staff will be considered as an important factor in the service process of bringing about high motivation and work satisfaction. At the same time, managers will no longer act as supervisors, but as trainers, and customer needs will be more attended to than managers'. In doing so, information technology should be employed to support information sharing as a decision making tool and to reengineer the work process. Finally, the corporate culture will be shifted from the preventive actions to productivity efficiency and the organizational structure will be changed from hierarchy to flat (Panthubanyong, 1994).

## 5.3.6 Team Building

In the service environment, it is commonplace for staff to be stressed and exhausted, both mentally and physically, due not only to the demands and number of customers, but also to the conflicts within the organization. Teamwork is considered as an essential dynamic tool in motivating staff attitudes and energies, creating an enjoyable and inspirational work environment, improving the quality of work life and job satisfaction, and assisting problem solving and decision making (Berry *et al.*, 1994). In addition, co-workers can help other staff to solve service performance shortfalls and take other tasks in their absences (Berry *et al.*, 1990; Berry *et al.*, 1994; Newman *et al.*, 1998).

In the delivery process, service spans multiple functions and departments throughout the organization (Berry *et al.*, 1994). The effective promotion of teamwork means that the management has to support employees to work together as a team to coordinate their efforts, regardless of their functional affiliations, for the ultimate benefit of the customers. Creating teams, especially across functions, is not an easy task due to many barriers that must be overcome. However, if team building is done well, the benefits for the company can be outstanding (Zeithaml & Bitner, 1996).

## 5.3.7 Selection, Acculturating, and Training

Selection, acculturating, and training are the responsibility of the management team and are closely related and considered major parts of service excellence implementation. Selecting involves choosing the right service staff for each job and acculturating involves instilling the corporate culture and vision into the staff. Training, as the bedrock of the customer service, helps them to understand and perform their duties appropriately as expected. Usually employees need ongoing training in the necessary technical skills and knowledge and in process or interactive skills (such as providing courteous, empathetic, responsive and caring service). Thus, training has been viewed as an important investment for future success (Zeithaml & Bitner, 1996).

Employee training programs are thought to be critical in improving the level of service provided by an organization, and to increase customer satisfaction and loyalty. Indeed, Bill Marriott, CEO of Marriott Corporation, has claimed "you start with good people, you train and motivate them, and you give them an opportunity to advance, then the organization succeeds" (Zemke & Schaaf, 1990).

Moreover, organizations that recognize the importance of service encounters and in particular the interactions between front line service providers and their customers spend considerable effort, time and other resources in training their employees in service encounters. As training is a crucial factor in the successful implementation of service

quality improvement projects. It is critical to communicate both the "why" and the "how" of service quality approaches for improvement as early as possible and provide the opportunity to people to improve their comfort level through training classes (Hendricks and Kelbaugh, 1998).

## 5.3.8 Six Sigma

Six Sigma has different interpretations and definitions for different people. The fundamental idea behind the Six Sigma philosophy is to continuously reduce variation in processes and aim at the elimination of defects or failures from every product, service and transactional process (Hoerl, 1998). Six Sigma can be defined in both statistical and business terms. In business terms, Six Sigma is a business improvement strategy used to improve profitability, to drive out waste, to reduce quality costs and improve the effectiveness and efficiency of all operations that meet or even exceed customers' needs and expectations (Antony & Banuelas, 2001). In statistical terms, Six Sigma is a term that refers to 3.4 defects per million opportunities (DPMO), where sigma is a term used to represent the variation about the process average.

Moreover, Six Sigma has proven its benefits in service industries through successful implementation of many providers (DeYong & Sehwail, 2003; Eckes, 2000; Hendricks & Kelbaugh, 1998; Hoerl, 1998; Kuei & Madu, 2003). Appropriately implemented, Six Sigma clearly produces benefits in terms of better operational efficiency, cost effectiveness and higher processes quality. Six Sigma initiatives in service companies may start as a means to improve internal process, but eventually Six Sigma becomes an indicator of future performance and growth.

In addition, according to Parasuraman *et al.* (1988), the gaps which help the management analyse possible sources of quality problems through the identification of five discrepancies between the various elements of the basic structure, termed as "quality gaps." These five quality gaps are the result of inconsistencies in the quality management

process. Accordingly, the above mentioned service quality improvement approaches may resolve the quality gaps as following;

**Table 1: Approaches for Reducing Service Quality Gaps**

| Reducing Gap | Improvement Techniques |
|---|---|
| Gap 1: The Management Perception Gap | Soft System Methodology (Ingram, 2000) |
| Gap 2: The Quality Specification Gap | ISO 9000 (Balmer & Baum, 1993; Daskalakis & Ingram, 1999; O'Neill, 1996; Uthairat, 1999; Wiraseranee, 1999), TQM (Breiter *et al.*, 1995; Lueprasitsakul, 1998; Makasiranont, 1998; Zeithaml & Bitner, 1996), Benchmarking (Balm, 1992; Camp, 1989; Morey and Dittman, 1995; Min and Min, 1996, 1997; Phillips and Appiah-Adu, 1998). |
| Gap 3: The Service Delivery Gap | Training (Zeithaml & Bitner, 1996), ISO 9000 (Daskalakis & Ingram, 1999; O'Neill, 1996; Uthairat, 1999; Wiraseranee, 1999), TQM (Breiter *et al.*, 1995; Lueprasitsakul, 1998; Makasiranont, 1998; Zeithaml & Bitner, 1996), Benchmarking (Balm, 1992; Camp, 1989; Morey and Dittman, 1995; Min and Min, 1996, 1997; Phillips and Appiah-Adu, 1998), Business Process Reengineering (Panthubanyong, 1994; Zeithaml & Bitner, 1996), Team Building (Berry *et al.*, 1990; Berry *et al.*, 1994; Newman *et al.*, 1998; Zeithaml & Bitner, |

| | 1996), |
| :--- | :--- |
| | Six Sigma (Antony & Banuelas, 2001; DeYong & Sehwail, 2003; Eckes, 2000; Hendricks & Kelbaugh, 1998; Hoerl, 1998; Kuei & Madu, 2003). |
| Gap 4: The Market Commmunication Gap | TQM (Breiter *et al.*, 1995; Lueprasitsakul, 1998; Makasiranont, 1998; Zeithaml & Bitner, 1996). |
| Gap 5: The Perceived Service Quality Gap | ISO 9000 (Daskalakis & Ingram, 1999; O'Neill, 1996; Uthairat, 1999; Wiraseranee, 1999), Team Building (Berry *et al.*, 1990; Berry *et al.*, 1994; Newman *et al.*, 1998; Zeithaml & Bitner, 1996). |

# Section VI : Critical Success Factors and Barriers to Achieve Service Quality Improvement in the Hotel Industry

This section will provide an overview of relevant literature that addresses the determinants of critical success factors of service quality improvement, the barriers to success, and strategies for overcoming barriers. A review such as the one in the following sections below has added significance in its ability to help senior management, administrators, and researchers review and re-evaluate components of their programs to better meet the needs of their guests. The factors affecting the service quality improvement in the hotel industry that will be included in the discussion as follows:

**Figure 8: Factors Affecting Service Quality Improvement in the Hotel Industry**

```
                   ┌─────────────────────────────────┐
                   │  Service Quality Improvement     │
                   └─────────────────────────────────┘
           ┌───────────────┴───────────────┐
           ▼                               ▼
┌──────────────────────┐      ┌──────────────────────┐
│ Critical Success     │      │  Barriers to Success  │
│ Factors              │      │                       │
│                      │      │  • Staff              │
│ • Management         │      │                       │
│                      │      │  • Communication      │
│ • Hotel facility and │      │                       │
│   provided service   │      │  • Cultural change    │
│                      │      │                       │
│ • Service quality    │      │  • Work process       │
│   measurement        │      │                       │
│                      │      │  • Technology         │
│ • Approaches for     │      │                       │
│   service quality    │      │  • Customer           │
│   improvement        │      │                       │
└──────────────────────┘      └──────────────────────┘
```
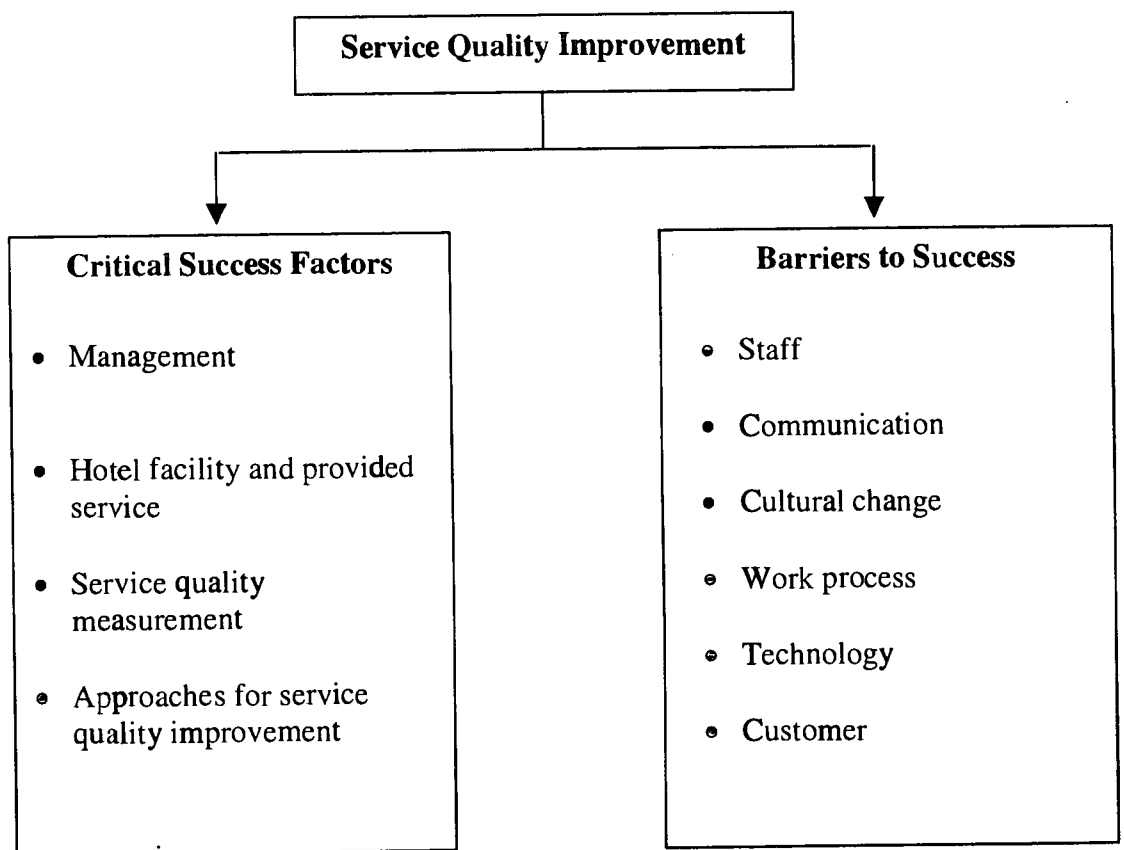
(Source: Developed for this study)

58

# 6.1 Critical Success Factors

To achieve the objectives of service quality improvement, various kinds of factors can be employed. The term "critical success factors" surfaced in the management literature in the 1980s when there was concern about why some organizations seemed to be more successful than others, and research was carried out to investigate the components of success (Ingram *et al.*, 2000). Moreover, Freund (1998) defines critical success factors as "those things that must be done if a company is to be successful". Hence, the critical success factors in this research paper are those factors that are critical to the success of project or undertaking of service quality improvement in the hotel industry which have been mentioned in various studies. Consequently, some of the effective critical success factors would be presented as follows:

## Management

### *Management involvement and commitment*

Literature reviews suggest that those who have implemented and practiced service quality improvement agree that the most important factor is continued top management support and enthusiasm (Henderson and Evans, 2000). Managers must be involved in the creation and management of the process management system as well as participate in projects themselves (Eckes, 2000). Service quality improvement should be part of everybody's job, including top management and senior managers. Without the top management commitment and support, the true importance of the initiative will be in doubt and the energy behind it will be weakened (Pande *et al.*, 2000).

### *Leadership*

All senior managers must create clear and visible quality values and high expectations and build their employees into the way the organization operates. This requires their personal commitment and involvement in substantial proportions. They must take part as role models in the creation of strategies, systems, and methods for achieving excellence in quality (Axland, 1993). Also, as Crosby (1980) said, the senior managers should

position their companies in such a way that inspection, testing, checking, and analysis are not necessary. In addition, they should encourage leadership at all levels of management to maintain close relationships among the many divisions in an organization, communicate quality goals and objectives vertically down the organization, educate employees about making quality their first priority, and spread the concept of continuous improvement on an organization-wide basis (Dale & Tidd, 1991). Senior managers must demonstrate the leadership role they play in creating and communicating quality values and expectations and establishing the quality culture in their organizations in achieving the quality excellence. As Juran (1991) pointed out, stunning results cannot be achieved without the active and personal leadership of senior managers.

## Hotel facility and provided service

### Basic service and service design

Berry et al. (1994) and Parasuraman et al. (1991) mentioned that all customer research conducted has not found any evidence of extravagant customer needs and expectations. Customers need only basic services such as reliability, the keeping of promises, prompt service, and competence. In addition, in the process of reliably delivering basic services, customers' expectations depend on how well various service design elements—including service people, equipment, the service process, and the physical environment—perform together in a service chain system.

### Organization infrastructure

In order to implement service quality improvement within any organization, some organizational characteristics need to be already in place. For instance, it is highly desirable to have some degree of communication skills, long-term focus/strategy and teamwork. Moreover, it should have enough resources and investment to embark on service quality improvement.

Some of the most important budget items include direct payroll, indirect payroll, training and consultancy and improvement implementing costs. However the cost of not doing it is much bigger than the cost of doing it (Pande *et al.*, 2000).

## Service quality measurement

Furthermore, O'Neill (2001) states that hospitality operations now have to serve an increasingly discerning public, who are now more eager than ever to complain and transfer their allegiances to perceived providers of quality services. This, coupled with the increasingly hostile nature of the hospitality environment, has forced many within the industry to invest in the delivery of higher levels of service quality as a means to achieving competitive differentiation. An integral part of any organization's attempt to deliver on this front is a commitment to a process of continuous quality improvement. In turn, this requires the support of systematic approach to quality measurement.

Accordingly, O'Neill (2001) points out that interest in the measurement of service quality is thus understandably high, and measuring the quality of service experience is now an integral part of most managers' responsibilities. The challenge, however, is to identify and implement the most appropriate measurement tools for their operation. In stressing the importance of service quality to the hospitality sector, O'Neill's paper seeks to investigate the conceptualization and measurement of service quality and the relationships between service quality, customer satisfaction, and customer retention. Finally, he concludes that in doing so, it shall identify and critically examine a number of the more popular techniques commonly employed within the hospitality industry.

## Approaches for service quality improvement

To achieve the objective of service quality improvement, various kinds of approaches can be employed. The full section of the effective approaches have been presented from page 44 to 55.

## 6.2  Barriers to Success

The barriers to success in this research paper are those factors that are critical to the failure of project or undertaking of service quality improvement in the hotel industry. From the results of the analysis of literature reviews, this section concerns the implications of the barrier factors which have been mentioned in literature and greatly affect service quality improvement. Consequently, the main barriers have been observed, which include the following:

### Staff

Bitner *et al.* (1994) claim that service firms as well as customers are looking for flawless performance in service encounters. For many customers, the intangibility of a service product makes it difficult for customers to imagine, understand and evaluate the service offering. Consequently, the behaviors of "front line" service providers is crucial to the customer's evaluation of the service. Indeed, Parasuraman and Berry (1991) underscore the importance of the way in which service personnel conduct themselves in the presence of the customer, what they say to the customer, what they do not say, and how they look, as these can all influence the customer's evaluation of the service. Furthermore, Bitner (1990) and Goodwin and Ross (1990) point out that the behavior of service providers can directly influence the customer's judgments of the nature of the service which has been provided. Moreover, Knowles (1998) points out that the major barrier factors of service quality improvement are related staff, for example, staff's lack of skills, insufficient number of staff.

Furthermore, Breiter *et al.* (1995) suggest that for service quality improvement, particularly in total quality management, while many improvements were being made, new problems also arose. Because the number of employees involved in teams was relatively small, true representation of all employees did not exist. This led to a lack of universal commitment. Also, barriers between the quality teams and other employees arose. Employees who were not on teams thought that their contributions were not welcome. Another apparent problem was that employees were not sure what

management wanted and felt they were not given enough direction, only the people in membership of departmental teams knew what was going on. The teams would take their ideas to a steering team of managers who would then make decisions. As managers rejected ideas, employees became discouraged. Managers did not realize that employees at all levels wanted feedback and encouragement and the system was not working as intended.

Because of the internal feeling of employees not feeling involved or not receiving any recognition and appreciation of work done, they could not maintain sufficient morale to fulfil job duties; thus, low morale would occur in the organization. Employees not feeling involved continuously reduced their commitment to the organization. If the working atmosphere led to low morale, employees would become less committed to the organization and it would directly discourage them and ultimately they would not want to serve the company whole-heartedly.

## Communication

A communication plan is important in order to involve the personnel with the service quality initiative by showing them how it works, how it is related to their jobs and the benefits from it. If there are flaws in any part of the service system, the service quality will be reduced (Henderson and Evans, 2000).

Henderson and Evans (2000) go on to support that it is important to establish a communication program that can describe what should be communicated by whom and how often. It would help organisations to propagate their business strategy, customer requirements and work team. After implementation of improvement projects, it is best to publish results. However, these results should not be restricted to success stories but also admit and communicate setbacks. It will help other projects to avoid the same mistakes and learn from mistakes.

## Work processes

Work processes are one of the key elements in the service marketing mix (Kotler, 1997; Payne, 1993). They are essential for hotels to effectively deliver services to customers. In providing high quality service, work processes for customer services should be improved and standardized throughout the organization in order to be simple and compatible with customer needs and expectations (Adebanjo 2001; Kotler, 1997). If they are complicated and involve too many steps, the service delivered will be time-consuming, which will lead to a decrease in customer satisfaction.

## Cultural Change

Eckes (2000) suggests that service quality improvement is considered a breakthrough management strategy because it involves adjustments to the firm's values and culture for its introduction. It also involves substantial change in the organisational structure and infrastructure. Usually when important change occurs, the people in the organisation are afraid of the unknown and they do not understand the need for change. Some organization cultures are fear based. Mistakes are not allowed, and employees are used to hiding defects.

Moreover, Weiner (2000) found that the management wanted to keep a stable environment, and there was fear of taking risks, and fear of any mistake leading to task failure; therefore, they would not like to give support to the employees and just reject their new and creative suggestions. They tried to maintain the status quo and were fearful of any change . Furthermore, they would not like to accept new and novel ideas or implement any innovative measures, thus blocking the creativity of all employees. As stated by Gurteen (1998, p. 9), "Fear is one of the more common blocks on creativity— the fear of getting it wrong, losing face, making a fool of oneself, failure. In the Western culture such fear is crippling enough, but in other cultures it is far worse." The situation clearly identified that the fear of change is one of the main barriers blocking improvement in the working environment.

Besides, Weiner (2000) cites that threatening evaluation and destructive criticism would be given to those employees with suggestions that are unsuccessful in solving the problems. Therefore, when the employees' performance was evaluated and criticized, they would become frustrated and began not to give any creative ideas to the organization, which directly acted as a barrier towards creativity.

In conclusion, organisational-wide change often goes against the strong values held dear by members in the organization, that is, the change may go against how members believe things should be done. This behaviour can be the result of different factors. Eckes (2000) identifies four different factors of resistance:

(1) *Technical*: frequently people find difficulties in understanding statistics to reduce this information.

(2) *Political*: it is based on seeking the solution to be implemented as a real or imagined loss.

(3) *Individual*: it consists of employees who are highly stressed as a result of personal problems and not associated with the company.

(4) *Organisational*: this occurs when an entire organisation is committed to certain beliefs, which are usually instituted and communicated by the management.

## Technology

Technology is one of the barriers for hotels' service quality improvement and performances on information management. Technology is important for hotels to provide superior services to customers. However, technology always changes; therefore, it is important for hotels to continually pursue the advancement of technology to develop their operating systems, lessen costs, improve service quality and to find out how to differentiate their services (Barker *et al.*, 2003).

Furthermore, a lack of skilled staff trained in using technology is one of the major concerns in providing electronic services (Getty & Getty, 2003). The results of untrained

staff are a lack of product knowledge, unfamiliarity with technology, and inability to adjust to a changing work environment. Furthermore, staff keen on advanced technology may be scarce in the market. The management need to take these concerns and limitations into their decision-making. If a particular hotel is to become electronic services oriented, they have to train their staff urgently to be more capable in and familiar with the IT system and equipment and be ready to provide guidelines and knowledge for customers.

## Customer

Due to the fact that customers today have increasingly higher expectations and demands, Wuest (2001) points out that expected service are those which guests assume the service provider should offer in order to provide adequate service. Over the years, expected services increase. Guests become more demanding, requiring the service provider to move beyond what is commonplace. If guests' expectations are sufficiently met with the services provided, they will assess the services as adequate. Unfortunately, what is adequate today may not be adequate tomorrow and mediocrity is not a standard by which companies will excel. Consequently, customer factor is one of the important barriers for hotels' service quality improvement.

# Section VII: Contribution to Knowledge, Limitations, Conclusions, and Suggestions

## 7.1 Contribution to Knowledge

By reviewing previous studies, this research study provides information on hotel characteristics, the changes in the hotel industry, as well as service quality improvement and the barriers to success of the hotel industry. Therefore, hotel practitioners can apply the knowledge and findings of service quality improvement for their hotels to build or improve their competitive advantage, increase customer satisfaction and maintain long-term profits.

In order to be competitive, a hotel has to determine its present position when compared with competitors and then examine the appropriateness of its approaches for service to further determine what quality improvement should be. The sooner a hotel can position itself clearly in the market, in the view of customers, the better such hotels can improve service quality and gain more profits. In addition, hoteliers would be able to appropriately invest their limited internal resources, such as facilities, as well as staff, to concentrate on service positioning. The success of the hotel industry in service quality improvement would be of great value to the world economy as a whole.

## 7.2 Limitations

The findings and background gained in the literature review of this paper are concerned only with the hotel industry. Thus, this knowledge may not completely apply to other service businesses.

As a result of the limitation of resources with regards to the service quality improvement of the hotel industry in Thailand, the findings have led to a need for further study. Accordingly, the author wants to find out more about the service quality improvement in the Thai hotel industry from the perspectives of hotel managers in the next paper, Research Paper II.

## 7.3 Conclusions

Nowadays hotels are in a fluctuating business environment as they experience an increase in competition and in customer demand. Thus, it is critical for hotel practitioners to focus on a differentiated strategy, known as service quality improvement, to strengthen their core competitive edge and they must urgently make a decision to focus on service quality improvement approaches.

Based on empirical studies in the past as mentioned, it was pointed out that if the approach for service quality improvement in the hotel is suitable, the overall service quality will also improved. In addition, service quality is considered as a winning strategy since it brings about the increase in customer satisfaction (Berry *et al.*, 1999; Lee *et al.*, 2000).

This paper provided an overview of relevant literature that addressed the determinants of service quality of the hotel industry. The definition of service quality was also discussed, as well as theories relative to service quality. Also included in the discussion were barriers to success for service quality improvement and strategies for overcoming barriers.

It may also be concluded that there are various levels of critical success factors of service quality improvement of the hotel industry, regardless of the country. These may be listed as follows: Management, Hotel facility and provided service, Service quality measurement, and Approaches for service quality improvement.

Furthermore, from the literature review it may be concluded that there are various levels of barriers to the advancement of service quality improvement of the hotel industry, regardless of the country. These may be listed as follows: Internal structural barriers that are under the direct control of business; including staff, communication, cultural changes, and work processes. External barriers that may be outside the control of business; including technology, and customer factor.

Accordingly, it was concluded that hotels should consider the findings and pay attention to service quality improvement as major alternative distribution channels emerging in this century, due to their increased popularity and benefits. First of all, the hotels need to clearly comprehend the determinants of hotel service quality, the barriers to success for the service quality improvement, and the strategies for overcoming barriers. Moreover, they should decide on which service area to increasingly focus upon. Then hotels will be able to allocate their resources to improve their service quality strategically. The hotels have to improve the services delivered to their guests. The achievement of service quality improvement is to create customer satisfaction, which will finally lead to corporate profits and market share (Berry *et al.*, 1994; Ingram, 2000).

## 7.4    Suggestions for Further Research

In order to develop the approaches for the service quality improvement of the hotel, it is important to first conceptualize this notion through establishing the understanding of the term "service quality of the hotel". Such an approach is needed. Moreover, from the review it was clear to see that research synthesizing the vast body of material on service quality is needed to improve service quality programming for hotels throughout the world. From such a study, researchers in business and hotel managers may be able to redefine and re-evaluate the ways they implement service quality improvement programs to better meet the needs of customers and their staff . It is a well known fact that happy staff result in happy customers.

Furthermore, the above extensive literature review can provide theoretical support for the forming of guidelines that will allow the hotel industry to achieve service quality improvement. Therefore, it would be favorable to take the opportunity to conduct a qualitative study that would include samples of the managers from both top management and middle management ranges of the hotel industry in Thailand.

The suggestion for further research would involve investigating attitudes of managers from the five-star hotels towards service quality improvement. Such a research study would provide a more adequate perspective towards the service quality improvement in the Thai hotel industry.

In addition, the approaches to service quality improvement, the factors influencing service quality improvement and the barriers to success of the service quality improvement in the Thai hotel industry needs to be examined. Do they differ from other countries? Are there additional approaches for service quality improvement that are needed? Questions such as these could be answered in Research Paper II.

Consequently , the gaps that exist from the review of the literature are being seen by the author as opportunities for further research exploration that will be used for the next two research papers. As Research Papers I, II, and III are directly interrelated, this paper can be utilized as the background and conceptual framework for the further developmental investigations in Research Paper II and Research Paper III. The second forthcoming research paper, titled "Service Quality Improvement in the Thai Hotel Industry", will be conducted. And finally, in the third paper, practical implications of service quality improvement will be proposed.

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# Service Quality Improvement in the Thai Hotel Industry

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Doctor of Business Administration

# Declaration

I hereby declare that this paper submitted as a partial fulfillment of the DBA degree is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that it does not constitute any previous work whether published or otherwise. In making this declaration I understand and acknowledge my breaches of the declaration constitute academic misconduct, which may result in my expulsion from the program and/or exclusion from the award of the degree.

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Signature of candidate

July 29, 2005

# Abstract

At present, hotels in Thailand have been experiencing dramatic changes, leading hotel practitioners to pay attention to service quality improvement. Empirical research, using in-depth face-to-face interviews, has been conducted to examine service quality improvement in the Thai hotel industry. Thirty hoteliers were recruited from five-star hotels in Bangkok, Thailand--Thai hotel chains and international hotel chains--to find out their problems in customer service, their interest in it, what they were doing about it, their critical success factors, barriers to success, what should be done to overcome those problems, and what more could be done to continue to improve service quality. Respondents were top and middle management because they work directly within the hotel in order to affect overall service quality.

Though service quality improvement initiatives in the Thai hotel industry are successful to some extent according to respondents' views, the findings, however, indicate hotels in Thailand might not exactly understand their problems or misallocated their resources to solve the problems. Therefore, hotels have to increasingly solve customer service problems, improve quality initiatives, and create more necessary quality programs based on present experiences and expertise. This could suggest that hotels should place more resources in the improvement of communication and customer expectation study as the major aspects in the future.

# Table of Contents

# Section V : Model Building, Contribution of Knowledge, Limitations, and Conclusion

# List of Figures

# List of Tables

# Service Quality Improvement in the Thai Hotel Industry

## Section I: Overview

### 1.1 Introduction

As in other countries, hotels in Thailand have currently been experiencing dramatic changes such as changes in competition, higher customer expectations and needs, and the great impact of recent economic crises. These changes have led hotels operating in such an environment to seek a long-term competitive advantage as a weapon to compete with their competitors. In particular, customers will be loyal to hotels if they receive greater value than from competitors (Ingram, 2000) and high profits will be earned if hotels are able to position themselves favorably within a specific market, relative to competitors (Qu and Tsang, 2000). Thus, hotels should specifically focus on a core strategy–service quality–as one of many competitive strategies to provide value to customers, strengthen their positions in the market, maintain market share and increase profits (Berry *et al.*, 1994).

The scope of this paper highlights the empirical study examining service quality improvement in the Thai hotel industry through in-depth face-to-face interviews. The literature review will describe and explore the characteristics of and changes in the Thai hotel industry, the need for service quality and related studies. Next, the research methodology and service quality in action, including the empirical results and the subsequent analysis, will be discussed. Finally, model building, its contribution of knowledge, its limitations and a conclusion will be presented.

1

## 1.2    Objectives

This research paper's overall objectives are to analyze and review the literature regarding the Thai hotel industry to form a knowledgeable base for developing the interview research. Empirical research will be conducted to examine service quality improvement by interviewing hotel practitioners in major Thai five-star chain hotels and international five-star chain hotels to ask them about their problems of customer service, their interest in improving service quality, what they are doing about it, their success in improving it, the barriers to success in improving it and what should be done to overcome these barriers, and what moves could be made to continue to improve service quality.

## 1.3    Need for Research

In such a highly competitive and changing situation of hotel operations, hotels in Thailand are now competing among themselves by providing new services and promotional campaigns (Thai Hotels Association, 2003). These strategies are not long-term ones as service quality improvement is (Wong & Perry, 1991). Hotel practitioners should seek the concepts and knowledge base of service quality improvement in order to combine them with their hotel's practice. Hotel services can usually be categorized into a five-category rating; however, hotels in Thailand may not have appropriate positions in the market as its type. If a guideline is not available for hotels to move to service quality, they will lose the opportunity to maintain their market share and long-term profits.

After an extensive search, no published research was found concerning service quality improvement in the Thai hotel industry regarding all types of hotels. So this research may be one of the studies to provide knowledge and empirical findings about service quality improvement in the five-star hotels in Bangkok, Thailand. Five-star hotels were selected as an example of a service where there is a high level of contact between customers and frontline personnel (Chase, 1978; Lovelock, 1983). In high contact services, the interaction between customers and service providers is greater

than in low contact services and hence the impact of the service provider on the customer's perception of service quality is likely to be relatively high (McColl-Kennedy & White, 1997). Moreover, Bangkok is one of Asia's most cosmopolitan cities, created as the Thai capital in 1782 by the first monarch of the present Chakri dynasty, Bangkok is a national treasure house and Thailand's spiritual, cultural, political, commercial, educational and diplomatic center. Bangkok exceeds 1,500 square kilometers in area and is home to one-tenth of the country's population. Major tourist attractions include glittering Buddhist temples, palaces, *"Venice of the East"* canal and river scenes, and numerous shopping centers. Furthermore, Bangkok is a major tourist city boasting some of the best hotels in the world (Tourism Authority of Thailand, 2003). Therefore, the five-star hotels in Bangkok are examples for the other hotels in Thailand to learn from. Hotels can then offer more specific services to their target group and plan their strategic positions in the market appropriately.

## 1.4    Importance of Research

This study is important for the following reasons:

1. A study of service quality improvement has not been conducted within the context of the hotel industry in Thailand (Thai Hotels Association, 2001; 2003). The research will provide insight into and expanded knowledge about service quality improvement in the hotel industry.

2. Such results show the need for hotels in Thailand to pay urgent attention to the development of their servic quality and put effort into optimizing their resources in order to increase customer satisfaction, profits and market share. Therefore, factors that influence service quality improvement in the Thai hotel industry will be identified, from which a proposed effective system for service quality improvement can be constructed in the next research, Research Paper III. The system can help organizations identify what needs to be done to foster service quality improvement of the hotel and to formulate and implement appropriate hotel policies regarding service quality improvement.

3

# Section II: Literature Review

## 2.1 Characteristics of the Thai Hotel Industry

Tourism plays an important role in the economy of Thailand. It is one of the territory's largest service industries. In 2003, 10.8 million tourists arrived in Thailand, spending US $. 8.1 billion. The visitor characteristics in 2003 are shown in Table 1. The majority of visitors' spending was shopping (28.44%) and accommodation (26.82%). Table 2 shows the details of visitors' expenditures in 2003. (Tourism Authority of Thailand, 2004).

**Table 1: Visitor Characteristics in 2003**

|  | East Asia | Europe | The Americas | South Asia | Oceania | Middle East | Africa |
|---|---|---|---|---|---|---|---|
| **Visitors ('000)** | 6,532 | 2,451 | 640 | 390 | 424 | 273 | 90 |
| **Length of stay (nights)** | 5.44 | 13.67 | 10.21 | 7.34 | 9.46 | 11.04 | 9.07 |
| **Per capita per day spending (Thai Baht)** | 4244 | 3220 | 3958 | 4186 | 3465 | 3759 | 3942 |
| **Purpose (%)** | | | | | | | |
| Holiday | 88.50 | 91.80 | 82.60 | 80.00 | 83.43 | 86.14 | 77.27 |
| Business | 8.50 | 6.12 | 10.50 | 11.85 | 11.38 | 10.40 | 19.32 |
| Convention | 0.93 | 0.39 | 1.05 | 1.55 | 1.46 | 0.69 | 0.89 |
| Official | 0.46 | 0.13 | 0.52 | 1.80 | 0.23 | 0.29 | 0.30 |
| Other | 1.61 | 1.56 | 5.33 | 4.8 | 3.5 | 2.48 | 2.22 |

(Source: Tourism Authority of Thailand, 2004)

**Table 2: Visitors' Expenditure in 2003**

| Spending on | Expenditure per day (Thai Baht) | Percent (%) |
|---|---|---|
| Shopping and souvenirs | 1,067.38 | 28.44 |
| Accommodation | 1,006.89 | 26.82 |
| Food and beverage | 633.03 | 16.86 |
| Entertainment | 458.28 | 12,21 |
| Transportation | 315.81 | 8.41 |
| Tourism service | 164.56 | 4.38 |
| Others | 107.79 | 2.88 |
| Total | 3,753.74 | 100.00 |

(Source: Tourism Authority of Thailand, 2004)

Moreover, the Tourism Authority of Thailand (2003) made it known that a myriad of accommodations are available throughout Thailand, ranging from five-star luxury hotels to simple tents and bungalows. The price and type of lodging facilities on offer are associated with location, with Bangkok and major tourist cities providing some of the best hotels in the world whereas rudimentary rooms are more common in rural areas. Regardless, all types of accommodations in Thailand are known for being clean, efficient, and friendly, with world-class service and the unbeatable hospitality that comes naturally for all Thais, being an integral component of the culture. Furthermore, luxury hotels in urban Thailand meet international requirement standards and are renowned for their outstanding service and hospitality. Guest should expect very special treatment, living in elegantly furnished rooms with modern amenities, recreational facilities and an extensive choice of the best dining outlets in town.

Basically, the characteristics of the Thai five-star hotel industry are both similar and different to some extent to those of hotel businesses in other countries. The particular aspects are as detailed below.

# Hotel Classification in the Thai Hotel Industry

First of all, the new star rating system in Thailand is set by the Foundation for Standard and Human Resources Development in Hospitality and Tourism Industry which was officially established in December 2002. The first phase was launched in 1999 by collecting information on hotel standard identitifications from aboard for the study, research and analysis. The team, consisting of personnel from Tourism Authority of Thailand (TAT), Thai Hotels Association (THA) and Association of Thai Travel Agents (ATTA) and individuals from related organizations, have been stipulating quality and type of hotels in each category as basic standards in classification. The need to set standards is to gain greater recognition and acceptance worldwide and, at the same time, to remain on course to develop personnel skills and build the image of the country as a quality destination. The hotel standard assessment, based on the present state of the property, can be used as a standard for the type of hotels in accordance with the markets' demand (Thai Hotels Association, 2004).

## Hotel Standard Criteria

Basically, the hotel standard criteria are composed of three main parts. The minimum requirements for a star rating are a combination of the standard of construction and facilities, the standard of maintenance, and the standard of services. In order to move up the rating scale, a hotel will need to meet progressively higher quality standards providing the very best in "guest care" as well as the appropriate range of facilities and level of services that are expected. Due to a wide variety of operations, the hotel standard criteria are define as follows:

1. **The standard of construction and facilities;** which are composed of eight main areas:
    * Location, environment, and construction
    * Lobby
    * Guestrooms
    * Business center
    * Conference facilities

- Public, health and entertainment facilities
- Safety system
- Employee facilities

**2. The standard of maintenance;** which are composed of nine main areas:

- Environment
- Walkways, and public area
- Public restroom
- Lobby
- Guestrooms
- Corridor and hallways
- Bar & restaurant
- Kitchen
- Public health & entertainment facilities

**3. The standard of services;** which are composed of six main areas:

- Staff appearance and manners
- Provided service
- Service in guestroom
- Service in restaurant
- Safety and hygiene
- Hotel image

**Assessing the Quality Score**

All aspects of an establishment will be given a "Quality Score" during the inspection process. Some areas of assessment are given additional weighting to reflect their importance to the consumer. An overall score for quality is established which is then converted to a percentage. This percentage score is then used to determine the quality rating to be awarded against preset banding which is one-star to five-star hotel. Five-star hotels require the highest score. They are deliberately recognizing the wide variety of quality elements that could be included.

**Thai Hotels Association Profile**

The Thai Hotels Association is composed of leading hotels representing every part of Thailand. The Association has been in existence for over 30 years. All Association Ordinary Members have been approved by the Ministry of Interior. To serve arriving tourists in finding suitable accommodation on their first step into the country, the objectives of the association include: to serve hotel enterprises or hotel business and tourism; to cooperate and to coordinate with public and private sectors; to conduct and promote the organization of training programs and seminars in the field of hotel business and other businesses in connection with the hotel business, including tourism; to clarify and give advice to the government as to the right concept and in order to help with solving problems and obstacles of hotel business and other kind of business in connection with the hotel and tourism businesses; to cooperate with the government in promoting hotel business with regards to a good standard that is in concurrence with government policy; and to arrange sales promotion domestically and internationally.

Nowadays, it is composed of 391 hotel members, of which only 10% are assessed to be five-star hotels. However, the five-star hotels in Thailand are considered to be high foreign-exchange earners and always bring the reputation to the country by winning many hotel awards (Tourism Authority of Thailand, 2003).

In addition, five-star hotels that originate in Bangkok, Thailand, can presently be categorized into two groups. The first group consists of five Thai hotel chains, whose major shareholders are Thai investors, and whose policies are self-directed. Moreover, the second group has been emerging as international hotel chains and consists of ten hotels. Their policies come from the original head offices or regional head offices. These two groups of five-star hotels in Bangkok, Thailand, are demonstrated in the following table:

**Figure 1: Groups of Five-Star Hotels in Bangkok, Thailand**

Five-Star Hotels in Bangkok, Thailand

| Thai Hotel Chains | International Hotel Chains |
|---|---|
| 1. The Sukhothai Bangkok | 1. The Oriental Bangkok |
| 2. Hotel Plaza Athenee Bangkok | 2. The Peninsula Bangkok |
| 3. The Landmark Bangkok | 3. The Shangri-La Bangkok |
| 4. The Imperial Queen's Park | 4. The Four Seasons |
| 5. The Dusit Thani | 5. The Sheraton Grande Sukhumvit |
| | 6. The Amari Watergate |
| | 7. Grand Hyatt Erawan |
| | 8. Hilton International Bangkok |
| | 9. Pan Pacific Bangkok |
| | 10. The Sofitel Central Bangkok |

## 2.2 Changes in the Thai Hotel Environment

Like the hotel industry in other countries as mentioned in research paper I, the Thai hotel business environment has also changed substantially. Major changes are detailed below.

First of all, hotels around the world, particularly in Thailand, are now experiencing severe competition from local and overseas hotels as well as other accommodation competitors due to financial deregulation and globalization (Thai Hotels Association, 2003).

Secondly, in general, customers' expectations and needs for services have substantially increased (Lee et al, 2000; Lockwood, 1995; Meyer et al., 1999 Wrennall, 2000). Customers will search for services that offer the best value for their money (Lee et al., 2000). Like other customers, Thais have become better educated;

their expectations and needs for hotel services have substantially increased. For example, there is a high demand for new facilities and convenient delivery channels; therefore, hotels have to improve their services to meet their customers' needs and expectations (Thai Hotels Association., 2003).

The third major change is the development of technology, which facilitates the creation of new services and distribution channels, provides convenient services and drives quality (Lockwood, 1995; Griffiths *et al.*, 2001). To be more competitive, hotels have to invest more in technological development. This will in turn increase customer expectations and demands in the quality and variety of services provided, which finally leads hotels to invest in more limited resources (Thai Hotels Association, 2003).

Moreover, the Thai economic crisis greatly affected hotels and the economy as a whole since 1996 (Tourism Authority of Thailand, 2002). Hotels have generated less revenue, not continuing to experience highly profitable returns. As a result, hotels have to secure their financial positions and penetrate the market as a source of revenue by offering services to suit customer demands (Thai Hotels Association, 2003).

Finally, other factors, including demographic, social changes, law and regulations, and so on have also led to changes to the Thai hotel industry such as new target customers and regulations for facility services (Tourism Authority of Thailand, 2003). Hoteliers will focus on those factors that are important in defining and shaping hotel performance.

Consequently, these changes are having a profound impact on the Thai hotel industry. To compete with their competitors and to maintain their survival, hotel practitioners must seek a kind of long-term corporate weapon—better service quality.

## 2.3 Need for Service Quality

In general, hotels offer similar kinds of services in the accommodation market (Knowles, 1998) as their competitors can imitate new differentiated services in a short period of time. Such cases also happen in the Thai market. However, customers can perceive differences in terms of service quality offered. Hotels have realized the importance and need to concentrate on service quality as a way to increase customer satisfaction and loyalty, improve and maintain their core competence and business performance as shown in many studies (Akan, 1995; Barker *et al.* 2003; Chung *et al*, 2002; Getty & Getty, 2003; Harrington & Akehurst, 2000; Juwaheer &Lee-Ross, 2003; Lee *et al*, 2000). This is due to the fact that service quality is difficult for competitors to copy (Barker *et al.*, 2003; Ennew & Binks, 1996; Maxwell *et al.*, 2004; Reichheld & Sasser, 1990).

At present, hotel providers in Thailand have taken service quality into consideration, but they have assigned to it different degrees of importance depending upon their policies and capabilities. However, it still needs more attention from all staff to reinforce their quality initiatives since quality improvements require continuous action and involvement. Hence, this research is needed for hotel practitioners to apply findings to improve service quality of their hotels

# Section III: Research Method

## 3.1 Research Design

Methodologically, the research study of this paper is an exploratory study that will be mainly qualitative which is based around in-depth interviews. The aim of this research study is to find out about the service quality improvement in the Thai hotel industry from the views of the hotel managers as they operate the hotels directly according to the hotel strategies.

As Sekaran (2000) suggests, exploratory research is undertaken when not much is known about the situation at hand or when not much information on how related problems or research issues have been solved in the past. Moreover, Cooper and Schindler (2001) support that exploratory research is also undertaken to develop concepts clearly, establish priorities, develop operational definitions, and to improve the final research design.

Specifically, in-depth interviews will be used to attain the objectives. The use of in-depth interviews and open-ended questionnaires in exploratory studies has been recommended by a number of researchers (e.g., Cooper and Schindler, 2001; Sekaran 2000). Moreover, Clark *et al.* (1999) suggest that an in-depth interview is a preferred instrument when the researcher aims to collect detailed information or when it is reasonable to rely on information gathered from a small number of informants. That is normally justifiable when the objective of the research is "discovery" rather than "checking."

In addition, because the objective of this research was to study professional hotel practitioners' individual views of service quality improvement of the hotel, the research method employed to gain detailed findings was an in-depth face-to-face interview, using the prepared question set consisting of the six main groups of questions that can be found in the **Appendix 5**.

The benefit of in-depth interviews is that they can investigate areas that cannot be directly observed by other methods and can yield the best perspective and informative analysis of a particular group or sample (Travers, 2001). Although this interview method is time-consuming and it is difficult to control the range of answers (Hussey & Hussey, 1997), this method was utilized because the researcher could then understand the picture of service quality improvement and quality initiatives across the hotel industry and obtain information in detail, largely thanks to the good cooperation from respondents when they were asked for detailed explanations.

Moreover, the interview questions were qualitative in nature, as this method, according to Sofaer (1999), has the advantage of describing an event, understanding the event and providing the explanation of how and why the event is interpreted. Furthermore, qualitative methods clarify values, language and meaning attributed to people who play distinctive different role in the organization (Sofaer, 1999).

Also, it is important to point out that qualitative research is primarily concerned with collecting and analyzing subjective information. The objective of qualitative research is to achieve depth rather than breadth. There are a number of approaches that are in employed in qualitative research such as participatory observation, interviews, opened ended questions and answers, and case studies (Meyer et al., 1995). Qualitative methodological approaches provide researchers with a substantial degree of flexibility. Yin (1994) has listed several advantages to the qualitative approach such as the discovery of hidden forms of behavior; the exploration of causal mechanisms linking phenomena; the revelation of critical data, and the explanation for variations.

Jean (1992) noted that the qualitative method is well suited for description of meaning and is especially useful for the present study. Meyer et al. (1995) cited the appropriateness of qualitative methods for the research of complex social phenomena and for seeking knowledge about the fundamental concept of a phenomenon which is what the present research attempts to do. Murphy (1995) suggested the three Cs of qualitative research: Code, Classify and Connect. According to Murphy, the researcher who uses this method has an unstructured format and an open structure of data collection which is quite appropriate for the present investigation.

## 3.2    Research Subjects

This research was conducted over about two months from January to February 2004. The total number of selected respondents was 30 from ten hotels, four Thai hotel chains and six international hotel chains.

**Determine sample size**

Veal (1997, p. 207) states that it is the absolute size of the sample that is important, not its size relative to the population. Therefore, this research study selected 10 hotels from the five star hotels in Bangkok, Thailand, in order to be representative of the high quality target group of the population. According to Cooper and Schindler (2001, p. 181-2), the ultimate test of a sample design is how well it represents the characteristics of the population it purports to represent.

**Select a sample frame**

A particular hotel was selected based on its hotel category and location: the research in this study will be conducted at ten hotels located in Bangkok, Thailand. The hotels were set within the administrative boundaries of the star rating system, from the five star hotels. Moreover, the hotels were selected based on a number of criteria, which will most likely include the number of tourism businesses at the destination, the number of visitors per annum and the accessibility of information at the destination.

Three hotel professionals from each hotel, including two from the top management and one from the middle management, were selected as participants.

*Top management level*

The respondent who works in the position levels from Department Director up to the General Manager of five star hotels in Bangkok, Thailand

*Middle management level*

The respondent who works in the position levels from Supervisor up to the Department Manager of five star hotels in Bangkok, Thailand

In addition, hotel practitioners were selected for this study according to the following criteria:

They were currently working in the hotel industry in a sector or executive position in five-star hotels in Bangkok, Thailand. They were viewed as making significant contributions to their organizations and to the field.

To ensure the quality of interview data, the respondents' experience had to include at least two years working in the hotel industry.

Furthermore, staff involved in the research was chosen on a voluntary basis, with the hotel manager's selections and suggestions. Therefore, in total there were 30 respondents, comprising 20 in the top management level and 10 in the middle management level. The two groups of hotels are shown in the Table 3 and the participant profiles can be seen in Table 4.

**Table 3: Research Subjects**

| Respondents | Thai hotel chains | International hotel chains | Total |
|---|---|---|---|
| 1.Top Management | 8 | 12 | **20** |
| 2.Middle Management | 4 | 6 | **10** |
| **Total** | **12** | **18** | **30** |

**Table 4: Participant Profiles**

| Individual | Hotel | Position | Department | Years of experiences |
|---|---|---|---|---|
| 1. A1 | A (Thai) | Hotel Manager | Executive Office | 18 |
| 2. A2 | A (Thai) | Human Resource Director | Human Resource | 30 |
| 3. A3 | A (Thai) | Sales & Marketing Manager | Sales & Marketing | 15 |
| 4. B1 | B (Thai) | Resident Manager | Executive Office | 17 |
| 5. B2 | B (Thai) | Director of Sales & Marketing | Sales & Marketing | 18 |
| 6. B3 | B (Thai) | Marketing Communication Manager | Sales & Marketing | 6 |
| 7. C1 | C (Inter) | Director of Human Resource | Human Resource | 25 |
| 8. C2 | C (Inter) | Training Manager | Human Resource | 15 |
| 9. C3 | C (Inter) | Laundry Manager | Resident Office | 25 |
| 10. D1 | D (Inter) | Executive Assistant Manager | Executive Office | 10 |
| 11. D2 | D (Inter) | Director of Sales & Marketing | Sales & Marketing | 18 |
| 12. D3 | D (Inter) | Front Office Manager | Front Office | 10 |
| 13. E1 | E (Thai) | General Manager | Executive Office | 30 |
| 14. E2 | E (Thai) | Director of Human Resource | Human Resource | 15 |
| 15. E3 | E (Thai) | Housekeeping Manager | Housekeeping | 20 |
| 16. F1 | F (Inter) | Director of Social Affairs and Protocol | Sales & Marketing | 8 |
| 17. F2 | F (Inter) | Guest Service Manager | Room Division | 11 |
| 18. F3 | F (Inter) | Restaurant Manager | Food & Beverage | 21 |
| 19. G1 | G (Inter) | Director of Human Resource | Human Resource | 15 |
| 20. G2 | G (Inter) | Human Resource Manager | Human Resource | 7 |
| 21. G3 | G (Inter) | Duty Manager | Front Office | 6 |
| 22. H1 | H (Inter) | Director of Training and Development | Human Resource | 20 |
| 23. H2 | H (Inter) | Assistant Director of Sales and Marketing | Sales & Marketing | 8 |
| 24. H3 | H (Inter) | Front Desk Manager | Front Office | 6 |
| 25. I1 | I (Thai) | Director of Sales & Marketing | Sales & Marketing | 15 |
| 26. I2 | I (Thai) | Director of Finance & Accounting | Finance & Accounting | 13 |
| 27. I3 | I (Thai) | Food & Beverage Manager | Food & Beverage | 12 |
| 28. J1 | J (Inter) | Director of Training | Human Resource | 20 |
| 29. J2 | J (Inter) | Director of Food and Beverage Manager | Food & Beverage | 22 |
| 30. J3 | J (Inter) | Front Office Manager | Room Division | 5 |

## 3.3    Problem Identification

The major problem for this paper was to explore the service quality improvements in practice in the Thai hotel business environment. This research attempted to base the study on the literature review as presented in the Research Paper I, to some extent, and to extend some areas of study that were appropriate within the Thai context-- including problems of customer service, plans to solve those problems and moves to continue to improve service quality.

The interview questions were designed; a pilot study was conducted to check the clarity, consistency, sequence and relevance of all questions. The research questions were comprised of six main areas to be examined:

(1)    Determinants of service quality in the Thai hotel industry,

(2)    Problems of customer service,

(3)    Interest in improving service quality,

(4)    Barriers in improving service quality,

(5)    Action in service quality improvement,

(6)    Success in improving service quality.

The research questions will be explored in the following section.

## 3.4    Conduct of Interview

Since the subjects are all hotel managers (ranging from Supervisors to General Manager level) who work in five star hotels in Bangkok, Thailand, we had to identify the managers who met the criteria for participation in the study. First of all, the researcher contacted the General Manager of a hotel in order to ask for and obtain permission to send an introductory letter and questions to be answered to participants, requesting them to participate in the study. Therefore, the participants were invited to participate by the recruitment material (**Appendix 1**) which was distributed by the General Manager. That is, after the correspondence (**Appendix 4**)

and the information sheet (**Appendix 2**) had been approved by the General Manager of the hotel.

In order to explain the objectives and benefits of the in-depth interviews and invite participation after the information sheets were delivered in advance to invite participation and give them prior information about the study. The participants could enquire or seek clarification if they had any questions before the interview took place. After the participants had made their decisions to attend the interview, the researcher brought the consent form (**Appendix 3**) for them to sign on his/her own.

The research participants for this study were drawn from the middle to the top management level of the hotels and were strictly voluntary. Normally, the General Manager first asked if the participants are willing to participate. They are all in high positions; therefore, they have the right to make decisions by themselves. Moreover, although the subjects were required to give some of their identities on the interview questionnaires, the data was presented in a summary format only.

The in-depth interviews were conducted with the managers at the hotels for the length of one hour each. As long as the researcher is concerned with the process of Thai hotel industry system, it is very difficult to tape the interviewees in the hotels because of many rules and regulations. Therefore, the interviews were not to be recorded on audiotape. Moreover, Blaxter, *et al.* (1998) suggest that tape-recording may make respondents anxious and less likely to reveal some important information. Therefore, only note taking was be used for the in-depth interviews.

After completing the research study, the recorded data will be sent to the University of South Australia in order to comply with Australian Freedom of Information Legislation and will be stored securely for seven years in a safe environment.

## 3.5    Data Analysis

In this section, the data of all interviews was interpreted and also coded in order to answer the research questions of the study. For the specific purpose, to answer these research questions: Barriers in improving service quality, Success in improving service quality. All data that was recorded was broken down by categorizing and coding ideas and counting the frequency of each idea. The raw data was broken down into smaller units and categorized according to the content of the idea. Each category was transcribed and the frequency counted. The content was studied to identify themes. Interviews were then coded according to predominant themes and filed by subject.

Three other more specific main questions needed answering: Problems of customer service, Interest in improving service quality, Action in service quality improvement. The analysis of answers obtained from respondents was counted and grouped regarding similarities and differences, except that the analysis of service quality dimensions in customer service provision was calculated by a mathematical average. The resulting explanations of each question focused on the overall summary illustration first, followed by the comparison of results from the two groups of the hotels.

# Section IV: Empirical Results of Service Quality Improvement of the Hotels in Thailand

In this section the findings are summarized with relation to the data gathered in this study about the factors influencing service quality improvement, the barriers to service quality improvement in the hotels, and how managers have overcome barriers to advancement in their hotels. The results of interview data are presented.

## 4.1 Determinants of Service Quality in the Thai Hotel Industry

### 4.1.1 Definition of Service Quality of the Hotel

Most managers from Thai hotel chains and International hotel chains defined the meaning of service quality of the hotel as the ability of the organization to meet or exceed customer expectations.

According to one respondent:

> A1: "Definitions of service quality focus on meeting the customers'
> needs and requirements and how well the service delivered
> matches the customers' expectations."

Other respondents had similar sentiments:

> B1: "Service quality is meeting and exceeding guest expectations."

> D2: "Service quality is meeting or exceeding customer needs and that
> depends on the level of the hotels."

> G1: "Service quality is the feeling that you do something that will
> satisfy guests. Right attitude is of secondary importance."

**J2:** "The most essential thing about service quality is to not only satisfy guests' expectations, but go beyond guests' expectations."

While some considered attaining consistency of service as the mark of service quality, others found the fulfillment of "staff satisfaction" more meaningful. A manager in a General Manager position noted:

**E1:** "Quality staff produce good service."

Another manager pointed out the benefits of guest satisfaction:

**I2:** "Service quality is the way the hotel impresses their guests in order to increase the return of guests and also the return of revenue."

Some viewed service quality as having the opportunity to demonstrate expertise:

**F2:** "It means that the hotel knows how to solve any problems immediately."

Some respondents believed that the criteria for service quality are composed of three aspects: product, service and anticipating customer satisfaction, which will help judge service quality. Another respondent, a General Manager, noted that delivering service on time, as well as reliability and value for money, indicates service quality.

In comparison the definitions of service quality, from the views of hotel practitioners with the literature review from Research Paper 1, definitions of service quality, therefore, generally focus on meeting the customers'needs and requirements and how well the service delivered matches the customers'expectations of it.

### 4.1.2 Service Quality Dimensions

In this study, the service quality dimensions—for example, tangibles and intangibles such as reliability, responsiveness, assurance and empathy developed by Parasuraman *et al.* in 1985—were utilized to investigate the service focus of hotels in Thailand. All dimensions were ranked by their importance from a score of one as the first priority to five as the lowest priority and then compared with the average score. As presented in the table below, the hotel providers' priorities were: Responsiveness (2.00), followed by Reliability (2.53), Assurance (2.90), Empathy (3.53), and Tangibles (4.03) respectively. Customers' views on the ranking of service quality dimensions in the study by Berry *et al.* (1994) were firstly focused on Reliability, followed by Responsiveness, Assurance, Empathy and Tangibles. Thus, it indicated that hotels in Thailand do not really provided their services in line with customers' views regarding the service quality dimensions.

Compared with the two groups of hotels, the priorities of service quality dimension were quite different, except for Tangibles as the fifth priority. Tangibles did not have a great impact on hotel service quality in the managers' point of views because this research study focuses only on the five-star hotels. Normally, the five-star hotels have to pay attention to their facilities since the beginning. Surprisingly, regarding the first priority, both international hotel chains in Thailand and Thai hotel chains focused on responsiveness. What was different from the past research studies about the dimension of service was Reliability was generally found as the first priority.

It could be concluded that hotels in Thailand maybe not generally on the right track because they do not focus on Reliability as the first priority since this dimension was considered the first priority in the customers' views in judging service quality (Berry *et al.*, 1994).

**Table 5: Service Quality Dimensions in Customer Service Provision**

| Dimension | Thai Hotels (in total) | Average for Thai Hotels | International Hotel Chains (in total) | Average for International Hotel Chains | Total | Total Average |
|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Tangibles | 53 | 4.42 | 68 | 3.78 | 121 | 4.03 |
| Reliability | 27 | 2.25 | 49 | 2.72 | 76 | 2.53 |
| Responsiveness | 19 | 1.58 | 41 | 2.28 | 60 | 2.00 |
| Assurance | 42 | 3.50 | 45 | 2.50 | 87 | 2.90 |
| Empathy | 39 | 3.25 | 67 | 3.72 | 106 | 3.53 |

**Remark:**

1. Each dimension is given the score in ranking as 1, 2, 3, 4, 5 as priority in serving customers according to the view of hotel respondents. 5 means the least importance and 1 means the highest importance.
2. The scores in (1), (3) expressed in the above table are summed up (in total) from each answer interviewed from each respondent.
3. The average in (2) and (4) is calculated by the total scores in (1) and (3) divided by the total number of respondents.
4. The total in (5) is the total score from all respondents or the total of (1)+(3).
5. The total average in (6) is calculated by the total score from (5) divided by the total numbers of respondents.

## 4.2    Problems of Customer Service

Today, hotels in Thailand face various problems concerning customer service. These problems can be classified into five major groups: Staff; Customer Behavior; Communication and Cooperation; Work Process and Other Problems.

Most respondents viewed staff's lack of skills as a major problem of service quality improvement. One of the participants stated that

> **A2:** "The Staff's skills are considered the first step on the service quality improvement. Staff's lack of skills is our serious problem"

Many respondents cite insufficient number of staff as a major problem of service quality improvement. For example:

**E2:** "In order to improve the service quality, the number of staff is essential, particularly in the high contact service with customers like five-star hotels. Definitely an insufficient number of staff is the main problem for the service quality improvement of the hotel."

Respondents also cite knowledge as important to manage their staff's assignments properly. As stated by a participant:

**C1:** "Knowledge is the foundation of an accomplished person. If the staff has no firm background in knowledge, they cannot succeed. This definitely affects the service quality improvement of the hotel "

From the research results, the number of answers of each of the five major groups can be shown as a percentage in order to compare the importance as follows: Staff (36.07%), Customer Behaviour (27.87%), Communication and Cooperation (24.59%), Work Process (6.56%), and Other Problems (4.92%). These are shown in the table below:

**Table 6: Problems of Customer Services**
(see more details in Appendix 6.1)

| | Thai Hotel Chains | Inter-national Hotel Chains | Total | Percent of Grand Total | Percent of Problems in Each Group |
|---|---|---|---|---|---|
| **1.Staff** | | | | | |
| 1.Staff's lack of skills | 3 | 4 | 7 | | 31.82 |
| 2.Insufficient number of staff | 2 | 3 | 5 | | 22.73 |
| 3.Staff's lack of knowledge | 2 | 2 | 4 | | 18.18 |
| 4.Staff attitudes | 1 | 3 | 4 | | 18.18 |
| 5.Staff work problems: inconsistent performance | 1 | 0 | 1 | | 4.55 |
| 6. Staff's manners | 1 | 0 | 1 | | 4.55 |
| **Total** | | | **22** | **36.07 %** | **100** |
| | | | | | |

| 2. Customer Behaviour | | | | | |
|---|---|---|---|---|---|
| 1. High expectations | 2 | 11 | 13 | | 76.48 |
| 2. Increase in customer demand | 2 | 2 | 4 | | 23.52 |
| Total | | | 17 | 27.87 % | 100 |
| | | | | | |
| 3. Communication and Cooperation | | | | | |
| 1.Communication ineffectiveness | 3 | 10 | 13 | | 86.67 |
| 2.Cooperation with top management | 1 | 1 | 2 | | 13.33 |
| Total | | | 15 | 24.59 % | 100 |
| | | | | | |
| 4.Work Process | | | | | |
| 1.Too many steps in work process | 1 | 1 | 2 | | 50 |
| 2.Inflexibility of work process | 1 | 1 | 2 | | 50 |
| Total | | | 4 | 6.56 % | 100 |
| | | | | | |
| 5. Other Problems | | | | | |
| 1. Limited budget | 1 | 0 | 1 | | 33.33 |
| 2. IT system | 1 | 0 | 1 | | 33.33 |
| 3. Government policy | 1 | 0 | 1 | | 33.33 |
| Total | | | 3 | 4.92 % | 100 |
| | | | | | |
| GRAND TOTAL | | | 61 | | |
| | | | | | |
| | | | | | |

Regarding staff problems, major problems could be ranked due to their importance as: "Staff's lack of skills" (31.82%), followed by "Insufficient number of staff" (22.73%), "Staff's lack of knowledge" (18.18%), and "Staff attitudes" (18.18%). With regards to customer behavioral problems, "High expectation of customer" (76.48%) and "Increase in customer demand" (23.52%) show outstanding results. For communication and cooperation problems, "Communication ineffectiveness" (86.67%) and "Cooperation with top management" (13.33%) are major concerns. With respect to work process problems, "Too many steps in work process" and "Inflexibility of work process" are the hotels' focus equally (50%). The other problems are "Limited budget" (33.33%), "IT system" (33.33%), and "Government policy" (33.33%).

Remarkably, in a comparison among the two groups of hotels, their service problems are similar. However, the dominant differences are that Thai hotels face some more problems such as limited budget and IT system. While international hotel chains are

predominantly faced with customer behaviour, staff, and communication and cooperation problems.

In brief, within the five major groups of problems in customer service indicated by respondents, hotels need to pay attention to solve the problems (in priority) of staff, customer behavior, communication and cooperation, work process and other problems.

## 4.3 Interest in Improving Service Quality

### 4.3.1 Level of Interest

Table 7: Level of Hotels' Interests in Improving Service Quality

| How Interested | Thai Hotel Chains | Percent of Thai Hotel Chains | International Hotel Chains | Percent of International Hotel Chains | Grand Total | Percent of Grand Total |
|---|---|---|---|---|---|---|
| 1.Very high | 10 | 83.33 | 18 | 100 | 28 | 93.33 |
| 2.Reasonably high | 2 | 16.67 | 0 | 0 | 2 | 6.67 |
| Total | 12 | 100 | 18 | 100 | | |
| Grand Total | | | | | 30 | 100 |

Regarding interest in service improvement, all hotels in Thailand have shown their intentions to continuously improve their services. From the results in percentage of total answers, all hotel practitioners pointed out that their hotels have been improving service quality continuously with interest level either "Very high" (93.33%) or "Reasonably high" (6.67%). In comparison among the two groups of hotels, their interest was a bit different. All hotel practitioners in the international hotel chains pointed out that their hotels have been improving service quality continuously with interest level "Very high" (100%), while hotel practitioners in the Thai hotel chains

pointed out that their hotels have been improving service quality continuously with interest level either "Very high" (83.33%) and "Reasonably high" (16.67%).

Hence, most of the hotels in Thailand have paid a high level of attention to service quality improvement.

### 4.3.2 Reasons to Improve Service Quality

Generally, the major reasons given for hotel providers to improve service, ranked in the priority of importance by percentage were: "Improve customer satisfaction" (26.19%), "Meeting customers' expectations" (21.43%), "Increase in image" (19.04%), "Competitive pressure" (16.67%), "Hotel profit" (7.14%), "Meeting customer demands" (4.76%), and "Ensure guest security" equal to "Generate traffic" (2.38%). Compared with the two groups of hotels, their major reason to improve service was very similar in priority. Improving customer satisfaction was indicated as the first main reason for hotels to improve service quality.

Interestingly, there was a great difference in one reason for improving service quality of the hotel. The second major reason to improve service given for the hotel providers of international chain hotels, ranked in the priority of importance by percentage was "Meeting customers' expectations". However, the hotel providers of Thai hotel chains did not mention this reason at all.

**Table 8: Reasons for Hotels Improving Service Quality**

| Reasons | Thai Hotels | International Hotel Chains | Total | Percent of Grand Total |
|---|---|---|---|---|
| 1. Improve customer satisfaction | 5 | 6 | 11 | 26.19 |
| 2. Meeting customers' expectations | 0 | 9 | 9 | 21.43 |
| 3. Image | 4 | 4 | 8 | 19.04 |
| 4. Competitive pressure | 3 | 4 | 7 | 16.67 |
| 5. Hotel profit | 2 | 1 | 3 | 7.14 |
| 6. Meeting customer demands | 1 | 1 | 2 | 4.76 |
| 7. Ensure guest security | 0 | 1 | 1 | 2.38 |
| 8. Generate traffic | 0 | 1 | 1 | 2.38 |
| Total | | | 42 | 100 |

### 4.3.3   Policies on Service Quality Improvement

Most hotels focus on improving staff's skills and knowledge through training as a major policy on service quality improvement.  One of the participants stated that

> **A1:** "Obviously, our policy focuses mainly on staff intensive training courses to improve the staff's skills, manners, and attitudes."

Many respondents cite hotel facility improvement as a major concern of service quality improvement.  For example,

> **B1:** "Our policy seriously focuses on hotel facility improvement.  Without doubt, it should be the beginning of everything."

Other participants made the following comments:

> **D1:** "Staff motivation is the most important—we focus on increase in staff salary, benefits, rewards and incentives."

> **E1:** "The management should clearly communicate the vision of the organization's culture and development to their staff; therefore, this is the main policy of our hotel."

> **F3:** "More prompt service provision is our backbone policy."

> **H1:** "Career development plans for the staff is our main concern, it is a related policy on service quality improvement."

In addition, from the results of hotels' policies on service quality improvement, the hotels focus on training in order to improve staff skill and knowledge (39.22%).  The

hotels showed their interests in improving hotel facilities in order to reach beyond guests' expectations (23.53%). The other major hotels' policies were the needs of customers (9.80%), and setting guest satisfaction measurement (7.84%). Interestingly, the international hotels did not indicate their interest in setting guest satisfaction measurement in the future. This can imply that most of the guest satisfaction measurement of the international hotel chains has already been set by the head office.

**Table 9: Hotels' Policies on Service Quality Improvement**

| | Thai Hotels | International Hotel Chains | Total | Percent of Total |
|---|---|---|---|---|
| **Reasons** | | | | |
| 1.Improve staff's skills and knowledge by training | 3 | 17 | 20 | 39.22 |
| 2. Hotel facility improvement | 5 | 7 | 12 | 23.53 |
| 3. Customer needs | 3 | 2 | 5 | 9.80 |
| 4. Setting guest satisfaction measurement | 4 | 0 | 4 | 7.84 |
| 5.Staff motivation | 0 | 2 | 2 | 3.92 |
| 6.Prompt service | 1 | 1 | 2 | 3.92 |
| 7. Clear vision of the hotel | 1 | 1 | 2 | 3.92 |
| 8. Striving to be professional | 1 | 1 | 2 | 3.92 |
| 9. Career development plan for the staff | 0 | 1 | 1 | 1.96 |
| 10. Staff psychology | 0 | 1 | 1 | 1.96 |
| **Total** | | | **51** | **100** |

In summary, the policy of hotels in Thailand in general on service quality improvement mainly focused on staff training. In addition, international hotel chains focused on the well being of the staff more than Thai hotels.

### 4.3.4 Continuous Improvement

All respondents confirmed their hotels have been continuously improving service quality. For example,

**B2:** "We are enhancing value to the customer through new and improved products and services, getting consistently uniform products and services by benchmarking."

**C2:** "I always capture and share the knowledge of my staff in order to maximize learning across and within the hotel. My staff constantly seeks opportunities for continuous improvement of service quality that adds value."

**D1:** "Definitely, we are constantly improving the effectiveness of all operations and of all work unit activities of the hotel."

**H1:** "My hotel challenges the effects of change by utilizing a learning organization to create innovation and continuous improvement opportunities."

**J1:** "My hotel continuously learns to improve service quality, both from our own activities and performance, and from that of others."

**Table 10: Continuous Improvement of Service Quality Improvement**

| | Thai Hotels | International Hotel Chains | Total | Percent of Grand Total |
|---|---|---|---|---|
| Continuous improvement | 12 | 18 | 30 | 100 |

Table 10 indicates that the intentions and the implementation of service quality improvement of the Thai hotel industry were appropriate in the management's point of view. They focus on promoting organizations to be learning organizations, taking initiatives to try new things and correcting problems spontaneously if something goes wrong.

### 4.3.5 Messages on Service Quality Improvement

Most of respondents indicated that there were messages regarding service quality improvement in their corporate mission and vision.

**Table 11: Messages on Service Quality Improvement**

|  | Thai Hotels | International Hotel Chains | Total | Percent of Grand Total |
|---|---|---|---|---|
| 1.Yes | 11 | 17 | 28 | 93.33 |
| 2.No | 1 | 1 | 2 | 6.67 |
| Total |  |  | 30 | 100 |

This could imply that the Thai hotel industry focuses on service quality improvement in terms of action—the same as in messages or statements.

### 4.3.6 Promotion in Service Quality to Staff

The priorities for hotels to promote and encourage their staff about service improvement by percentage were: "Hierarchy communication", which is communication from top management to middle management and from middle management to front line staff by daily operation meetings (54.55%), "Training" (14.55%), "Open door policy", which is the General Manager of the hotel in direct contact with the front line staff through meetings every three months or having breakfast, lunch or dinner with the staff once a month (12.73%), "Public announcement on notice board" (10.90%), and "Red box", which is the process of the staff sending a letter to the General Manager of the hotel (7.27%).

Comparing these two groups, it seems hotels promoted service quality to their staff in a similar manner—the relevant service quality announcement proceeded from top management directly to middle management by daily operation meetings in order to inform his/her subordinates. The training was another appropriate way for hotel

providers to promote service quality understandings and policy to a number of staff with widely differing backgrounds and working environments.

**Table 12: Promotion in Service Quality to Staff**

| How to Promote Service Quality to All Staff | Thai Hotels | International Hotel Chains | Total | Percent of Grand total |
|---|---|---|---|---|
| 1.Hierarchy communication: Daily operation meeting | 12 | 18 | 30 | 54.55 |
| 2.Training | 3 | 5 | 8 | 14.55 |
| 3.Open door policy | 2 | 5 | 7 | 12.73 |
| 4. Notice board | 3 | 3 | 6 | 10.90 |
| 5. Red box | 2 | 2 | 4 | 7.27 |
| Total | | | 55 | 100 |

In conclusion, the data showed that there were five different ways of promoting service quality to the staff. The most common channel, depending on hotels' preference and policy, was hierarchy communication, which is from top management to middle management and from middle management to frontline staff via daily operation meetings.

## 4.4 Barriers in Improving Service Quality

### 4.4.1 Important Barriers

By asking the question directly for the factors influencing the barriers to the service quality improvement of the hotels, the results indicate that manager respondents of the Thai hotels cited "Communication", "Staff involvement", and "Limited budget" as the main factors. "Communication" was, in fact, the most frequently named factor (16%), followed by "Staff involvement" and "Limited budget" (12%).

**Table 13: Important Barriers Affecting Service Quality Improvement of the Thai Hotel Chains**

| Factors | Frequency | Percent |
|---|---|---|
| 1. Communication | 8 | 16 |
| 2. Staff involvement | 6 | 12 |
| 3. Limited budget | 6 | 12 |
| 4. Staff-turnover | 4 | 8 |
| 5. Turnover of G.M. effecting policy | 4 | 8 |
| 6. Thai culture--not creative | 4 | 8 |
| 7. Culture (Mix-mode) | 4 | 8 |
| 8. Staff--less experience | 2 | 4 |
| 9. Staff-attitude (stay too long) | 2 | 4 |
| 10. Staff-efficiency | 2 | 4 |
| 11. Staff-knowledge | 2 | 4 |
| 12. Work process | 2 | 4 |
| 13. Lack of clear vision for service quality goal | 2 | 4 |
| 14. Interdepartmental connection | 2 | 4 |
| Total | **50** | **100** |

Interestingly, besides staff turnover and the turnover of the top management of the hotel, culture was found to be another important barrier as well. According to, Thai culture itself which affects the staff, they do not want to give their opinions or new ideas because they are afraid of being wrong. Therefore, it was found that the staff do not have creative thinking is one of the important barriers. Moreover, the mix-mode culture, which is the different opinions between the owner of the Thai hotels and the top management who came from the international hotel chains, always affected the hotel management, hotel policy, etc. It was found that the mix-mode culture is one of the important barriers affecting service quality improvement of the Thai hotel chains as well.

Table 14 indicates that manager respondents cited "Staff's attitude", "Communication", and "Timing to get involved" as main factors influencing the service quality of the international hotel chains. "Staff's attitude" was, in fact, the most frequently chosen factor (14.04%), followed by "Communication" and "Timing to get involved" (10.53%).

**Table 14: Important Barriers Affecting Service Quality Improvement of the International Hotel Chains**

| Factors | Frequency | Percent |
|---|---|---|
| 1. Staff's attitude | 8 | 14.04 |
| 2. Communication | 6 | 10.53 |
| 3. Timing to get involved | 6 | 10.53 |
| 4. Staff skills | 4 | 7.02 |
| 5. Staff knowledge | 4 | 7.02 |
| 6. Staff efficiency | 4 | 7.02 |
| 7. Staff turnover | 4 | 7.02 |
| 8. Staff--stay too long | 3 | 5.26 |
| 9. Staff experience | 3 | 5.26 |
| 10. Staff impatience | 3 | 5.26 |
| 11. Staff involvement | 2 | 3.51 |
| 12. Culture | 2 | 3.51 |
| 13. Work process | 2 | 3.51 |
| 14. Departmental connection | 2 | 3.51 |
| 15. Hotel policy | 2 | 3.51 |
| 16. Technical equipment | 2 | 3.51 |
| Total | <u>57</u> | **<u>100</u>** |

Evidently, staff is also the major barrier effecting the service quality of international hotel chains. More than 50% of the barriers are concerned directly with the staff such as "Staff's attitude" (14.04%), "Staff skills" (7.02%), "Staff knowledge" (7.02%),

"Staff efficiency" (7.02%), "Staff turnover" (7.02%), staff who stay too long make it very difficult to change their negative behaviour (5.26%), "Staff experience" (5.26%), and "Staff impatience" (5.26%).

Interestingly, "Limited budget", which is the second barrier factor affecting the service quality of the Thai chain hotel, was not cited as one of the factors influencing the service quality of the international hotel chains.

### 4.4.2  The Toughest Barrier

**Table 15: The Toughest Barriers Affecting Service Quality Improvement of the Thai Hotel Industry**

| Barriers | Thai Hotel Chains | International Hotel Chains | Total | Percent of Grand Total |
|---|---|---|---|---|
| 1. Communication | 8 | 6 | 14 | 46.67 |
| 2. Staff involvement | 4 | 2 | 6 | 20.00 |
| 3. Staff's attitude | 0 | 5 | 5 | 16.67 |
| 4. Timing to get involved | 0 | 5 | 5 | 16.67 |
|  | 12 | 18 |  |  |
| **Total** |  |  | **30** | **100** |

Obviously, the data shows that "Communication" is the toughest barrier, affecting service quality improvement of the Thai hotel industry (46.67%).

## 4.5    Actions in Service Quality Improvement

### 4.5.1    Actions towards Service Quality Improvement

There were many comments that suggested actions towards service quality improvement were being taken in the Thai hotel industry. For example,

**B3:** "We are concerned about providing English language training to all staff. Misunderstanding between our guests and staff always happen because of the poor English language of the staff. So, we have to get rid off this communication problem first."

**C1:** "We try to increase moral activity to improve staff attitude."

**D3:** "We always go for internal promotion to reduce staff turnover."

**F2:** "We use employee research to understand the staff's needs and ensure overall satisfaction. Moreover, our hotel pays more attention to customer complaint handling. We think that responsive complaint handling is needed to show a hotel's sense of urgency and attention regarding their guests' concerns."

**H1:** "We have just established a unit for continuous service quality improvement in our hotel."

**H2:** "My hotel pays a lot of attention to the strengthening of IT systems and equipment. Moreover, our boss always delegates more power to staff to make their own decisions. I am really impressed by that and it made me feel more confident. I definitely think that this is another affective action towards service quality improvement."

Besides, regarding barriers to service quality improvement and customer service problems as mentioned above, respondents' answers focused on solving related issues and could be categorized into five major groups, in percentage according to their priority of importance as: Staff (57.97%), Management (17.39%), Communication and Cooperation (14.49%), Customers (5.80%), and Other Projects (4.35%).

Regarding quality projects, projects in each major group could be ranked regarding their importance as percentages. For Staff, "Staff training" (50%) demonstrates the most important service quality improvement. With respect to management projects, there were major concerns shown for top management meeting directly with the staff equal to leadership direction (50%). For communication and cooperation projects, "English language training" (70%) was the major focus. The customer projects that showed major concerns were "Customer service and customer satisfaction survey" (50%). For the other projects, "Computer system improvement" (66.67%) was the major focus.

In addition, between the two groups of hotels, there were no significant differences in their focus on projects for service quality improvement. They mainly concentrated on training. Remarkably, the international hotel chains stated psychology training and moral activity had been established for dealing with staff attitude. This may imply that psychology training and moral activity will play an important role in improving service quality of the Thai hotel industry.

**Table 16: Actions towards Service Quality Improvement**

(see more details in Appendix 6.2 )

| | Thai Hotels | Inter-national Hotel Chains | Total | Per cent of Grand Total | Percent of Projects in Each Group |
|---|---|---|---|---|---|
| 1.Staff | | | | | |
| 1.Staff training: knowledge, skill and psychology | 7 | 13 | 20 | | 50 |
| 2.Rewards and incentives | 2 | 3 | 5 | | 12.5 |
| 3. Recruitment: open-minded staff | 2 | 1 | 3 | | 7.5 |
| 4 Increase moral activity to improve staff attitude | 0 | 2 | 2 | | 5 |
| 5.Internal promotion to reduce staff turnover | 1 | 1 | 2 | | 5 |
| 6. Staff evaluation after training | 1 | 1 | 2 | | 5 |
| 7. Employee research to understand the staff's needs. | 0 | 2 | 2 | | 5 |
| 8. Empowerment | 0 | 2 | 2 | | 5 |
| 9. Self-development | 0 | 2 | 2 | | 5 |
| **Total** | | | **40** | **57.97%** | **100** |

| | | | | | |
|---|---|---|---|---|---|
| **2. Management** | | | | | |
| 1. Top management meeting directly with the staff | 2 | 4 | 6 | | 50 |
| 2. Leadership direction | 2 | 4 | 6 | | 50 |
| Total | | | 12 | 17.39% | 100 |
| | | | | | |
| **3.Communication and cooperation** | | | | | |
| 1. English language training | 2 | 5 | 7 | | 70 |
| 2. Working as a team | 0 | 3 | 3 | | 30 |
| Total | | | 10 | 14.49% | 100 |
| | | | | | |
| **4. Customer** | | | | | |
| 1. Customer service and customer satisfaction survey | 1 | 1 | 2 | | 50 |
| 2. Customer complaint handling | 0 | 1 | 1 | | 25 |
| 3. Service quality unit establishment | 0 | 1 | 1 | | 25 |
| Total | | | 4 | 5.80% | 100 |
| | | | | | |
| **5. Other** | | | | | |
| 1. IT system improvement | 0 | 2 | 2 | | 66.67 |
| 2. Provision of various facilities | 0 | 1 | 1 | | 33.33 |
| Total | | | 3 | 4.35% | 100 |
| | | | | | |
| **GRAND TOTAL** | | | 69 | | |
| | | | | | |

Furthermore, as mentioned earlier in this paper, major groups of service problems in ranking were: staff (36.07%); customer behaviour (27.87%); communication and cooperation (24.59%); work process (6.56%); and other problems (4.92%). However, major groups of projects implemented to solve these problems were: staff (57.97%); management (17.39%); communication and cooperation (14.49%); customer (5.80%); and other projects (4.35%). Interestingly, the projects implemented to solve the problem of the customers were hardly mentioned, also the work process was not mentioned even though these problems were very important to the success of service quality improvement. This could suggest that hotels might not pay attention to solving these problems. This indicated that hotels in Thailand might not exactly understand their problems or misallocated their resources to solve problems.

## 4.5.2 Service Quality Measurement Techniques

Comments that suggested techniques for service quality measurement are cited below.

**I1:** "We are utilizing guest satisfaction surveys to measure customer satisfaction in order to receive up-to-date information concerning the hotel facilities and services offered. I think that the guest satisfaction survey is a much more practical technique."

**E3:** "Although all guests within a hotel have different perceptions on the quality of their stay, our hotel is continually striving to monitor guest feedback in order to find out the potential directions of improving our service quality."

**H2:** "Our hotel prefers using the mystery shopper service to measure service quality of the hotel, as they come from a professional market research company. Mystery guest service consists of unannounced visits to the hotel property and, using the exhaustive checklist, tests every aspect of guest services from check-in, meal service, room service, room cleanliness, concierge, bellman, business services and equipment. The mystery shoppers ask for odd items, place high demands on the hotel staff and test the security before checking out."

**D1:** "The mystery shoppers rate every aspect of the hotel and every staff member they contact. The mystery shoppers will also provide an extensive commentary report, and our hotel will use this information to take corrective actions in our needed areas and as a training tool to educate our staff."

**I1:** "Obviously, the information from the mystery shoppers is much more meaningful because it comes from a professional market research company."

**B1:** "I prefer using management observation technique to assess the interactions that take place daily between our hotel operation and our guests. To me, I think it is the most practical technique and I'm sure that I receive reliable results from it."

**Table 17: Service Quality Measurement Techniques**

| Measurement Techniques | Thai Hotels | International Hotel Chains | Total | Percent of Grand Total |
|---|---|---|---|---|
| 1.Guest satisfaction survey | 5 | 18 | 23 | 76.67 |
| 2. Mystery shoppers | 2 | 3 | 5 | 16.67 |
| 3. Management Observation | 1 | 1 | 2 | 6.67 |
| Total | | | **30** | **100** |

Obviously, the data has shown that "Guest satisfaction survey" (76.67%) was the main approach used for measuring service quality of the Thai hotel industry. Interestingly, the mystery shoppers technique was the second priority technique used for measuring service quality of the Thai hotel industry (16.67%).

### 4.5.3 Approaches for Service Quality Improvement

Comments that suggested approaches for service quality improvement are cited below.

**B1:** "Our hotel mainly uses staff intensive training courses to improve the staff's skills, manners, and attitude. We

think that this approach is the most practical to improve our service quality."

A2: "We use benchmarking to track the competitors' movements and use this information as an indication to evaluate the hotels' performance. We believe that it is the best approach."

C1: "Our hotel focuses on encouraging teamwork. We think that teambuilding should be the first approach to think about improving our service quality."

J1: "We are using Six-Sigma to improve the effectiveness and efficiency of our operations, and it works very well."

G1: "Since our hotel is certified by ISO 9000, it is very beneficial because trends show that guests prefer to choose hotels that have been certified by ISO 9000. Moreover, I think that if you want to ensure the standardization and consistency in service delivery, to improve the quality of services, to develop staff's knowledge, skills and attitudes, to encourage teamwork and cooperation, and to enhance cost savings, ISO 9000 should be adopted."

E2: "My hotel is using Total Quality Management technique. I think that it is very effective as it is the management of work system in order to protect and reduce errors and mistakes and create value in each work process to meet the success of the hotel operational functions."

**Table 18: Approaches for Service Quality Improvement**

| Approaches Implemented | Thai Hotels | International Hotel Chains | Total | Percent of Grand Total |
|---|---|---|---|---|
| 1.Training | 7 | 4 | 11 | 32.35 |
| 2.Benchmarking | 5 | 4 | 9 | 26.47 |
| 3.Team building | 3 | 5 | 8 | 23.53 |
| 4. Six Sigma | 0 | 2 | 2 | 5.88 |
| 5. ISO 9000 | 0 | 2 | 2 | 5.88 |
| 6. Total Quality Management | 0 | 2 | 2 | 5.88 |
| Total | | | 34 | 100 |

Obviously, the data has shown that "Training" (32.35%) was the main approach used for improving service quality in the Thai hotel industry.

Remarkably, the international chain hotels applied Six Sigma, ISO 9000, and Total Quality Management approaches for service quality improvement, but this was not found in the Thai chain hotel. This may imply that Thai hotels use very limited approaches for service quality improvement.

### 4.5.4 Projects Performance

Regarding the project performance, approximately 97.67% of respondents stated that their hotel's projects for improving service quality were doing well. This can imply that project performance is acceptable in the views of hotel practitioners.

**Table 19: Project Performance**

|  | Thai Hotels | International Hotel Chains | Total | Percent of Grand Total |
|---|---|---|---|---|
| 1.All are performing well | 11 | 18 | 29 | 96.67 |
| 2.Most are performing well | 1 | 0 | 1 | 3.33 |
| **Total** |  |  | **30** | **100** |

In addition, from the in-depth interviews, it was found that the five-star hotels always set up their program with the intention to impress customers from their very first step into the hotel. The successful projects which were stated by the hotel practitioners were:

- Legendary Quality Experiences (L.G.E.) of the Oriental Hotel: Every department tries to convince their staff to impress their guests as much as they can.

- Peninsula Standard of Excellence (P.S.O.E) of Peninsula Hotel: focus on improving staff attitude in order to provide better service.

- Starwood Cares of Sheraton Grande Hotel: Using Guest Satisfaction Index (G.S.I.) to find the gap of their guest satisfaction.

- "Asian cares" of Amari Watergate Hotel: Using Thai culture in order to provide unique service.

- "Can do" of the Landmark Hotel: whatever guests ask, the staff had to say "Can do, sir/madam."

## 4.6    Success in Improving Service Quality

### 4.6.1    Critical Success Factors

Table 20 indicates that manager respondents cited leadership and teamwork as main success factors of the service quality improvement of the Thai chain hotel. "Teamwork" and "Leadership" were in fact, the most frequently named factor (12.50%).

**Table 20: Success Factors of Service Quality Improvement of the Thai Hotel Chains**

| Factors | Frequency | Percent |
|---|---|---|
| 1.  Teamwork | 4 | 12.50 |
| 2.  Leadership | 4 | 12.50 |
| 3.  Clear communication | 2 | 6.45 |
| 4.  Management involvement and commitment | 2 | 6.45 |
| 5.  Staff efficiency | 2 | 6.45 |
| 6.  Staff attitude | 2 | 6.45 |
| 7.  Prompt service | 2 | 6.45 |
| 8.  Efficient work system | 2 | 6.45 |
| 9.  No fear of change | 2 | 6.45 |
| 10. Timing to get involved | 2 | 6.45 |
| 11. Budget | 2 | 6.45 |
| 12. Uniqueness of the hotel | 2 | 6.45 |
| 13. Hotel facility and service | 2 | 6.45 |
| 14. Quality of food | 2 | 6.45 |
| Total | **32** | **100** |

Table 21 indicates that manager respondents cited "Teamwork" and "Management involvement and commitment" as main factors influencing the service quality of the international chain hotel. "Teamwork" was, in fact, the most frequently chosen factor (16%), followed by "Management involvement and commitment"(12%).

**Table 21: Success Factors of Service Quality Improvement of the International Hotel Chains**

| Factors | Frequency | Percent |
|---|---|---|
| 1. Teamwork | 8 | 16 |
| 2. Management involvement and commitment | 6 | 12 |
| 3. Leadership direction | 3 | 6 |
| 4. Staff responsiveness (willing to help) | 3 | 6 |
| 5. Staff efficiency | 3 | 6 |
| 6. Staff's attitude | 3 | 6 |
| 7. Staff training | 3 | 6 |
| 8. Taking care of their staff | 3 | 6 |
| 9. Meeting customer satisfaction | 3 | 6 |
| 10. Problem solving | 3 | 6 |
| 11. Hotel facility | 2 | 4 |
| 12. Empowerment | 2 | 4 |
| 13. Continuous improvement | 2 | 4 |
| 14. Communication | 2 | 4 |
| 15. Organizational control | 2 | 4 |
| 16. Individual guest attention | 2 | 4 |
| Total | **50** | **100** |

This can imply that both international hotel chains and Thai hotels chains, consider that teamwork is the key success factor of service quality improvement.

## 4.6.2 Level of Success

Regarding the level of success in service quality improvement, hotels have shown their success in improving their services. 80% of the respondents indicated that their Service quality improvement projects were "high" in terms of success. Only 20% of respondents claimed that the success level was "reasonably high."

Some respondents believed that part of their success was due to other reasons besides doing good work:

I1: "I think that our hotel is very successful, most of all we have to thank the uniqueness of Thai culture."

A3: "I feel our success is, in part, because our hotel has been set on an excellent location, not because we have done anything so great."

**Table 22: Level of Success in Improving Service Quality**

| Level of Success | Thai Hotel Chains | Percent of Thai Hotel Chains | International Hotel Chains | Percent of International Hotel Chains | Grand Total | Percent of Grand Total |
|---|---|---|---|---|---|---|
| 1.High | 7 | 58.33 | 17 | 94.44 | 24 | **80** |
| 2.Reasonably high | 5 | 41.67 | 1 | 5.56 | 6 | **20** |
| Total | 12 | 100 | 18 | 100 | | |
| Grand Total | | | | | **30** | **100** |

In comparison, between the two groups of hotels, their success level was a bit different. Most of the hotel practitioners in the International hotel chains pointed out that their hotels have succeed in improving service quality with a "high" success level of 94.44%, whereas hotel practitioners in the Thai hotels indicated only 58.33% in the "High" level. Hence, this can imply that the resources that international chain hotels invested in their service quality improvement have paid off in their minds.

### 4.6.3 How to Overcome Problems in the Future

The managers mentioned several interesting techniques and approaches for the hotels to be successful in their service quality improvements. To begin with the techniques and approaches to solve the staff-related problems. The recommendations they give are as follows:

**J1:** "We plan to support our staff for self-efficiency improvement such as providing opportunities for creative initiatives."

**G1:** "We will provide a psychologist to give advice to our staff. We believe that happy staff members will perform better work."

**F2:** "In doing the service oriented business, you should have a service-minded focus. Know the exact limitations of the hotel. Be tolerant."

**E3:** "Staff should be devoted to their work. They will obtain true knowledge from their work.... Benefit, pride and recognition will follow them."

**D3:** "Staff who expect to succeed in service quality improvement of the hotel must control their tempers and try best at own job."

**E2:** "Service-minded focus, we have to give this awareness to the staff continuously."

**D1:** "We will focus on the monitoring and evaluation of service quality improvement projects and then utilize feedback from evaluation after staff training."

B3: "You should possess a good team. Tell them to cooperate and be good to each other."

G3: "We have to work as a team. The good thing about teamwork is to share one's ideas, and understand and have the same goal."

C2: "Working as a team can directly contribute to the hotel's success in the future."

I1: "Teamwork helps strengthen the hotel. One can help others to complete assignments successfully."

B1: "Working alone without good teamwork will not induce service quality improvement success. Teamwork will save time and help utilize time effectively to develop better work."

H2: "I provide suggestions to the team and let the team work on their own to improve service quality of the hotel. I think that empowerment is important."

Moreover, staff should know how to find new and appropriate ways to achieve good results. They should acquire necessary skills to absorb as much new knowledge as possible to keep pace with world changes and technology. As stated by the respondents:

G2: "You must learn all the time. Don't shut yourself out of a good opportunity."

H3: "Knowledge will help staff to manage their work well. Learning continuously and getting training will help create effective work."

**F1:** "Both leaders and staff have to prove themselves the owners of a high quality of knowledge and education by reading, studying, exchanging new ideas on their expertise and showing deep interest in continuous learning."

**J3:** "As a Front Office Manager of the hotel, I must learn and get trained all the time, especially in the English language. To train continuously provides staff a better opportunity for advancement."

**C1:** "Managers should know a thorough knowledge of business in general and know how to build their capability and develop more flexibility."

Respondents cited the staff must try hard to solve problems conscientiously. Each problem requires a different solution and a different management style. Analyzing the root cause of and finding the appropriate way to solve problems was important for efficient problem solving. Besides, the staff should possess strong will, determination, patience, and work for the benefit of the hotel as much as possible. Hard work will lead to high contribution. As one respondent stated:

**C3:** "You must work hard and harder. Be devoted to your job and be wholeheartedly dedicated to your assignment for the benefit of your hotel."

Moreover, respondents indicated that devotion to work or an assignment shows accountability and a desire for continuous learning and acquisition of new knowledge. Staff needs to be enthusiastic, deepen their experience, and find new appropriate ways for success.

Furthermore, respondents indicated the techniques and approaches to solve the management problems. They suggest that the managers should possess leadership skills to manage the business for the future. They need to have vision that is suitable

to the business and that promotes stable progress for the organization. Managers need to exercise the leadership skills of making bold decisions and being decisive and assertive. Leaders are also expected to empower employees so that they will be successful.

Besides, the prominent leadership skill indicated by most of respondents was team leadership, where the manager led the team and had the team participate in decision-making. The recommendations they give are as follows:

> **J2:** "As a leader, I find that you have to build up credibility to the staff by guiding them and had them participate in decision-making, and rewarding them. You have to convince them that you as their boss who could help them if they need help."

> **H1:** "I think that leadership is the most important—it is the key to many answers; therefore, we will focus on executive training courses on leadership in hospitality."

In decision making, respondents believed that the leader should make collaborative decisions based on information, facts, and evidence. Leaders should seek out ideas from everyone, not just those who have direct involvement with the job.

In addition, some more comments that suggested techniques and approaches to overcome the problems of service quality improvement are cited below.

> **A3:** "Using the uniqueness of Thai culture, I think that Thai people by their nature are mindful. We must combine their courteousness and intelligence; therefore, the customers will accept them better."

> **E1:** "Communication are also essential. It is important that mangers communicate clear objectives and targets."

50

I3: "More cooperation between management and staff together with more cooperation between inter departments, are also needed. Building connections and relationships will also help resolve the complicated cases."

A2: "Successful managers should possess clear communication skills that help coordinate both internal and external organization and foster understanding, good human relationships and good teamwork."

A1: "I think we have to focus more on a customer expectation study, and we have to differentiate our facilities and services beyond their expectation."

D2: "Differentiating hotel facility and provided service, such as focusing on boutique hotel, spa hotel or hip hotel, is our first plan."

According to many respondents, to be successful in service quality improvement, staff have to overcome barriers by having a good attitude towards work, their colleagues, and their bosses. While the management have to encourage teamwork and participation and act as a coach and leader of the team. The management have to communicate clear goals and endeavor to achieve them.

Table 23 shows the conclusion of many different ways to solve the problems. Then, can be divided into seven major groups: Staff (66.37%), Management (12.44%), Culture (5.10%), Work Process (5.10%), Communication and Cooperation (4.08%), Customer Behaviour (4.08%), and Hotel Facilities (3.06%).
In addition, there were suggested ways in which each of the seven major groups could be compared and showed in percentage of their importance. Regarding Staff, there were three major recommended ways: "Self-directed behavior"; "Taking care of staff", and "Staff training". Remarkably, "Self-directed behaviour" was highly recommended, and "Working as a team" (16.92%) was the main thing, followed by "Problem solving" (12.31%).

Regarding Management, respondents advised that the best way to solve the problem was by "Leadership" (66.67%) and "Increase management involvement and commitment" (33.33%). Regarding Culture, respondents recommended to present the uniqueness of Thai culture to improve the service quality of the hotels. Regarding work process, respondents recommended only work process reduction to solve the problem.

Regarding Communication and Cooperation, the respondents from Thai hotels advised that the best way to solve the problem was by "Clear communication" (50%) and "More cooperation" (50%). Surprisingly, respondents from the international hotel chains did not mention this point at all.

Regarding Customer Behavior, although "an increase customer expectation study" (75%) and "Customer satisfaction survey" (25%) were major suggestions, it was just only 4.08% of the grand total. This can imply that hotels in Thailand might not exactly understand their problems or misallocated possible suitable ways to solve problems.

With respect to the Hotel Facilities, respondents suggested hotels should improve hotel facility (33.33%) and differentiate hotel facility and provided service (66.66%) in order to meet or go beyond guests' expectations, or, at the very least, just to satisfy the guests' needs.

**Table 23: What Needs to be Done** (see more details in Appendix 6.3 )

| | Thai Hotels | Inter-national Hotel Chains | Total | Percent of Grand Total | Percent of Actions in Each Group |
|---|---|---|---|---|---|
| **1.Staff** | | | | | |
| | | | | | |
| **1.1 Staff-directed behavior** 1.Work as a team | 4 | 7 | 11 | | 16.92 |
| 2.Problem solving | 2 | 6 | 8 | | 12.31 |
| 3.More attention to customers | 1 | 4 | 5 | | 7.69 |
| 4.Self-learning and diligence | 1 | 4 | 5 | | 7.69 |
| 5.More dedication | 1 | 3 | 4 | | 6.15 |
| 6.Self-efficiency improvement | 0 | 4 | 4 | | 6.15 |
| 7.Trying best at own job | 1 | 3 | 4 | | 6.15 |
| 8.More prompt service provision | 1 | 3 | 4 | | 6.15 |
| 9.Service-minded focus | 1 | 3 | 4 | | 6.15 |
| 10.Be patient | 0 | 2 | 2 | | 3.08 |
| 11.Focus on organizational benefit | 0 | 1 | 1 | | 1.54 |
| | | | | | |
| **1.2Taking care of staff** | | | | | |
| 1.Staff motivation: increase in staff salary, benefits, and rewards. | 2 | 2 | 4 | | 6.15 |
| 2.Empowerment | 0 | 3 | 3 | | 4.62 |
| 3.Provide psychologist to give advice to staff | 0 | 2 | 2 | | 3.08 |
| | | | | | |
| **1.3 Training** | | | | | |
| 1.More staff training | 0 | 2 | 2 | | 3.08 |
| 2.Evaluation after staff training | 1 | 1 | 2 | | 3.08 |
| | | | | | |
| Total | | | 65 | 66.37% | 100 |
| | | | | | |
| **2. Management** | | | | | |
| 1.Leadership | 5 | 3 | 8 | | 66.66 |
| 2.Management involvement and commitment | 4 | 0 | 4 | | 33.33 |
| Total | | | 12 | 12.24% | 100 |
| **3. Culture** | | | | | |
| 1.Using the uniqueness of Thai culture | 3 | 2 | 5 | | 100 |
| total | | | 5 | 5.10% | 100 |
| | | | | | |
| **4.Work Process** | | | | | |
| 1.Work process reduction | 2 | 3 | 5 | | 100 |
| Total | | | 5 | 5.10% | 100 |
| | | | | | |
| **5.Communication and Cooperation** | | | | | |
| 1.Clear communication | 2 | 0 | 2 | | 50 |
| 2.More cooperation | 2 | 0 | 2 | | 50 |
| Total | | | 4 | 4.08% | 100 |

53

| | | | | | |
|---|---|---|---|---|---|
| **6. Customer Behaviour** | | | | | |
| 1. Customer expectation study | 2 | 1 | 3 | | 75 |
| 2. Customer satisfaction survey | 0 | 1 | 1 | | 25 |
| Total | | | **4** | 4.08% | **100** |
| | | | | | |
| **7. Hotel Facilities** | | | | | |
| 1. Hotel facility improvement | 0 | 1 | 1 | | 33.33 |
| 2. Differentiating hotel facility and provided service. | 1 | 1 | 2 | | 66.66 |
| Total | | | **3** | 3.06% | **100** |
| | | | | | |
| **GRAND TOTAL** | | | **98** | | |
| | | | | | |

In addition, as mentioned earlier, major groups of service problems in improving service quality were in order of ranking: Staff (36.07%), Customer Behavior (27.87%), Communication and Cooperation (24.59%), Work Process (6.56%), and Other Problems (4.92%). However, major concrete ways to solve persisting problems in ranking were noted in the areas of: Staff (66.37%), Management (12.44%), Culture (5.10%), Work Process (5.10%), Communication and Cooperation (4.08%), Customer Behaviour (4.08%), and Hotel Facilities (3.06%).

Consequently, the data has obviously shown that in the respondents' views, to solve persistent problems, staff was still a key area of concern. The hotels would not directly solve such problems, particularly those of customer behaviour, and communication and cooperation. Moreover, hotels paid less attention to the hotel facility development. It can imply that only the staff is the main focus in the future provision of service quality improvement of the hotel industry in Thailand. This indicates that hotels in Thailand might not be able to solve those problems effectively in the future.

## 4.7   Analysis

The most critical service problems in the Thai hotel industry are staff-related. Some examples are staff's lack of skills, lack of knowledge, insufficient number of staff and staff's attitudes of resistance to changes to a new environment. Practically speaking, hotel staff has played important roles in representing hotels as a whole, to ensure the accuracy of the service, and are keys for customers to evaluate hotel service quality. If these problems still persist, the improvement in service quality may not be able to reach an optimal level. From the results mentioned above, most hotels in Thailand then focus on staff training.

Regarding service quality improvement policies across the industry, all usually originate directly from the top management, though some suggestions are from staff to the management level. Since staff, not policy makers, directly interact with customers, they should take important roles in defining service improvement policies. Accordingly, the research indicates that staff members take some part in service quality improvement but not in all the process.

However, hotels in Thailand may be not generally on the right track in focusing on responsiveness as the first priority. Since the reliability dimension is considered the first priority to judge service quality in the customers' views, the hotels have to reconsider their service quality dimensions by focusing on more reliability in order to improve customer perceptions of their credibility. To put the emphasis on reliability and achievement of service improvement goals, the corporate mission should include messages on service improvement that have to be recognized and easily seen by all staff doing their day-to-day duties.

Hotels showed their interests in service quality improvement as "very high" and "reasonably high" due to "improving customer satisfaction", and "Meeting customer expectation" as major reasons. This implies that hotels have to continue to improve service quality as there will be an increase in customer satisfaction in the future. Presently, the guest satisfaction survey is emerging as the main effective method in the Thai hotel industry to reduce the dissatisfaction of the customers and to allow

more accuracy for hotel staff to deliver better service to customers. However, being best in service quality improvement is difficult and needs a team to plan and monitor the whole process. Hence, hotels should establish the service improvement teams or related units to be responsible for service problem investigation and quality initiative development. As a result, service problems will be solved effectively and service quality will be improved and accomplished as a corporate competitive advantage.

Interestingly, the five-star hotels in Thailand hardly mentioned IT systems and equipment as the important problems. They believe that all the IT systems in their hotels are already well set up. However, they are faced with other important issues such as staff, customer behaviour, communications and cooperation and work process—all of which greatly affect service delivery. Hotel projects have mainly focused on staff. However, the hotels' projects to solve the service problems with the communication and customer behaviour study have, to this point, received less attention than it should get. Moreover, service problems with work process is still an area where hotels have taken few initiatives to solve. As a result, hotels urgently need to solve these service problems before they place their positions in the market. If the solutions cannot be found, service quality improvement and implementation will not be accomplished.

In brief, service quality improvement initiatives in the Thai hotel industry are successful to some extent, at least according to the respondents' views. However, hotels have to increasingly solve customer service problems, improve quality initiatives, and create more quality programs based on present experiences and expertise.

# Section V: Model Building, Contribution of Knowledge, Limitations, and Conclusions

## 5.1  Model Building

Basically, the model has defined strategic quality management as a comprehensive framework that links business objectives to service quality improvement efforts with the aim of harnessing the human, material and information resources organization-wide in continuously improving service quality that will allow the delivery of customer satisfaction.

Thus, after the critiques on the literature review regarding service quality improvement in Research Paper I and the empirical findings obtained from Research Paper II.   The model below is proposed for hotel practitioners to continuously improve service quality in the Thai hotel industry.

**Figure 2: Model for Service Quality Improvement in the Thai Hotel Industry**
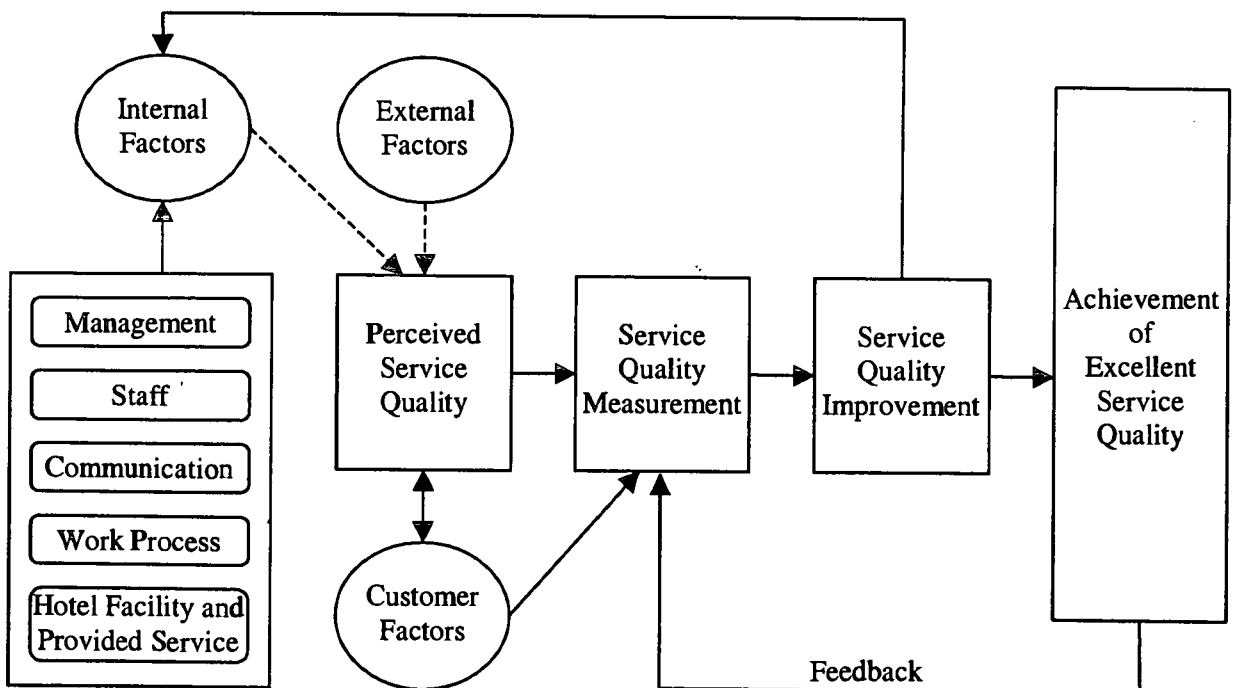
In this model, service quality improvement is the growing trend of the hotel industry with the ultimate goal of organization survival in terms of profits and market share through developing customer satisfaction. To improve service quality, hotels face many internal problems–staff, communication and cooperation, work process, and other problems–as found from the interviews. At the same time, hotels have to deal with external problems such as the government, competitors, and the economy in the changing environment. Moreover, the customer behavior factor is out of the hotels' control and hotels have to satisfy their customers with the services provided. To deal with these problems or factors, management and staff have to mange these factors and implement quality projects.

## 5.2 Contribution of Knowledge

In the Thai hotel industry, quite a limited number of research on hotel management, especially service quality improvement, is available. Some of them may be only for internal use within universities and the Thai Hotels Association. Thus, this research may be one of the few studies on such an important topic.

This research also provides information and knowledge of Thai hotel characteristics, and changes in the industry, as well as the findings of actions in service quality improvement and quality initiatives implemented across the industry. Thai hotel practitioners can apply the knowledge and findings of this research to their hotels to build up or improve their services in order to strengthen their competitive edge. Hopefully, the faster a hotel can apply this knowledge, the better such a hotel can improve service quality, increase customer satisfaction, expand its customer base and finally gain more profits.

## 5.3 Limitations

This research was conducted within the context of the hotel industry. It adds knowledge to the literature of service quality improvement. However, its results cannot be completely relevant, consistent and applicable to all service businesses due to the limitation of sample size, selection procedure, and its focus on only the five-star hotel industry. Caution should be applied in generalizing the findings for the whole service industry, either in Thailand or worldwide. Further study is needed to compare with this research.

In addition, customer surveys should be conducted to examine whether service quality improvement of the five-star hotels have meet customers' needs. Then, hotels in Thailand will understand what they have to do in the near future to improve service quality. It should be pointed out that, the interviews have been employed in Research Paper II to get an overall picture of service improvement across the hotel industry. The implications of service quality improvement, however, will be investigated in Research Paper III to provide a guideline for hotel practitioners to effectively apply the knowledge and findings of service quality improvement from the first and second research papers to their hotels.

## 5.4 Conclusions

At present, the hotels in Thailand have been experiencing dramatic changes, leading hotel practitioners to pay closer attention to service quality improvement. As seen in Research Paper I, service quality improvement is considered as a winning strategy because it brings about an increase in customer satisfaction and ultimately maximizes a company's profits and market share (Barker *et al.*, 2003; Berry *et al.*, 1994; Getty& Getty, 2003; Lee *et al.*, 2000; Maxwell *et al.*, 2004; Oliver, 1996, Newman *et al.*, 1998).

The results of the empirical research in this research study have shown the hotels' attempts to improve service quality by establishing key quality initiatives. Though service quality improvement initiatives in the Thai hotel industry are successful to some extent according to respondents' views, the findings, however, indicate hotels in Thailand might not exactly understand their problems or have even misallocated their resources to solve the problems. Therefore, hotels have to increasingly solve customer service problems, improve quality initiatives, and create more necessary quality programs based on present experiences and expertise. This could suggest that in the future hotels should place more resources in the improvement of communication, and customer expectation and satisfaction studies.

The literature review analysis in the first paper will be integrated with the empirical findings from this paper to create in Research Paper III, a practical system for service quality improvement in the Thai hotel industry. The third research paper, which follows this second one, is titled "Implications of Service Quality Improvement in the Thai Hotel Industry." Hotel practitioners in the Thai hotel industry will then be able to gain benefits for their hotels from the use of the effective system's suggestions.

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# RECRUITMENT MATERIAL

## A study of service quality improvement in the Thai hotel industry
### An invitation to participate for the interview

As you are an experienced professional who has knowledge and experience in this field of study, I would like to ask for your help by seeking your permission to be interviewed. This interview will simply ask your opinions and would considerably contribute to the objectives of my research that ultimately aim to help the Thai hotel industry to improve its service quality. The in-depth interview will take place at your hotel for the length of an hour. The interview will be conducted between the beginning of December, 2003, to the end of January, 2004. You are respectably invited to be a potential respondent to participate in this research study.

The objectives of this research are to evaluate the service quality improvement for the Thai hotel industry by ascertaining the following: the overall interest in improving service quality, what your hotel is doing about service quality improvement, your success in improving service quality, the problems that still persist in improving service quality, and what more could be done to continue to improve service quality.

All records or collected data containing your personal information will remain strictly confidential and no information that could bring about the identification of any individual will be released.

Your participation is purely voluntary and you are under no obligation whatsoever to participate in this in-depth interview.

Your support is much appreciated for this research study; the data will be used for the research study of the undersigned for the Doctor of Business Administration Program at the University of South Australia. If you are interested in participating, please inform the General Manager.

If you need more information or have some concerns regarding this study, please do not hesitate to contact myself on my mobile phone at the following number: 01-1721573.

Nida Tuntirattanasoontorn

# INFORMATION SHEET

## University of South Australia

## International Graduate School of Management

*Titles : Service Quality Improvement in the Thai Hotel Industry*

**By : Nida Tuntirattanasoontorn**

**Contact :** nidathai@loxinfo.co.th

**01-1721573**

**Interview Invitation**

Because you are an experienced professional who has knowledge and experience in this field of study, I would like to ask for your help by seeking your permission to be interviewed. This interview will simply ask your opinions and would considerably contribute to the objectives of my research that ultimately aim to help the Thai hotel industry to improve its service quality. By agreeing to this interview, you would help me in my research and play a role in improving the Thai hotel industry.

**Purpose of the Study**

The objective of this research is an evaluation of service quality improvement for the Thai hotel industry by ascertaining the following: the overall interest in improving service quality, what hotels are doing about service quality improvement, hotel's success in improving service quality, the problems that still persist in improving service quality, and what move could be done to continue to improve service quality.

**Expectations**

You are expected to give your opinions and information known in accordance with each question asked. During the interview, the writing of answers for each question asked is needed for the

use in other parts of this research. All the answers are to kept on file to satisfy the requirements of the university and will only be used for the purpose of this research.

## Withdrawal from the Interview

During the interview, you may withdraw at any time without affecting your job position, treatment and care.

## Possible Benefits/Risks

You would be one of the professionals who could help the Thai hotel industry to improve service quality. In addition, there is no risk that may cause you any problems since all the data obtained from this interview would be use and employed only for the research.

## Storage of Collected Data

The data written from the interview will be kept safely in the storage room at the researcher's residence. After completing the research study, the recorded data will be sent to the University of South Australia in order to comply with Australian Freedom of Information legislation and must be stored securely for seven years in a safe environment.

## Confidentiality

All records or collected data containing your personal information will remain confidential and no information that could bring about the identification of any individual would be released. Otherwise, a statement will be included making you aware of it (if you will be able to be identified).

## Specific Concerns

If you need some more information or have some concerns regarding this study, the following contact person will be available to answer your questions or concerns:

Dr. Porpan Vachajitpan, or Dr. Frank Gregory

    Excel Learning Centre, 13/13 Suthampong Building,

    Srinakarin Road, Nongbon, Praves, Bangkok 10260, Thailand

    Tel: (662) 7434202 Fax: (662) 7434204

    Email: excel@loxinfo.co.th

For any ethical concerns you might have about this research, please contact

Ms Sachiko Hidaka, Executive officer (DBA)

Divisional Ethics Committee,

Division of Business and Enterprise,

University of South Australia

Ph: +61 8 8302 0907

Email: Sachiko.Hidaka@unisa.edu.au

# CONSENT FORM

## CONSENT FROM FOR INTERVIEW PARTICIPATION

*Project Title: Service Quality Improvement in the Thai Hotel Industry*

**Researcher's name**   Nida  Tuntirattanasoontorn

**Supervisor's name**   1. Dr. Frank Gregory
                        2. Dr. Porpan Vatchajitpan

- I have received information about this research project, I understand the purpose of the research project and my involvement in it, and I agree to take part.

- I understand that I may not directly benefit from taking part in the project.

- I understand that I can withdraw from the study at any stage and that this will not affect my status now or in the future.

- I understand that while information gained during the study may be published, I will not be identified and my personal results will remain confidential.


**Name of Subject:**  ...............................................................................

**Signed:**          ...............................................................................

**Dated:**           ...............................................................................

I have explained the study to the subject and consider that he/she understands what is involved.

**Researcher's signature:**    ...........................................................................

**Dated:**                     ...........................................................................

# <u>CORRESPONDENCE</u>

**Nida Tuntirattanasoontorn**
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Candidate Address: 219 Jarunsanitwong 74/1 Rd.
Bangkok 10700 Thailand
Mobile: 01-1721573

Dear General Manager,

I respectfully ask for your assistance regarding my research study that I am doing for the University of South Australia. The objectives of my research study are an evaluation of service quality improvement for the Thai hotel industry by ascertaining the following: the overall interest in improving service quality, what hotels are doing about service quality improvement, hotel's success in improving service quality, the problems that still persist in improving service quality, and what move could be done to continue to improve service quality.

The exploratory research in this study will be conducted at the ten hotels located in Bangkok, Thailand. The hotels will be set within the administrative boundaries of the star rating system and only five star hotels will be selected. Moreover, the hotels will be selected based on a number of criteria, which will most likely include the number of tourism businesses at the destination, the number of visitors per annum and the accessibility of information at the destination.

Furthermore, the research participants for this study will be dawn from the middle to the top management level of the hotels and will be strictly voluntary. The in-depth interviews will be conducted to the managers at the hotels for the length of one hour each. Consequently, this research study needs the participants as follows:

One respondent who works in the top management level. The position should be selected from Department Director up to the General Manager.

Two respondents who work in the middle management level. The position should be selected from Supervisor up to the Department Manager.

Accordingly, your hotel is considered to be suitable for this research study. Particularly, because you are an experienced professional who has knowledge and experience in this field of study, I would like to ask for your help by seeking your permission to be interviewed.

This interview will simply ask your opinions and would considerably contribute to the objectives of my research that ultimately aim to help the Thai hotel industry to improve its service quality. By agreeing to this interview, you would help me in my research and play a role in improving the Thai hotel industry.

Your co-operation is essential to make this project a success. Moreover, your support is much appreciated for this research study. The resulting data will be used for the research study of the undersigned for the Doctor of Business Administration Program at the University of South Australia.

Thank you very much for your kind consideration.

Yours sincerely,

Nida Tuntirattanasoontorn

# INTERVIEW QUESTIONS

## PART I : GENERAL INFORMATION

1. Position ................................................
2. Department ............................................
3. Name of hotel .........................................
4. Work experience year ...................years.........months
5. Work experience with this hotel ........years.........months

## PART II : QUESTIONS REGARDING SERVICE QUALITY IMPLEMENTATION

## 1. Determinants of Service Quality in the Thai Hotel Industry

1.1    Could you please identify the meaning of "service quality" in your hotel?

1.2    In what order does your hotel rank the following concerns or dimensions?

- Tangibility (appearance of the physical facility, equipment, personnel and communication material)

- Reliability (ability to perform the promised service decently and accurately)

- Responsiveness (willingness to help guests and provide prompt service)

- Assurance (knowledge and courtesy of employees and their ability to inspire trust and confidence)

- Empathy (caring, individualized attention that the hotel provides its guests )

## 2. Problems of Customer Service

2.1      What do you see as the problems of customer service in your hotel?

## 3. Interest in Improving Service Quality

3.1      How interested is your hotel in improving service quality?

3.2      What are the main reasons for improving service quality in your hotel?

3.3      What are your hotel's policies on improving service quality?

3.4      How consistent are your hotel's policies on improving service quality?

3.5      Does your hotel include any messages regarding service quality improvement in the hotel's mission statement?

3.6      How does your hotel promote service quality improvement to all staff?

## 4. Barriers to Success

4.1      What are important barriers to the success of service quality improvement in your hotel?

4.2      What is the toughest barrier?

# 5. Actions in Service Quality Improvement

5.1     What is your hotel doing about service quality improvement?

5.2     What are your hotel's techniques about measuring service quality?

5.3     What are your hotel's approaches about improving service quality?

5.4     Which project / program is your hotel doing well / not doing well?

# 6. Success in Improving Service Quality

6.1     What are the critical success factors in improving the service quality of your hotel?

6.2     How do you rate the degree of your hotel's success?

6.3     What do you think should be done in the future to overcome the problems of service quality improvement in your hotel ?

# PART III : PARTING COMMENTS / OPINIONS

Any opinions or information that the interviewees would like to express.

# Appendix 6: Qualitative Data Analysis

## Appendix 6.1: Problems of Customer Services

| Interview Responses | 1. | | | | | | 2. | | 3. | | 4. | | 5. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 3 |
| A1: "staff's lack of skills is a major problem of service quality improvement. Moreover, cooperation with top management is also one of the important problems of our hotel as well." | ✓ | | | | | | | | | ✓ | | | | | |
| A2: "The Staff's skills are considered the first step on the service quality improvement. Staff's lack of skills is our serious problem." | ✓ | | | | | | | | | | | | | | |
| A3: "Insufficient number of staff is a major problem of service quality improvement." | | ✓ | | | | | | | | | | | | | |
| B1: "Knowledge is important to manage their staff's assignments properly." | | | ✓ | | | | | | | | | | | | |
| B2: "Staff attitudes and too many steps in work process." | | | | ✓ | | | | | | | ✓ | | | | |
| B3: "Staff work problems, such as inconsistent performance. Moreover, communication ineffectiveness is also one of the main problems." | | | | | ✓ | | | | ✓ | | | | | | |
| C1: "Knowledge is the foundation of an accomplished person. If the staff has no firm background in knowledge, they cannot succeed. This definitely affects the service quality improvement of the hotel." | | | ✓ | | | | | | | | | | | | |
| C2: "staff's lack of skills is a major problem of service quality improvement. Also, the high expectation of customer is another main problem." | ✓ | | | | | | ✓ | | | | | | | | |
| C3: "Insufficient number of staff, communication, and high expectation of customer." | | ✓ | | | | | ✓ | | ✓ | | | | | | |
| D1: "Staff attitude is a major problem of service quality improvement. Communication is also our improtant problem." | | | | ✓ | | | | | ✓ | | | | | | |
| D2: "staff's lack of skills and communication are a major problem of service quality improvement." | ✓ | | | | | | | | ✓ | | | | | | |
| D3: "Insufficient number of staff, communication, and high expectation of customer." | | ✓ | | | | | ✓ | | ✓ | | | | | | |
| E1: "In order to improve the service quality, the number of staff is essential, particularly in the high contact service with customers like five-star hotels. Definitely an insufficient number of staff is the main problem for the service quality improvement of the hotel." | | ✓ | | | | | | | | | | | | | |

| Statement | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| E2: "Staff's lack of knowledge, cooperation with top management, and increasing in customer demand." | | | ✓ | | | | | ✓ | | ✓ | | | | | |
| E3: "Staff's manners, ineffective communication, and high expectation of customer." | | | | | | | ✓ | ✓ | | ✓ | | | | | |
| F1: "Staff attitude and inflexibility of work process are the major problems of service quality improvement." | | | ✓ | | | | | | | | | ✓ | | | |
| F2: "Communication ineffectiveness, high expectation, and high demand of customer are also our main problems." | | | | | | | | ✓ | ✓ | ✓ | | | | | |
| F3: "High expectation as well as high demand of customer." | | | | | | | | ✓ | ✓ | | | | | | |
| G1: "staff's lack of skills and communication ineffectiveness are the major problems of service quality improvement." | ✓ | | | | | | | | | ✓ | | | | | |
| G2: "Insufficient number of staff and high expectation of customer." | | ✓ | | | | | | ✓ | | | | | | | |
| G3: "Communication ineffectiveness together with high expectation of customer." | | | | | | | | ✓ | | ✓ | | | | | |
| H1: "High expectation of customer and communication ineffectiveness." | | | | | | | | ✓ | | ✓ | | | | | |
| H2: "staff's lack of skills is a major problem of service quality improvement." | ✓ | | | | | | | | | | | | | | |
| H3: "Communication ineffectiveness and high expectation of customer." | | | | | | | | ✓ | | ✓ | | | | | |
| I1: "High expectation of customer, inflexibility of work process, and limited budget are our major problems." | | | | | | | | ✓ | | | | | ✓ | ✓ | |
| I2: "Increase in customer demand and IT system are our improtant problems." | | | | | | | | ✓ | | | | | | | ✓ |
| I3: "Communication ineffectiveness and government policy are our main problems. Contacting government organizations is very time consuming. They set some regulations that are comprised of too many conditions. " | | | | | | | | | | ✓ | | | | | ✓ |
| J1: "Staff's lack of knowledge, too many steps in work process, and high expectation of customer." | | | ✓ | | | | | ✓ | | | | ✓ | | | |
| J2: "Staff's lack of skills and high expectation of customer. " | ✓ | | | | | | | ✓ | | | | | | | |
| J3: "Staff attitude and communication ineffectiveness are the major problems of service quality improvement." | | | ✓ | | | | | | | ✓ | | | | | |
| **Total Thai Hotels** | 3 | 2 | 2 | 1 | 1 | 1 | 2 | 2 | 3 | 1 | 1 | 1 | 1 | 1 | 1 |
| **Total International Hotels** | 4 | 3 | 2 | 3 | 0 | 0 | 11 | 2 | 10 | 1 | 1 | 1 | 0 | 0 | 0 |
| **Grand Total** | 7 | 5 | 4 | 4 | 1 | 1 | 13 | 4 | 13 | 2 | 2 | 2 | 1 | 1 | 1 |

*Note:*

76

*1. Staff*
*1.1 Staff's lack of skills*
*1.2.Insufficient number of staff*
*1.3 Staff's lack of knowledge*
*1.4 Staff attitudes*
*1.5 Staff work problems: inconsistent performance*
*1.6 Staff's manners*

*2. Customer Behaviour*
*2.1 High expectations*
*2.2 Increase in customer demand*

*3. Communication and Cooperation*
*3.1 Communication ineffectiveness*
*3.2 Cooperation with top management*

*4.Work Process*
*4.1 Too many steps in work process*
*4.2 Inflexibility of work process*

*5. Other Problems*
*5.1 Limited budget*
*5.2 IT system*
*5.3 Government policy*

| Interview Responses | 1. | | | | | | | | | 2. | | 3. | | 4. | | | 5. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 1 | 2 | 1 | 2 | 1 | 2 | 3 | 1 | 2 |
| A1: : "We focus on leadership direction . Moreover, we are also concerned about top management meeting directly with the staff. Furthermore, staff training had been established for dealing with staff skills." | ✓ | | | | | | | | | ✓ | ✓ | | | | | | | |
| A2: "Staff training to improve staff skills." | ✓ | | | | | | | | | | | | | | | | | |
| A3: "Rewards and incentives." | | ✓ | | | | | | | | | | | | | | | | |
| B1: "Staff training had been established for dealing with staff's lack of knowledge. Furthermore, we focus on top management meeting directly with the staff. " | ✓ | | | | | | | | | ✓ | | | | | | | | |
| B2: "Recruitment open-minded staff." | | | ✓ | | | | | | | | | | | | | | | |
| B3: "We are concerned about providing English language training to all staff. Misunderstanding between our guests and staff always happen because of the poor English language of the staff. So, we have to get rid off this communication problem first." | | | | | | | | | | | | ✓ | | | | | | |
| C1: "We try to increase moral activity and staff training to improve staff attitude. Furthermore, we focus on leadership direction and top management meeting directly with the staff." | ✓ | | | ✓ | | | | | | ✓ | ✓ | | | | | | | |
| C2: "We focus on top management meeting directly with the staff and leadership direction. Moreover, staff training had been established for dealing with staff skills." | ✓ | | | | | | | | | ✓ | ✓ | | | | | | | |
| C3: "Leadership direction, staff training, and top management meeting directly with the staff." | ✓ | | | | | | | | | ✓ | ✓ | | | | | | | |
| D1: "Psychology training and moral activity had been established for dealing with staff attitude. Moreover, recruitment open-minded staff and staff evaluation after training are important as well." | ✓ | | ✓ | ✓ | | ✓ | | | | | | | | | | | | |
| D2: "We focus on leadership direction, working as a team and staff training." | ✓ | | | | | | | | | | | ✓ | | ✓ | | | | |
| D3: "We always go for internal promotion to reduce staff turnover. Furthermore, we are concerned about providing English language training to staff in order to get rid off communication problem." | | | | | ✓ | | | | | | | ✓ | | | | | | |
| E1: "We focus on leadership direction, staff training, and internal promotion to reduce staff turnover." | ✓ | | | | ✓ | | | | | | | ✓ | | | | | | |
| E2: "Staff training had been established for dealing with staff's lack of knowledge. Moreover, we focus on customer service and customer satisfaction survey. " | ✓ | | | | | | | | | | | | | | ✓ | | | |

| | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| E3: "Rewards and incentives as well as recruitment open-minded staff." | | ✔ | ✔ | | | | | | | | | | | | | | | | | | | | | |
| F1: "Psychology training had been established for dealing with staff attitude and we use employee research to understand the staff's needs. Moreover, we focus on top management meeting directly with the staff. Furthermore, we are concerned about provision of various hotel facilities to our guests as much as possible." | ✔ | | | | | | ✔ | | | ✔ | | | | | | | | | | | | | | ✔ |
| F2: "We use employee research to understand the staff's needs and ensure overall satisfaction." "Our hotel pays more attention to customer complaint handling. We think that responsive complaint handling is needed to show a hotel's sense of urgency and attention regarding their guests' concerns." "Furthermore, we are concerned about providing English language training to staff in order to get rid off communication problem." | | | | | | | ✔ | | | | ✔ | | | ✔ | | | | | | | | | | |
| F3: "Staff training" | ✔ | | | | | | | | | | | | | | | | | | | | | | | |
| G1: "We focus on teamwork, staff training, and rewarding." | ✔ | ✔ | | | | | | | | | | ✔ | | | | | | | | | | | | |
| G2: "Rewarding and incentives, together with sttaff training. Moreover, we focus on customer service and customer satisfaction survey" | ✔ | ✔ | | | | | | | | | | | | ✔ | | | | | | | | | | |
| G3: "Working as a team as well as staff training." | ✔ | | | | | | | | | | | ✔ | | | | | | | | | | | | |
| H1: "We have just established a unit for continuous service quality improvement in our hotel. Moreover, we are concerned about providing English language training to staff in order to get rid off communication problem." | | | | | | | | | | ✔ | | | | ✔ | | | | | | | | | | |
| H2: "My hotel pays a lot of attention to the strengthening of IT systems and equipment." "Our boss always delegates more power to staff to make their own decisions. I am really impressed by that and it made me feel more confident. I definitely think that this is another affective action towards service quality improvement." "Furthermore, we are concerned about providing English language training to staff in order to get rid off communication problem." | | | | | | ✔ | | | ✔ | | | | | | | ✔ | | | | | | | | |
| H3: "We focus on staff training and empowerment. Moreover, we are concerned about computer system improvement as well." | ✔ | | | | | | ✔ | | | | | | | | | ✔ | | | | | | | | |
| I1: "We are concerned about providing English language training to staff in order to get rid off communication problem. Moreover, we focus on staff evaluation after training." | | | | | ✔ | | | | | ✔ | | | | | | | | | | | | | | |
| I2: "Staff training" | ✔ | | | | | | | | | | | | | | | | | | | | | | | |
| I3: "Staff training" | ✔ | | | | | | | | | | | | | | | | | | | | | | | |
| J1: " Staff training and self-development such as providing opportunities for creative initiatives." | ✔ | | | | | | ✔ | | | | | | | | | | | | | | | | | |

| | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 | 2.1 | 2.2 | 3.1 | 3.2 | 4.1 | 4.2 | 4.3 | 5.1 | 5.2 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| J2: "We are concerned about providing English language training to staff in order to get rid off communication problem. Moreover, we focus on rewards and incentives" | | ✓ | | | | | | | | | | ✓ | | | | | | |
| J3: "Staff training and self-efficiency improvement such as creative thinking." | ✓ | | | | | | | | ✓ | | | | | | | | | |
| **Total Thai Hotels** | 7 | 2 | 2 | 0 | 1 | 1 | 0 | 0 | 0 | 2 | 1 | 2 | 0 | 1 | 0 | 0 | 0 | 0 |
| **Total International Hotels** | 13 | 3 | 1 | 2 | 1 | 1 | 2 | 2 | 2 | 4 | 3 | 5 | 3 | 1 | 1 | 1 | 2 | 1 |
| **Grand Total** | 20 | 5 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 6 | 4 | 7 | 3 | 2 | 1 | 1 | 2 | 1 |

*Note:*

*1.Staff*
*1.1 Staff training: knowledge, skill and psychology*
*1.2 Rewards and incentives*
*1.3 Recruitment: open-minded staff*
*1.4 Increase moral activity to improve staff attitude*
*1.5 Internal promotion to reduce staff turnover*
*1.6 Staff evaluation after training*
*1.7 Employee research to understand the staff's needs.*
*1.8 Empowerment*
*1.9 Self-development*

*2. Management*
*2.1 Top management meeting directly with the staff*
*2.2 Leadership direction*

*3.Communication and cooperation*
*3.1 English language training*
*3.2 Working as a team*

*4. Customer*
*4.1 Customer service and customer satisfaction survey*
*4.2 Customer complaint handling*
*4.3 Service quality unit establishment*

*5. Other*
*5.1 IT system improvement*
*5.2 Provision of various facilities*

# Appendix 6.3: What Needs to be Done

| Interview Responses | 1. | | | | | | | | | | | | | | | | | 2. | | 3. | 4. | 5. | | 6. | | 7. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1.1. | | | | | | | | | | | 1.2. | | | 1.3. | | | 1 | 2 | 1 | 1 | 1 | 2 | 1 | 2 | 1 | 2 |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 1 | 2 | 3 | 1 | 2 | | | | | | | | | | | |
| A1: "I think we have to focus more on a customer expectation study, and we have to differentiate our facilities and services beyond their expectation." "Moreover, I think that leadership is also important. it is the key to many answers; therefore, we will focus on executive training courses on leadership in hospitality." | | | | | | | | | | | | | | | | | | ✔ | | | | | | ✔ | | | ✔ |
| A2: "Successful managers should possess clear communication skills that help coordinate both internal and external organization and foster understanding, good human relationships and good teamwork." "Managers need to exercise the leadership skills of making bold decisions and being decisive and assertive." | ✔ | | | | | | | | | | | | | | | | | ✔ | | | | ✔ | | | | | |
| A3: "Using the uniqueness of Thai culture, I think that Thai people by their nature are mindful. We must combine their courteousness and intelligence; therefore, the customers will accept them better." "Moreover, I think that we have to pay more attention to customers as well as staff motivation such as increase in staff salary, benefits, and rewards" | | | ✔ | | | | | | | | | ✔ | | | | | | | | | ✔ | | | | | | |

81

| Statement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| B1: "Working alone without good teamwork will not induce service quality improvement success. Teamwork will save time and help utilize time effectively to develop better work." "Moreover, the leader should make collaborative decisions based on information, facts, and evidence. Leaders should seek out ideas from everyone, not just those who have direct involvement with the job." | ✓ | | | | | | | | | | | | | | | | | ✓ | | | | | | | | | | | |
| B2: "The staff must try hard to solve problems conscientiously. Each problem requires a different solution, so we will focus on problem solving." "Moreover, we need more prompt service provision." "We also need to focus on management involvement and commitment." "We also need to focus on work process reduction." "Furthermore, we will focus on using the uniqueness of Thai culture." | | ✓ | | | | | ✓ | | | | | | | | | | ✓ | ✓ | ✓ | | | | | | | | | | |
| B3: " You should possess a good team. Tell them to cooperate and be good to each other." "Moreover, staff need to try best at own job." "Furthermore, we will focus on using the uniqueness of Thai culture." | ✓ | | | | | ✓ | | | | | | | | | | | ✓ | | ✓ | | | | | | | | | | |
| C1:"Managers should know a thorough knowledge of business in general and know how to build their capability and develop more flexibility." "Moreover, we will focus on working as a team and we have to pay more attention to customers and we need more prompt service provision." | ✓ | | ✓ | | ✓ | | ✓ | | | | | | | | | | | | | | | | | | | | | | |

| Statement | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| C2: "Working as a team can directly contribute to the hotel's success in the future." "Moreover, we have to pay more attention to customers." "Furthermore, we need to focus on using the uniqueness of Thai culture." | ✓ |  | ✓ |  |  |  |  |  |  | ✓ |  |  |
| C3: "You must work hard and harder. Be devoted to your job and be wholeheartedly dedicated to your assignment for the benefit of your hotel." |  |  |  | ✓ |  |  |  | ✓ |  |  |  |  |
| D1: "We will focus on the monitoring and evaluation of service quality improvement projects and then utilize feedback from evaluation after staff training." "Moreover, we will focus on problem solving." |  | ✓ |  |  |  |  |  |  | ✓ |  |  |  |
| D2: "Differentiating hotel facility and provided service, such as focusing on boutique hotel, spa hotel or hip hotel. is our first plan." "Moreover, I think we have to focus more on a customer satisfaction survey." "Furthermore, we need to focus on using the uniqueness of Thai culture." |  |  |  |  |  |  |  |  |  | ✓ | ✓ | ✓ |
| D3: "Staff who expect to succeed in service quality improvement of the hotel must control their tempers and try best at own job ." "Moreover, we will focus on problem solving and we need more prompt service provision." |  | ✓ |  |  | ✓ | ✓ | ✓ |  |  |  |  |  |

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| E1: "Communication skills are also essential. It is important that mangers communicate clear objectives and targets." "The managers should possess leadership skills to manage the business for the future. They need to have vision that is suitable to the business and that promotes stable progress for the organization." "Moreover, we will focus on evaluation after staff training." "Furthermore, I think that we have to focus more on a customer expectation study." | | | | | | | | | | | | | | | | | | | ✔ | ✔ | | | ✔ | | ✔ |
| E2: "Service-minded focus, we have to give this awareness to the staff continuously." "I think that leadership is also important, we will focus on executive training courses on leadership in hospitality." "Moreover, self-learning and diligence is also improtant." "Furthermore, I think that we have to pay more attention to staff motivation such as increase in staff salary, benefits, and rewards." | | | ✔ | | | | ✔ | | | ✔ | | | | | | ✔ | | | | | | | | | |
| E3: "Staff should be devoted to their work. They will obtain true knowledge from their work.... Benefit, pride and recognition will follow them." "Moreover, we also need to focus on work process reduction ." | | | | ✔ | | | | | | | | | | | | | | | | | ✔ | | | | |
| F1: "Both leaders and staff have to prove themselves the owners of a high quality of knowledge and education by reading, studying,exchanging new ideas on their expertise and showing deep interest in continuous learning." "They need to try best at own job." "Moreover, the managers should possess leadership skills to manage the business for the future." | | | ✔ | | ✔ | | | | | | | | | | | ✔ | | | | | | | | | |

84

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| F2: "In doing the service oriented business, you should have a service-minded focus. Know the exact limitations of the hotel. Be tolerant." <br> "Moreover, we will focus on problem solving." <br> "Furthermore, we have to pay more attention to customers and try best at own job." | | ✓ | ✓ | | | | ✓ | | ✓ | ✓ | | | | | | | | | | | | | | |
| F3: "We need to focus on empowerment and working as a team." <br> "Moreover, I think we have to focus more on a customer expectation study." | ✓ | | | | | | | | ✓ | | | | | | | | | | | | | | | ✓ |
| G1: "We will provide a psychologist to give advice to our staff. We believe that happy staff members will perform better work." <br> "Moreover, we will focus on working as a team and self-efficiency improvement." <br> "Furthermore, I think that we have to pay more attention to staff motivation such as increase in staff salary, benefits, and rewards." | ✓ | | | | ✓ | | | | | | | ✓ | | ✓ | | | | | | | | | | |
| G2: "You must learn all the time. Don't shut yourself out of a good opportunity." <br> "Moreover, staff need to be more dedication to their works, and more self-efficiency improvement and more prompt service provision." | | | | ✓ | ✓ | ✓ | | ✓ | | | | | | | | | | | | | | | | |
| G3: "We have to work as a team. The good thing about teamwork is to share one's ideas, and understand and have the same goal." <br> "Moreover, we have to give the awareness of service-minded focus to the staff continuously." | ✓ | | | | | | | | ✓ | | | | | | | | | | | | | | | |

| Statement | ✓ positions |
|---|---|
| H1: "I think that leadership is the most important—it is the key to many answers; therefore, we will focus on executive training courses on leadership in hospitality." "We will provide a psychologist to give advice to our staff." "Moreover, we will focus on working as a team." "Furthermore, staff need to be more dedication to their works." | ✓ ✓ ✓ ✓ |
| H2: "I provide suggestions to the team and let the team work on their own. To improve service quality of the hotel, I think that empowerment is important." "Moreover, we will focus on problem solving." "Furthermore, I think that we have to pay more attention to staff motivation such as increase in staff salary, benefits, and rewards." | ✓ ✓ ✓ |
| H3: "Knowledge will help you as manager to manage well. Learning continuously and getting training will help create effective work." | ✓ ✓ |
| I1: "Teamwork helps strengthen the hotel. One can help others to complete assignments successfully." " Moreover, we need to focus on management involvement and commitment." | ✓ ✓ |
| I2: "Analyzing the root cause of and finding the appropriate way to solve problems is important for efficient problem solving." " Moreover, we need to focus on management involvement and commitment." | ✓ ✓ |

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| I3: "More cooperation between management and staff together with more cooperation between inter departments, are also needed. Building connections and relationships will also help resolve the complicated cases." "Moreover, we will focus on problem solving." "Furthermore, we need to focus on management involvement and commitment." | ✓ | | | | | | | | | | | | | | | ✓ | | ✓ | | | | | | | | |
| J1: "We plan to support our staff for self-efficiency improvement such as providing opportunities for creative initiatives." "Moreover, we will focus on working as a team and problem solving." "We have to give the awareness of service-minded focus to the staff continuously." | ✓ | ✓ | | | ✓ | | ✓ | | | | | | | | | | | | | | | | | | | |
| J2: "As a leader, I find that you have to build up credibility to the staff by guiding them and had them participate in decision-making, and rewarding them. You have to convince them that you as their boss who could help them if they need help." "I provide suggestions to the staff and let them work on their own. I think that empowerment is important." "Moreover, I think that we need to improve our hotel facility and provided service." | | | | | | | | | | | | ✓ | | | | ✓ | | | | | | | | | | ✓ |
| J3: "As a Front Office Manager of the hotel, I must learn and get trained all the time, especially in the English language. To train continuously provides staff a better opportunity for advancement." | | | ✓ | | | | | | | | | | | | | ✓ | | | | | | | | | | |
| **Total Thai Hotels** | 4 | 2 | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 0 | 0 | 2 | 0 | 0 | 0 | 1 | 5 | 4 | 3 | 2 | 2 | 2 | 2 | 0 | 0 | 1 |
| **Total International Hotels** | 7 | 6 | 4 | 4 | 3 | 4 | 3 | 3 | 3 | 2 | 1 | 2 | 3 | 2 | 2 | 1 | 3 | 0 | 2 | 3 | 0 | 0 | 1 | 1 | 1 | 1 |
| **Grand Total** | 11 | 8 | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 2 | 1 | 4 | 3 | 2 | 2 | 2 | 8 | 4 | 5 | 5 | 2 | 2 | 3 | 1 | 1 | 2 |

*Note:*

**1.Staff**
*1.1  Staff-directed behavior*
*1.1.1    Work as a team*
*1.1.2    Problem solving*
*1.1.3    More attention to customers*
*1.1.4    Self-learning and diligence*
*1.1.5    More dedication*
*1.1.6    Self-efficiency improvement*
*1.1.7    Trying best at own job*
*1.1.8    More prompt service provision*
*1.1.9    Service-minded focus*
*1.1.10  Be patient*
*1.1.11  Focus on organizational benefit*

*1.2  Taking care of staff*
*1.2.1 Staff motivation: increase in staff salary, benefits, and rewards*
*1.2.2 Empowerment*
*1.2.3 Provide psychologist to give advice to staff*

*1.3  Training*
*1.3.1    More staff training*
*1.3.2    Evaluation after staff training*

**2. Management**
*2.1 Leadership*
*2.2 Management involvement and commitment*

**3. Culture**
*3.1 Using the uniqueness of Thai culture*

**4. Work Process**
*4.1 Work process reduction*

*5.Communication and Cooperation*

  *5.1 Clear communication*
  *5.2 More cooperation*

*6. Customer Behaviour*

  *6.1 Customer expectation study*
  *6.2 Customer satisfaction survey*

*7. Hotel Facilities*

  *7.1 Hotel facility improvement*
  *7.2 Differentiating hotel facility and provided service*

# Implications of Service Quality Improvement in the Thai Hotel Industry

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Doctor of Business Administration

# Declaration

I hereby declare that this paper submitted as a partial fulfillment of the DBA degree is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that it does not constitute any previous work whether published or otherwise. In making this declaration I understand and acknowledge my breaches of the declaration constitute academic misconduct, which may result in my expulsion from the program and/or exclusion from the award of the degree.

_____

Signature of candidate

July 29, 2005

# Abstract

This paper is the final study of the three interrelated research studies. It is based on the knowledge and understanding gained from the previous two papers. This third paper examines the practical implications for the application of the research findings. The aim of this research is to determine how hotel managers think of using the proposed techniques for service quality improvement in real situations.

According to the results obtained from the questionnaire survey, the findings revealed that most executives found the techniques are efficient and applicable. An encouraging result of this study was that most executives believed that acquiring proposed techniques would help hotels improve their service quality to respond to the changes in the Thai hotel industry. Interestingly, most executives indicated the techniques which will be utilized in the very near future were as follows: (1) executive training courses on leadership in hospitality, (2) differentiating hotel facility and provided service, such as, focusing on boutique hotel, spa hotel, or hip hotel, (3) using the "mystery shopper" service to measure the service quality of the hotel, and (4) using Six-Sigma to improve the effectiveness and efficiency of all operations. It is interesting to note that the views of the participants in this study supported the study discussed in Research Paper I and Research Paper II.

The effective system for service quality improvement in the Thai hotel industry that is proposed in Research Paper III was developed from the literature review and the empirical findings from the second research study together with the third research study. This system will be used as a framework to present the implications of service quality improvement in the Thai hotel industry for hotel practitioners to build upon and improve their competitive edge in order to maintain customer satisfaction. The internal factors in this system are composed of management, staff, communication, work process, and hotel facility and provided service, due to their mutual benefit and support of each other. Other issues which are consumer factors, external factors, service quality measurement and the approaches for service quality improvement, service quality target and feedback that hotel practitioners should focus on. Furthermore, it has found that the starting point to improve service quality is hotels

need to have an in-depth understanding of factors influencing perceived service quality in their hotels. Then, the hotels need to provide proper techniques for improving service quality.

This paper enables hoteliers to apply the practical implications proposed for their hotels to build and improve their service quality. Nevertheless, these implications will be effective only if all staff and management act together. Service quality improvement requires long-term commitment, total involvement from staff and management, and continuous improvement. The research topic should be examined in other countries to improve this proposed system for its practicability and to see if it is general enough to apply in other situations outside of Thailand.

# Table of Contents

# Section VI: Contribution of Knowledge, Limitations, Suggestions, and Conclusions

# LIST OF FIGURE

Page

# LIST OF TABLES

# Implications of Service Quality Improvement in the Thai Hotel Industry

## Section I : Overview

### 1.1   Introduction

This research paper is connected to the first and second papers.  This third paper examines the implications of the practical applications of the research findings.  Its content will be suggestions for improving service quality for the Thai hotel industry based on the knowledge and the findings of the two previous research studies. The first research paper explored a number of past studies of the concepts and actions of service quality improvement in the hotel industry. The second research paper conducted in-depth, face-to-face interviews with hotel practitioners in Thailand to obtain empirical results on the improvement of service quality, mainly regarding the hotel's responses to service problems and the techniques employed to improve service quality.

In this research paper, the techniques for improving service quality (upon which this study is based) needs to be confirmed by hotel executives. Next, the effective system for service quality improvement in the Thai hotel industry will then be developed. This system will be used as a framework for this present study and, it is hoped, will be applied in hotels to improve the service quality for hotel practitioners to add value to the hotel industry.

The issues that will be discussed in this paper are the implications of this study for professional practices, including internal factors, external factors, consumer factors, service quality measurement and the approaches for service quality improvement that hotel practitioners should focus on.  It will be stressed that each hotels' staff and management are the key in managing these factors and improving service quality. Finally, the contribution of knowledge, limitations, possible research directions and a conclusion will also be presented.

## 1.2    Objectives

The aim of this research is to determine how hotel managers think of using the proposed techniques for service quality improvement in real situatons.  Moreover, this paper acts as a guideline for hotel practitioners to effectively apply the knowledge and findings of service quality improvement in the process of service quality implementation in their hotels.

## 1.3    Need for Research

In today's day and age, it is very important for hotels to develop and improve service quality as an advantage edge for business performance and survival. One of the major . problems is how to improve service quality. Some hotels may be taking service quality into consideration yet the actions they are taking are not appropriate; other hotels may just be beginning to improve service quality and only need some clear guidelines.  Hence, this research will provide suggestions on service quality improvement and a strategic direction for hotels to position themselves in the market.

## 1.4    Importance of Research

In Thailand, the research regarding the implications of service quality improvement in hotel industry is limited.  Thus, this study may be one of the few research studies regarding the implications of service quality improvement in the Thai hotel industry. Also, this study will contribute knowledge to the literature. As a result, hotel practitioners, especially those who are not familiar with such an area, would be able to gain benefits from their use of practical ways for improving their hotel's success.

## 1.5 Problem Identification

Literature review and empirical findings, as the base for this research, have been explored in the previous two studies. The idea pursued here is rather pragmatic in that it is based on the hotel management level's point of view. It attempts to refine the effective system for practical purposes. Now, the problem for this research will be as follows: how hotel managers think of using the proposed techniques for service quality improvement in real situations, and how to utilize the knowledge and results previously obtained in order to improve service quality in the Thai hotel industry.

# Section II: Discussion on Main Findings

## 2.1 Reasons for Service Quality Improvement

It is commonplace that hotels offer similar kinds of hotel products and services (Ingram, 2000; Knowles, 1998; Lockwood, 1995; O'Neill, 2001). However, hotels are able to provide differences in terms of service quality in customer perceptions and they should shift from only getting rid of poor service quality to improving service quality through their best prevention efforts (Stuart & Tax, 1996). Our present business environment is fluctuating dramatically as a result of changes in competition, customer expectations and needs. There are also other changes such as technological advancement, fluctuations in the economy, demographic and social changes, and continuous changes in laws and regulations (Tourism Authority of Thailand, 2004). These changes have led hotels to a decrease in profits (Thai Hotels Association, 2004). Therefore, hotel practitioners urgently need to seek a long-term competitive and differentiated advantage to compete in the market in response to the many changes mentioned above. Consequently, improved service quality, as one effective strategy, should be adopted to develop and maintain their core competence and business performance (Lockwood, 1995; Lee *et al.*, 2000), which competitors will strenuously try to imitate (Reichheld & Sasser, 1990).

Hotels can gain a variety of benefits from service quality improvement. Service quality does not only have an impact on the customer decision-making process, but also influences customer satisfaction, purchase retention, and loyalty. This leads to an increase in the total sales, market share, and profitability, even including the business's survival as shown in many studies (Adebanjo, 2001; Barker *et al.*, 2003; Berry *et al.*, 1990; Chung *et al*, 2002; Maxwell *et al.*, 2004; Soriano, 2002). Hence, service quality is generally determined as a driver of corporate marketing and financial performance (Buttle, 1996).

## 2.2 Customer Service Problems and Service Quality Improvement Projects

From the empirical results from the second research paper, there are five major customer service problems which hotels in Thailand are facing, in priority: staff, customer behavior, communication and cooperation, the work processes, and other problems. Some examples are staff's lack of skills, an increase in customer expectation, communication ineffectiveness, and too many steps in the work processes.

To solve these problems, hotel practitioners will continue to improve service quality by focusing mainly on staff training as the first priority. However, projects on communication and cooperation are hardly mentioned. This can imply that hotels do not pay attention to solving these problems. Moreover, hotels in the future will also have to strengthen their customer focus. Therefore, hotels will have to do more customer studies, studies that will bring more information about hotel facility and provided services can better suit their customers' needs. Thus, if hotels pay more attention to communication and customer focus, they can achieve higher levels of success.

# Section III: Research Method

## 3.1 Research Design

This paper was initially planned to continue the previous paper to further explore the justification and potential practical application of the research findings.

The aim of this research study is to find out about the practicality of proposed techniques for improving service quality in the Thai hotel industry from the views of the hotel managers as they operate the hotels directly according to the hotel strategies. Accordingly, a questionnaire survey was utilized. As Sekaran (2000) stated, "a questionnaire is a preformulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives." Moreover, Sekaran (2000) suggests that questionnaires are an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variables of interest.

Consequently, the questionnaire for this research study indicated that from the literature review on service quality improvement and the empirical findings from the previous survey which the managers participated in by giving an interview, the author of this paper has identified many techniques employed in improving service quality in the five-star hotels in Thailand. The participants gave their opinions as to whether certain techniques have been considered or were being used at their hotels. Furthermore, the questionnaire was designed and a pilot study was conducted to check the clarity, consistency, sequence and relevance of all questions. The research questions (Appendix 1) were comprised of 34 techniques for improving service quality.

## 3.2 Research Subjects

From the previous research study, which was conducted for about two months from January to February 2004, the total number of selected respondents was 30 from ten hotels—four Thai hotel chains and six international hotel chains. After the in-depth interviews were finished, all respondents gave their commitment to give their justification for the practical application of the research findings for this paper, Research Paper III. Therefore all respondents in this research study are the same as the respondents in Research Paper II.

## 3.3 Data Collection

The researcher interviewed all the respondents once. Therefore, the researcher made a phone call to ask for their permission first, then brought the questionnaire to the hotels for them to fill in. Participants were then asked by a questionnaire that was designed to elicit their thorough consideration in evaluating the techniques for improving service quality based on their professional experience.

# 3.4 Analysis

The analysis of answers obtained from the respondents was count on the result of each individual question by simple frequency count. Consequently, Table1 shows the hotel management's opinion towards techniques for improving service quality.

**Table 1: Hotel Management's Opinion towards Techniques for Improving Service Quality**

| Techniques for improving service quality | Currently in use | Will be in use in... | | | | | Will not use |
|---|---|---|---|---|---|---|---|
| | | 1 yr | 2 yr | 3 yr | 4 yr | 5 yr | |
| 1. Executive training courses on leadership in hospitality. | 9 (30%) | 21 (70%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 2. The management should clearly communicate the vision of the organization culture and development to their staff. | 6 (20%) | 4 (13.33%) | 3 (10%) | 4 (13.33%) | 10 (33.33%) | 3 (10%) | 0 (0%) |
| 3. Staff intensive training course to improve the staff's skills, manners, and attitude. | 30 (100%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 4. Employee research to understand the staff's needs and ensure overall satisfaction. | 3 (10%) | 7 (23.33%) | 17 (56.67%) | 1 (3.33%) | 1 (3.33%) | 1 (3.33%) | 0 (0%) |
| 5. Delegating more power to staff to make their own decisions. | 3 (10%) | 8 (26.67%) | 16 (53..33%) | 2 (6.67%) | 1 (3.33%) | 0 (0%) | 0 (0%) |
| 6. Career development plan for the staff. | 1 (3.33%) | 2 (6.67%) | 2 (6.67%) | 3 (10%) | 16 (53.33%) | 6 (20%) | 0 (0%) |
| 7. Staff motivation: increase in staff salary, benefits, rewards and incentive. | 30 (!00%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 8. Increase moral activity to improve staff attitude. | 6 (20%) | 0 (0%) | 0 (0%) | 3 (10%) | 15 (50%) | 6 (20%) | 0 (0%) |
| 9. Internal promotion to reduce staff turnover. | 30 (!00%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 10. Supporting the staff for self-efficiency improvement e.g. providing opportunities for creative initiatives. | 6 (20%) | 24 (80%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 11. Increasing number of staff to an appropriate level. | 5 (16.67%) | 2 (6.67%) | 11 (36.67%) | 10 (33.33%) | 0 (0%) | 2 (6.67%) | 0 (0%) |
| 12. Providing psychologist to give advice to staff. | 3 (10%) | 2 (6.67%) | 1 (3.33%) | 3 (10%) | 2 (6.67%) | 19 (63.33%) | 0 (0%) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 13. Providing English Language Training to all staff. | 7 (23.33%) | 3 (10%) | 2 (6.67%) | 4 (13.33)% | 7 (23.33%) | 7 (23.33%) | 0 (0%) |
| 14. Service minded focus. | 30 (!00%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 15. More prompt service provision. | 30 (!00%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 16. Emphasising reliability as the first priority for the provided service. | 0 (0%) | 3 (10%) | 2 (6.67%) | 3 (10%) | 2 (6.67%) | 14 (46.67%) | 6 (20%) |
| 17. Using the uniqueness of Thai culture. | 30 (!00%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 18. Hotel facility improvement. | 30 (!00%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 19. Differentiating hotel facility and provided service, e.g. focusing on boutique hotel, spa hotel or hip hotel. | 3 (10%) | 27 (90%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 20. Strengthening IT systems and equipment. | 10 (33.33%) | 20 (66.67%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 21. Customer expectation/needs study. | 3 (10%) | 4 (13.33)% | 3 (10%) | 5 (16.67%) | 6 (20%) | 9 (30%) | 0 (0%) |
| 22. Pay more attention to customer complaint handling. | 5 (16.67%) | 8 (26.67%) | 17 (56.67%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 23. Utilizing guest satisfaction survey to measure customer satisfaction. | 30 (!00%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 24. Using the "mystery shopper" service to measure service quality of the hotel. | 6 (20%) | 24 (80%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 25. Using management observation technique to assess the interactions that take place daily between hotel operation and its guests. | 30 (!00%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 26. Using benchmarking to track the competitors' movements, and use as an indication to evaluate the hotels' performance. | 9 (30%) | 21 (70%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 27. Encourage teamwork. | 30 (!00%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 28. Using Six-Sigma to improve the effectiveness and efficiency of all operations. | 3 (10%) | 25 (83.33%) | 1 (3.33%) | 1 (3.33%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 29. Acquiring ISO 9000 certified. | 3 (10%) | 1 (3.33%) | 1 (3.33%) | 3 (10%) | 1 (3.33%) | 15 (50%) | 6 (20%) |
| 30. Total Quality Management (TQM) | 4 (13.33)% | 3 (10%) | 3 (10%) | 3 (10%) | 4 (13.33%) | 13 (43.33%) | 0 (0%) |
| 31. Soft System Methodology (SSM) | 0 (0%) | 0 (0%) | 0 (0%) | 1 (3.33%) | 1 (3.33%) | 13 (43.33%) | 15 (50%) |
| 32. Business Process Reengineering (BPR) | 3 (10%) | 0 (0%) | 0 (0%) | 1 (3.33%) | 1 (3.33%) | 15 (50%) | 10 (33.33%) |
| 33. Monitoring and evaluation of service quality improvement projects and utilizing feedback from selected service quality improvement approaches. | 4 (13.33%) | 13 (43.33%) | 13 (43.33%) | 0 (0%) | 0 (0%) | 0 (0%) | 0 (0%) |
| 34. Establish a unit for continuous service quality improvement. | 1 (3.33%) | 3 (10%) | 5 (16.67%) | 18 (60%) | 1 (3.33%) | 2 (6.67%) | 0 (0%) |

## 3.4.1 Applicability of the Techniques for Improving Service Quality

According to the results obtained from the questionnaire survey, the findings revealed that most executives found the techniques applicable as follows:

Most executives indicated that they provided valuable and supportive techniques to improve their service quality. The usual types of techniques that are currently in use for improving service quality are:

- Staff intensive training courses to improve the staff's skills, manners, and attitude
- Staff motivation, such as increase in staff salary, benefits, rewards and incentives
- Internal promotion to reduce staff turnover
- Service-minded focus
- More prompt service provision
- Using the uniqueness of Thai culture
- Hotel facility improvement
- Encourage teamwork
- Utilizing a guest satisfaction survey to measure customer satisfaction
- Using a management observation technique for guest satisfaction measurement

Most executives confirmed that some other techniques are also interesting, and the following techniques will be utilized for improving service quality of the hotel in the next couple years:

- Employee research to understand the staff's needs and ensure overall satisfaction
- Delegating more power to staff to make their own decisions
- Increasing number of staff to an appropriate level
- Pay more attention to customer complaint handling
- Monitoring and evaluation of service quality improvement projects and utilizing feedback from selected service quality improvement approaches
- Establish a unit for continuous service quality improvement

However, most hotel executives seem to pay less attention to the following techniques:

- The Management should clearly communicate the vision of the organization's culture and development to their staff
- Increase moral activity to improve staff attitude
- Career development plan for the staff
- Provide a psychologist to give advice to staff
- Provide English Language training to all staff
- Emphasising reliability as the first priority for the provided service
- Customer expectation/needs study
- Acquiring ISO 9000 certification
- Total Quality Management
- Soft System Methodology
- Business Process Reengineering

Nevertheless, an encouraging result of this study was that most executives believed that acquiring the following techniques would help hotels improve their service quality to respond to the changes in the Thai hotel industry. Interestingly, they believed these techniques are effective and the following techniques will be utilized in the very near future:

- Executive training courses on leadership in hospitality
- Supporting the staff for self-efficiency improvement, such as providing opportunities for creative initiatives
- Differentiating hotel facility and provided service, such as, focusing on boutique hotel, spa hotel, or hip hotel
- Strengthening IT systems and equipment
- Using the "mystery shopper" service to measure service quality of the hotel
- Using benchmarking to track the competitors' movements, and for use as an indication to evaluate the hotels' performance
- Using Six-Sigma to improve the effectiveness and efficiency of all operations

In conclusion, the result of the questionnaire analysis revealed that most executives found many proposed techniques for improving service quality are very efficient. It is interesting to note that generally the views of the participants in this study supported the study discussed in Research Paper I and Research Paper II.

11

# Section IV: Effective Service Quality Improvement System in the Thai Hotel Industry

## 4.1 Proposed Effective System for service Quality Improvement

Basically, the system has defined strategic quality management as a comprehensive framework that links business objectives to service quality improvement efforts with the aim of harnessing the human, material and information resources organization-wide in continuously improving service quality that will allow the delivery of customer satisfaction.

In addition, service quality improvement is the growing trend of the hotel industry with the ultimate goal of organization survival in terms of profits and market share through developing customer satisfaction. To improve service quality, hotels face many internal problems–staff, communication and cooperation, work process, and other problems–as found from the interviews. At the same time, hotels have to deal with external problems such as the government, competitors, and the economy in the changing environment. Moreover, the customer behavior factor is out of the hotels' control and hotels have to satisfy their customers with the services provided. To deal with these problems or factors, management and staff have to mange these factors and implement quality projects.

Thus, after the critiques on the literature review regarding service quality improvement in Research Paper I and the empirical findings obtained from Research Paper II and Research Paper III. The system below is proposed for hotel practitioners to continuously improve service quality in the Thai hotel industry.

**Figure 1: Proposed Effective System for Service Quality Improvement in the Thai Hotel Industry**
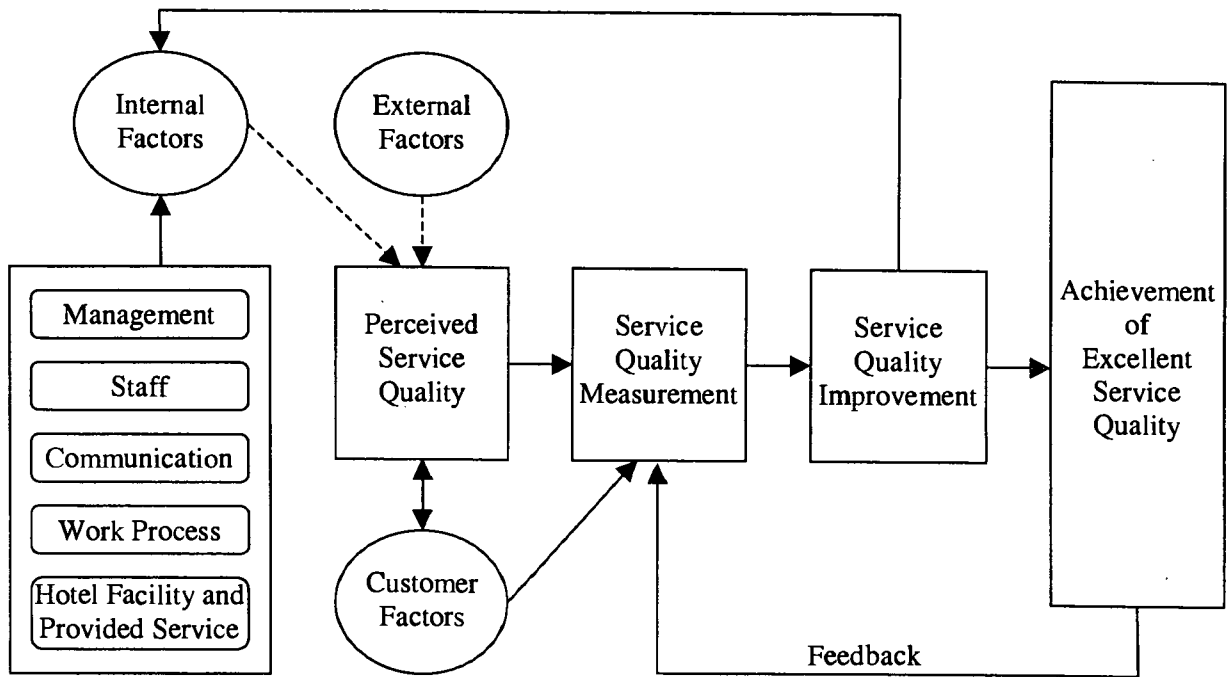


Figure 1 provides the framework connecting and integrating the variables as follows:

To begin with, the "internal factors" composes of 5 main variables. Management, staff, communication, work process, and the hotel facility and provided service represent the internal factors. Accordingly, the arrows in the figure signify a relationship of set and subset which is as "management", "staff", "communication", "work process", and "hotel facility and provided service" are as a sub variable of "internal factor". The internal profile sets the context for the way the organization operates. The key working relationships serve as a guide for the organizational performance management system.

Moreover, these variables are placed together to emphasize the importance of "internal factors" that affect the "perceived service quality". Senior leaders set the organizational direction and seek future opportunities for the organization. The

organization's employees and key processes accomplish the work of the organization that yields the business results.

Furthermore, the "external factors" are such things as government policy, technology, competitors, and the economy also affect the "perceived service quality". The "external factors" are out of the hotels' control while the "internal factors" are under each hotels' control.

Next, the arrows in the figure signify a relationship of cause and effect which is "customers factors" and "perceived service quality" affecting each other. As perceived service quality reflects the difference between guests' expectations and the actual services performed. Therefore, the extent to which expectations and service performance are similar or different influence the extent to which guests are satisfied or dissatisfied.

Furthermore, the arrows in the figure signify a relationship of reflection which is "perceived service quality" reflected in the "service quality measurement". Furthermore, the arrows in the figure signify a relationship of a sequence as "service quality improvement" leading to "achievement of excellent service quality" which is the ultimate goal of organizational survival in terms of profits and market share.

Nevertheless, the feedback arrow indicates the relationship between "achievement of excellent service quality" and "service quality measurement". Also, it indicates the relationship between "service quality improvement" and "internal factors", which represent the continuous improvement. If the "service quality improvement" do not success, the hotels need to seek for the other approaches in order to improve the "internal factors". "Service quality measurement" is also critical to the effective management of the organization for improving performance and competitiveness. The steps of service quality measurement and service quality improvement will be repeated again and again until it reaches the achievement of the service quality target of the hotels.

To start the process of gaining a mutual understanding of the importance of these fundamental concepts to an organisation, this section describes the fundamental concepts which underpin this proposed system in further detail and provides examples of what an organisation can achieve by adopting them as follows:

## 4.2   Fundamental Concepts

From the above system, certain core concepts can be identified from the significant contributing factors. As such they should be fundamental in developing the strategies to continuously improve the service quality of the hotels as follows:

### 1.   Internal Factors

In the process of service quality improvement, hotels must be concerned with these internal factors which have greatly affected service performance. The internal factors that are under the hotels' control are composed of 5 main factors: management, staff, communication, work process, and hotel facility and provided service.

### 1.1   Management

The management in this system focus on leadership, management commitment and management involvement. The hotels should have leaders who set and communicate a clear direction for their hotel. In doing so, they unite and motivate other leaders to inspire their people. They establish values, ethics, culture and a governance structure for the hotel that provides a unique identity and attractiveness to customers. Leaders at all levels within these hotels constantly drive and inspire others towards excellence and, in so doing, display a role model of good behaviour and performance. They lead by example, recognizing their stakeholders and working with them on joint improvement activity. During times of turbulence, they display a constancy of purpose and steadiness that inspires the confidence and commitment to their

employees. At the same time, they demonstrate the capability to adapt and realign the direction of their organization in the light of a fast moving and constantly changing external environment, and, in so doing, carry their people with them.

In addition, excellent leaders develop and facilitate the achievement of the mission and vision. They develop organizational values and systems required for sustainable success and implement these via their actions and behavior. During periods of change, they retain a constancy of purpose. Where required, such leaders are able to change the direction of the organization and inspire others to follow. In conclusion, leaders develop the mission, vision, values and ethics and are role models. Leaders are personally involved in ensuring the hotel's management system, which is developed, implemented and continuously improved.

## 1.2    Staff

Major aspects of employees in this system are staff involvement, staff efficiency, staff capability, staff attitude, and knowledge and skills of the staff. The hotels need to maximize the contribution of employees through their development and involvement. The hotels identify and understand the competencies needed, both now and in the future, in order to implement the organization's policies, strategies, objectives and plans. Also, the hotels recruit and develop their people to match these competencies and actively and positively support them throughout. Personal development is promoted and supported, allowing people to realize and unlock their full potential. Moreover, the hotels prepare people to meet and adapt to the changes required of them, both in terms of operational changes and personal capabilities.

In addition, the hotels recognize the increasing importance of the intellectual capital of their people and use their knowledge for the benefit of the hotel. Furthermore, the hotels seek to care, reward and recognize their people in a way that builds their commitment and encourages their loyalty to the hotel. The hotels also maximize the potential and the active involvement of their people through shared values and a

culture of trust, openness and empowerment. They utilize that involvement to generate and implement ideas for improvement.

In regard to the employees' learning and motivation, this concerns the education, training, and on-the-job reinforcement of knowledge and skills of the hotel's workforce. It also examines the hotel's systems for motivation and employee career development with the aim of meeting ongoing needs of employees and a high-performance workplace. Education and training needs might vary greatly. These needs might include gaining skills for knowledge sharing, communication, teamwork, and problem solving; interpreting and using data; meeting customer requirements; and process analysis and simplification. Educational needs also might include basic skills such as reading, writing, language, arithmetic, and, increasingly, computer skills.

Education and training delivery might occur inside or outside the hotel and could involve on-the-job, classroom, computer-based, or distance learning, as well as other types of delivery. Training also might occur through developmental assignments within or outside the hotel. It frequently includes learning critical knowledge and skills in the following areas: hotel services and customers, how to listen to customers, recovery from problems or failure, and how to effectively manage customer expectations.

Concerning employee well-being and satisfaction, this examines the hotel's work environment, the employee support climate, and how the hotel determines employee satisfaction, with the aim of fostering the well-being, satisfaction, and motivation of all employees while recognizing their diverse needs.

## 1.3   Communication

In general, hotels in Thailand consist of a large number of hotel chains. Hotel chains are important distribution channels to provide hospitality services to customers nationwide. In the communication and cooperation process, headoffice directly distributes hotel policies and other information about hotels to each hotel in their

chain and General Managers instruct their staff to follow those policies with some feedback to headoffices. Hence, communication and cooperation between headoffices and hotel chains, as well as internal communication, are considered essential factors for the success of service quality improvement and hotels' performance.

However, hotels still faced problems of communications and cooperation. Therefore, hotels should find out the failure points in the communication flow and improve them, and enhance more effective cooperation within their organizations. Feedback for staff on what they have done to improve service quality is needed to learn how appropriate their actions are (Antony & Tsang, 2001). If these problems still persist, the service quality cannot be improved.

## 1.4    Work Process

To be excellence in the hotel industry, managing the organization through a set of interdependent and interrelated systems and processes is essential. Excellent hotels have an effective management system based upon, and designed to deliver, the needs and expectations of their guests and employees. The systematic implementation of the policies, strategies, objectives and plans of the organization are enabled and assured through a clear and integrated set of processes. These processes are effectively deployed, managed and improved on a day-to-day basis. Decisions are based on factually reliable information relating to current and projected performance, process and systems capability, customer needs, expectations and experiences, and the performance of other hotels, including competitors.

Work systems are concerned with the hotel's systems for work and jobs, compensation, career progression, employee performance management, motivation, recognition, communication, and hiring, with the aim of enabling and encouraging all employees to contribute effectively to the best of their ability. These systems are

intended to foster high performance, to result in individual and organizational learning, and to enable adaptation to change.

Such high-performance work is characterized by flexibility, innovation, knowledge and skill sharing, alignment with organizational objectives, customer focus, and rapid response to changing business needs and requirements of the marketplace. The focus is on a workforce capable of achieving high performance. In addition to enabled employees and proper work system design, high-performance work requires ongoing education and training, as well as information systems that ensure proper information flow.

## 1.5    Hotel Facility and Provided Service

Hotels consists of a complex blend of tangible and intangible elements of both products and service. While it is quite common to say that hotel product illustrates a combination of both facility and service that is tangible and intangible.

Knowles (1998) points out the hotel industry can be set within a tangibility-intangibility spectum. It means that there are no pure products or services. Normally, the term "service" implies intangibility such as atmosphere that surrounds them, image, service level, customer care, deeds, processes and performances. "Facility or Product" implies tangibility such as guestrooms, food, drink, furniture, fixture and fittings.

## 2.    Customer Factors

The customer factors—customers' high expectations as well as customers' high demands—are shown as the most important factors. Since customer satisfaction is the essence and focus for corporate survival and the achievement of service quality improvement (O'Neill, 2001), Ingram (2000) points out that, in a changing and

increasingly competitive environment, hotels must be customer-oriented. Profits and market share will increase relatively as a result of customer satisfaction and service quality improvement. Hence, hotels should be customer-oriented through developing and focusing on customer satisfaction. Therefore, hotels in the Thai hotel industry cannot escape increasing their focus on customer behaviour studies in the near future.

Hotels need to create sustainable customer value. Excellent hotels know and intimately understand their customers. They understand that customers are the final arbiters of service quality. They also understand that customer loyalty, retention and market share gain is maximized through a clear focus on the needs and expectations of both existing and potential customers. Excellent hotels are responsive to those customers' present needs and expectations. Where appropriate they segment their customers to improve the effectiveness of their response. They effectively anticipate what customers' future needs and expectations will be and act now in order to meet future needs and, where possible, even exceed them. They monitor and review the experiences and perceptions of their customers and whenever things go wrong they respond quickly and effectively. They build and maintain excellent relationships with all their customers.

## 3. External Factors

In the process of service quality improvement, hotels must be concerned with those external factors that also affect service performance. However, the external factors that are out of hotels' control include government policy, technology, changes in competitors, the economy, profit margins and other factors.

From the empirical results from the interviews of the managers in Research Paper II, it seems the external factors are focused on government policy which has too many steps and too many conditions regarding regulations. Furthermore, the intensity of increasing competitors, technology which always changes, and the Thai economy itself which is not secure, are the major concerns of the external factors.

## 4.    Perceived Service Quality

According to Parasuraman *et al.* (1994), perceived service quality reflects the difference between guests' expectations and the actual services performed. Therefore, the extent to which expectations and service performance are similar or different influence the extent to which guests are satisfied or dissatisfied.

## 5.    Service Quality Measurement

According to the measurement category is the main point to drive improvement and hotel competitiveness. Central to such use of data and information is their quality and availability. Furthermore, since information, analysis, and knowledge management might themselves be primary sources of competitive advantage and productivity growth, the category also includes such strategic considerations.

Moreover, this substance examines the hotel's selection, management, and use of data and information for performance measurement and analysis in support of organizational planning and performance improvement. The aim of measurement and analysis is to guide the hotel's process management toward the achievement of key business results and strategic objectives and to anticipate and respond to rapid or unexpected organizational or external changes.

The hotel should know how the results of organizational-level analysis are communicated to support decision making throughout their hotel and how they are aligned with their business results, strategic objectives, and action plans.

Furthermore, the hotels should know how they keep their hotel's performance measurement system current with changing business needs and directions and how they ensure their measurement system is sensitive to rapid and unexpected organizational and external changes.

From the proposed system, perceived service quality will be measured by service quality measurement. Accordingly, guest satisfaction surveys and mysterious shoppers are the frequently used tools for service quality measurement in the Thai hotel industry.

## 6.    Service Quality Improvement

After service quality is measured, the hotels then use some approaches for service quality improvement. Training, benchmarking and team building are the main approaches for service quality improvement of the Thai hotel industry. In addition, the steps of service quality measurement and service quality improvement will be repeated again and again until it reaches the achievement of the intended service quality of the hotels. Furthermore, after the effectiveness of results for such projects and approaches is evaluated and measured to ensure the service improvement, hotels will be able to choose those effective projects to be maintained and, through the process of this decision making process, ineffective projects would be crossed out.

According to the results obtained from literature reviews in Paper I, various kinds of projects and approaches implemented for service quality improvement have been found. However, from the empirical interviews in the Paper II, the main selected projects and approaches hotels employ to improve service quality are limited. Results indicate that hotels select only some of quality projects to be implemented.

## 7.    Achievement of Excellent Service Quality and Feedback

### Achievement of Excellent Service Quality

From Research Paper II, the major reasons given for hotel providers to improve service in order to reach the achievement of execellent service quality, ranked in the priority of importance, were: "Improve customer satisfaction", "Meeting customers' expectations", "Increase in image", "Competitive pressure", "Hotel profit",

"Customer demands", and "Ensure guest security" which was equal to "Generate traffic". Compared with the two groups of hotels, their major reason to improve service was very similar in priority. Obviously, improving customer satisfaction was indicated as the first main reason for hotels to improve service quality.

**Feedback**

An excellent hotel challenges the status quo and effects change by utilizing learning to create innovation and improvement opportunities; they continuously learn, both from their own activities and performance feedback, and from that of others. They rigorously benchmark both internally and externally. They capture and share the knowledge of their people in order to maximize learning across and within the hotel. Staff are encouraged to look beyond today and today's capabilities. Excellent hotels are also careful to guard their intellectual property and, where appropriate, to exploit it for commercial gain. Their employees constantly challenge the status quo and seek opportunities for continuous improvement that add value.

# Section V: Implications and Recommendations

## 5.1 Internal Factors

In order to achieve the long-term goal of organizational survival in terms of profits and market share through developing customer satisfaction, hotels need to improve their service quality. In this section, the implications for providing excellent services will be demonstrated based on the proposed effective system. Particularly, many effective techniques would be presented as follows:

The starting point is to focus on internal factors which are composed of management, staff, communication, work process, and hotel facility and provided service.

### 5.1.1 Management Practices

From the proposed effective system, management placed in the internal factors is the important key to managing the other factors. To continuously improve service quality, the implications for the management will be presented as guidelines for hotel practitioners as follows:

**1. Executive training courses on leadership in hospitality.**

It was found from the research study that most executives viewed leadership as a very important factor. They agreed that leadership style benefits the teamwork. They also agreed that teamwork leads to the strengthening and the promising future of the organization. Moreover, managerial skill is very important for the managers. Managers must develop their teams well and possess good leadership and good human relations skills with their subordinates. Furthermore, they should be more humble, gentle, forward-looking, less aggressive, and cooperative. Therefore, most respondents consider that executive training courses on leadership in hospitality is one of the most important techniques for service quality improvement.

In addition, Harrington (1996) strongly suggests that top management must do more than just support the service quality improvement. It must be part of the process, participate in designing the process, assign resources, and give freely of their personal time. Particularly, the start of any improvement is top management leadership.

Moreover, delivering service and improving quality require a servant leadership. Servant leaders serve and inspire both customers and employees in order to achieve the objective of excellent service provision and, at the same time, reach staff work objectives (Berry *et al.*, 1994).

In serving customers, hotels must show their fairness in their dealing with their guests. Guests expect hotels to be fair. This means hotels need to keep their promises (reliability), provide prompt services (responsiveness), be courteous and competent (assurance), provide caring attention (empathy), and offer communication materials that can be trusted and have comfortable facilities (tangibles). Mistrustfulness and resentfulness will happen when customers perceive otherwise (Berry *et al.*, 1994).

In serving employees, such servant leadership management principally believes and trusts in its staff's ability, offers chances for them to deliberately perform and gives them strategic work directions. To have servant leadership, management has to invest much of their time and energy to coach, lead, challenge, inspire and listen to its service personnel and encourage them to provide customer service with appropriate time available (Berry *et al.*, 1994).

## 5.1.2 Staff

In the process of service delivery, staff and management always interact and assist each other to deliver excellent services. To improve service quality, the following suggestions for staff management are made:

**1.    Staff intensive training course to improve the staff's skills, manners, and attitude.**

A lack of high skilled staff in the hospitality area is one of the major concerns in providing excellent services (Getty & Getty, 2003; Juwaheer & Lee-Ross, 2003; Lovelock *et al.*, 2001). From empirical results, hotel staff in Thailand cannot serve customers properly in this area for a variety of reasons such as a lack of hotel knowledge and poor English language skills. Hotel management needs to take these concerns and limitations into their decision making process.

In addition, it was found from the research study that the management should provide valuable and supportive opportunities to develop their staff. The usual types of supportive development given to their subordinate include moral support, training, and providing the following opportunities: English language training, on-the-job training, delegating more power to make decisions, support for higher degree education, building up confidence among subordinates, coaching, mentoring, and providing opportunities for creative initiatives.

**2.    Employee Research to understand the staff's needs and ensure overall satisfaction.**

*Employee Research*

Employee research is important for hotels to understand staff needs (Gremler *et al.*, 1995; Maxwell *et al.*, 2004) and improve service for the following reasons. First, staff can assess internal service quality and experience the service delivery system day after day. As a result, they are more exposed to service than customers in a different

perspective. Staff can point out their insights into the strengths and shortfalls of organizational services. Second, employee research is considered as an important early-warning tool because they can often see the potential for the system to collapse before customers experience it. Finally, listening to staff views will enhance more teamwork involvement and cooperation within the organization and shorten any gaps between management and staff. Employee research will assist hotels to improve service quality and decrease service complaints (Berry *et al.*, 1994).

To strengthen service quality improvement, management should pay more attention to employee research from the planning process to implementation.

## *Employee Satisfaction*

In practice, hotels generally attempt to provide superior service to make customers satisfied because customers are a source of revenue. However, to be excellent service providers, hotels also need to be concerned with employee satisfaction regarding their jobs, and work environment (Zeithaml & Bitner, 1996). Satisfied staff will make for satisfied customers because staff will be more willing to provide service quality (Newman et al., 1998; Berry et al., 1994). When customers are satisfied with services received, such feelings will enhance a satisfied work environment for staff. Furthermore, the presence of a satisfying environment may strengthen the bond between customers and staff and create a positively virtuous cycle (Johnston, 1995). On the other hand, dissatisfied employees will deliver poor service to customers and, as a result, customer retention and profits will decrease. In addition, both employee satisfaction and customer satisfaction directly impact on customer loyalty, increased profits and a satisfying work environment. At the same time, customer loyalty and increased profits have an affect on satisfying work and vice-versa (Barker *et al.*, 2003; Zeithaml & Bitner 1996).

## 3. Delegating more power to staff to make their own decisions.

To provide superior service and to be responsive to customer needs, management has to empower its teams and front-line workforce. The delegating of more power to staff to make their own decisions or empowerment, means that teams and employees who directly encounter customers can make a decision, even though the actions or

decisions may not follow hotel's policies and procedures, in order to satisfy their customers' requests and to recover ground if things have gone wrong. The empowerment will encourage staff to exercise initiatives in every aspect of day-to-day work (Antonacopoulou & Kandampully, 2000). In response, empowered staff have to be well educated and trained, trusted, and equipped (Adebanjo, 2001; Barker *et al.*, 2003; Maxwell *et al.*, 2004; Tschohl, 1998; Zeithaml & Bitner, 1996). Hence, the objective of staff empowerment is to satisfy customers, especially when customers are at the critical point of time of deciding whether to be loyal or to switch to another hotel.

## 4. Supporting the staff for self-efficiency improvement.

In the executives view, competency improvement is very important for staff to fully develop their potential. If staff do not develop their potential, it is likely that skills and talents will be utilized less by the hotel. Moreover, it was found from the research study that even though the executives are also seeking self-improvement all the time, which is the most important factor for obtaining future success in service quality improvement. Some executives viewed service quality advancement factors in terms of the combination of Thai culture and the intelligence of staff. They suggest that Thai people by their nature are mindful. They must combine their courteousness and intelligence; therefore, the customer will accept them better.

## 5.    Increasing number of Staff to an appropriate level.

Staff have played important roles in representing hotels as a whole and are keys for customers to evaluate hotels' service quality (McColl-Kennedy & White, 1997). Staff are drivers for hotels to create and sustain excellence service (Edvardson, 1998) and understaffing in the service area is one of the common barriers to high service quality (Antonacopoulou & Kandampully, 2000). However, the most critical service problems in the Thai hotel industry are staff-related, that is, there are insufficient service staff, inappropriate manners and attitudes and a lack of skills and knowledge. If these problems persist, hotels in Thailand may have less potential to be competitive

in the market. Hotels urgently need to increase staff to an appropriate level, to develop and adjust staff manners and attitudes, and to provide more intensive training courses to achieve service quality improvement (Durand & Eccles, 1997; Kotler, 1997; Adebanjo, 2001).

## 5.1.3 Communication

Hence, communication is considered as one of the essential factors for the success of service quality improvement and hotels' performance (Adebanjo, 2001; Barker *et al.*, 2003; Maxwell *et al.*, 2004; Zeithaml & Bitner, 1996). Moreover, hotels should find out the failure points in the communication flow and improve them, creating more effective cooperation within their organizations. Feedback for staff on what they have done to improve service quality is needed to learn how appropriate their actions are (Antony & Tsang, 2001; Maxwell *et al.*, 2004).

In general, the communication and cooperation process of the hotels in Thailand is as follows: headoffice directly distributes hotel policies and other information about hotel products and provided services to each hotel in their chain. Next, the General Managers instruct their staff to follow those policies with some feedback to headoffice. If any problems still persist in the communication flow, the service quality cannot be improved.

In addition, in such changing situations on improving service quality in the Thai hotel industry, there are a number of impacts on staff in various aspects, in particular communication. Consequently, a hotel's staff may not clearly understand the hotel's direction in the future, the changes in their work life and what they need to do. These changes can lead to an insecure situation in the views of employees, which certainly impacts on their performances. Hence, change in management is needed and the process is time-consuming as hotels consist of a large number of departments and each issue regarding changes may need to be communicated two or three times. Hotels have to urgently consider changes in management and they need to make staff understand changes and feel satisfied with their jobs. A change agent should be set up

to listen to staff's opinions on these changes and to strategically discuss their concerns regarding each issue through effective communication channels.

Consequently, the techniques to improve the service quality of communication are as follows:

**1. Management should clearly communicate the vision of the organization's culture and development to their staff.**

*Shared Vision*

It is very important for staff at all levels to be informed about what directions or moves the organization will take, in order to work in appropriate and expected ways. If the corporate vision is not shared and recognized, the quality improvement may not achieve the optimal levels or may not succeed.

Thus, hotels' management needs to act on this by regularly communicating a shared vision to all staff through effective channels. As a result, staff will work more effectively to achieve the hotels' goals.

*Share Commitment*

Commitment is one of the most essential factors for hotels to succeed in service quality improvement. Hotels' staff and management must commonly share their commitment in delivering excellent service and promise to continue to do so (Newman *et al.*, 1998, Lockwood, 1995).

Thus, the attitudes and behavior of employees and management at all levels must show a commitment to quality. If management has a warm and caring atmosphere in its organization, all employees will commit to that as well. Moreover, management should create attitudes of a sense of ownership to employees to enhance their commitment (Tschohl, 1998). Nevertheless, staff and management's actions in service quality implementation have to be consistent with the underlying rationales committed.

Furthermore, most executives shared the same view that commitment is the most important factor for success. Commitment indicates the devotion of managers. They noted that managers had to devote extra time to work in order to advance in service quality improvement of their hotels.

## *Organizational Culture*

Lee-Ross (2001) point out that customer care and the provision of excellent service at the customer interface needs more than a simple shift of organizational focus. The transition requires a repositioning of the total organizational culture, and managers would do well to remember the adage that one can rewrite a constitution without changing people's attitudes. Moreover, Lee-Ross (2001) specifies that culture refers to underlying attitudes and beliefs held by everyone and how they impact on the service encounter. Furthermore, expressions of organizational culture range from complex and convoluted definitions to simply " the way things get done here." In smaller hospitality, tourism, and leisure organization, culture may be quite "fuzzy", a function of owners and managers who may be equally unclear about their attitudes and beliefs. Larger organizations, however, should have clearer aims, objectives, and procedures to achieve and thus satisfy their cultural aspirations. To develop an appropriate service culture, managers need to understand the concept itself and the key change triggers. The main elements cited by Jones and Lockwood (1989, p. 123) include the following:

- **Value** : Sense of direction and identify guiding day-to-day behaviour.
- **Heroes**: Individuals who are successful because of their adherence to organizational values.
- **Rites and rituals**: Communicate what is expected of employees.
- **Cultural network**: Informal organization through which communication of the culture takes place.

Understanding these elements should assist managers to establish the "right" organizational culture. Lewis and Entwhistle (1990) suggest that correct climate creates responses in customers as well as employees. That is, the organization establishes a climate that affects the way in which employees behave during the

service encounter and, therefore, the customers' perceptions of the organization and its service.


**2. Providing English language training to all staff**

From the empirical research, hotels in Thailand still face problems of communications, either internal communication or communication between staff and guests. English language communication is the major problem of these communications. Accordingly, English language training is really needed in order to improve the effective communication.


## 5.1.4 Work Process

Work processes are one of the key elements in the service marketing mix (Kotler, 1997; Payne, 1993). They are essential for hotels to effectively deliver services to customers. If they are complicated, involving too many steps, the service delivered will be time-consuming, which will lead to a decrease in customer satisfaction.

In providing excellent services, work processes for customer services should be improved and standardized throughout the organization to be simple and compatible with customer needs and expectations (Adebanjo 2001, Kotler, 1997). This will assist staff to work effectively and efficiently. All respondents suggest that more prompt service provision is currently in use as a technique for service quality improvement.


## 5.1.5 Hotel Facility and Provided Services

**1. Differentiating hotel facility and provided service.**

Berry *et al.* (1994) and Parasuraman *et al.* (1991) mentioned that customers pay attention to basic services such as being reliable, keeping promises, providing prompt service, and being competent. In addition, in the process of reliably delivering basic

services, customers' expectations depend on how well various service design elements—including service people, equipment, the service process, and the physical environment—perform together in a service chain system. If there are designs flaw in any part of the service system, the service quality will be reduced.

Customers will be loyal to hotels if they receive greater value than they receive from competitors (Barker *et al.*, 2003). Thus, to improve service quality, hotels have to provide adequate basic services and develop their service system design to be more reliable, more effective, more responsive to serve customers' needs and to offer greater value to their customers (Zeithaml & Bitner, 1996; Barker *et al.*, 2003; Chung *et al.*, 2002 ). The suggested way is to draw a service map that shows the sequence of each sub-process in the service system, one where points of failure can be identified. Developing a service map enables the service to be more easily revised for management control, service redesign, special staff training, and additional inspection (Berry *et al.*, 1994).

In the hospitality industry, several articles looked at the development of new products. Shoemaker (1996) looked at how customers develop a series of actions regarded as necessary or appropriate for a service transaction. Variations from the script can be a source of dissatisfaction. Thus, when developing new service delivery systems, companies must assist customers in developing a new script. Miner (1996) presented a customer-focused approach to developing new products in a restaurant. The six stage process includes product ideas, initial evaluation, consumer reaction, sensory testing, field testing, and product introduction.

Another set of research looked at the design of special projects. Goldman (1993) discussed the importance of concept selection for independent restaurants. He discussed the different external factors that affect concept selection. Makens and Bowen (1996) discussed merchandise opportunities for restaurants. Design consideration for restaurants wanting to implement a merchandising program include space to merchandise the products and storage space. Bowen and Morris (1995) looked at the design of a menu to increase product sales. They found that menu design in a sit-down service restaurant may not be as effective in selling products as previously thought. Monteson and Singer (1992) explained how spas can add value

33

as an amenity in a destination hotel or resort. They gave advice on how to manage and market a spa properly so it creates maximum value for the guests and adds to the bottom line of the hotel.

Conner (1991) focused on how renovations could capture the original glitzy and glamour of the hotel, while making the hotel operationally efficient. Conner provides specific examples from design renovations in New York City. Knapp (1991) provides a case study of the renovation of the Sheraton Palace in San Francisco.

Accordingly, three main aspects should be recommended for the Thai hotel industry. This recommendation will identify the trend in order to improve service quality of the hotels as follows:

## 1.1 Boutique Hotels

Due to the fact that many hotels nowadays try to differentiate themselves from the others, the boutique hotel concepts may be interesting ideas for many hotels in Thailand.

Abramson *et al.* (2001) suggest that boutique hotels are independent and genuine. Generally, some boutique hotels are historic, some elegantly contemporary (from country inns to castles to sheer luxury), but they are all unique in their architectural styles, classy interior designs, decorative themes and personalized service. Furthermore, Bangert *et al.* (2002) support that some boutique hotels are small with few rooms, some may have as many as more than one hundred rooms, but they all provide the sophisticated amenities and personalized service that meet guest's boutique lifestyle.

In addition, Guerrier (1999) supports that the services begin with the moment the guests arrive—the staff is at their service and always quick with a smile. The staff also pride themselves on knowing their guests' names and catering to their guests' preferences, not to mention remembering these details on the guests' next visit. Perhaps guest will find the favorite beverage upon arrival, a selection of CDs based

on their guests' musical interests or the newspaper of their guests' choice. The extra amenities often found in boutique hotels may include designer soaps and lotions, comfy robes and slippers, and plenty of bottled water. Most of the properties offer features for business travelers, such as fax lines, voice mail, two-line telephones and high-speed Internet access.

Abramson *et al.* (2003) and Glasier *et al.* (2001) suggest that the fine boutique hotels offering highly personalized service, distinctive decor and a good value to customers. The approach avoids excessive glitz and glamour, in favor of giving guests a little more than they expect, while remaining focused on the fundamentals. The properties reflect the personal style and preferences of their guests. All have high quality amenities and services.

Abramson *et al.* (2003) also point out that the boutique hotel tries to demonstrate passion in all they do: passion in serving their customers, passion in training, nurturing, leading, and developing their employees, and passion in standing up for and modeling their core values. They constantly strive to improve and innovate in every area of their operations. Every process is suspect. This is everybody's job, not just senior management. They try to have zero tolerance for deferred maintenance anywhere on their properties within guest view, or that may eventually impact the guest. They will do whatever it takes to keep their properties in pristine condition. The general managers model their service philosophy every day to their employees. All of them demonstrate a positive "can-do" attitude and approach no matter what the obstacles. They all pledge to be part of the solution, not the problem. They hire and retain the best employees and managers they can find. Mediocrity is not tolerated at any level.

In addition, Abramson *et al.* (2001) and Guerrier (1999) emphasise that every employee owns every challenge or problem presented to them by every guest, and is fully empowered and accountable to satisfy the guest and retain his or her loyalty—no exceptions, no restrictions, no excuses. Employee training, development, coaching, and counseling, are at the top, not the traditional bottom, of the priority list of activities for all executives and managers. They are a flat organization; they strive to create the shortest distance and eliminate as many levels as possible between their

customers and senior management. Every employee and manager's obligation is to speak their mind without hesitation or trepidation whenever they see an opportunity to improve their customer service, product, profitability, or working environment. Senior management creates the climate and vehicles to collect employee feedback on a dynamic and frequent basis. Their incentive programs reward their employees for creating additional value for their employee, even beyond their expectations. Doing their jobs well, and meeting their performance and service goals, are what they get paid to do every day.

## 1.2    Spa Hotels

At present, Thailand is quite famous for its spas service. Their unique blend of traditional and advanced therapies in the tranquil and holistic spa setting is enhanced by the caring nature of their dedicated team of Thai therapists. Moreover, Hannelore (2002) suggest that massage therapy has multi-level benefits. First and foremost is the significant relief from stress that massage provides. In addition, it helps maintain flexibility, reduces the chance of injury, improves athletic performance, and re-energizes body and mind, providing greater alertness and productivity. Therefore, the spas service is very highly recommended for the hotels in Thailand

Montes (2002) points out that normally the spa hotel has it own spa complex. The spa hotel offers the ultimate in relaxation and rejuvenation; their spa rooms offer a secluded haven for therapeutic relaxation. Guests can choose from an array of massage, body and beauty treatments like loofah rubs, herbal wraps and aromatic massages. The treatment facilities include steam baths, saunas and Jacuzzi spa pools.

Zagat Survey (2004) suggests that the treatment packages should offer guest sheer indulgence and exquisite pampering with their wide selection of spa services: from general treatments to comprehensive hydrotherapy, massotherapy and aromatic body, beauty and skincare treatments. Moreover, the services are also pleased to customize individual spa programs to suit their guests' personal needs. As the treatments draw to a close, they try to make their guests drift off into a world of dreams.

Furthermore, the spa hotels in Thailand offer the guests a massage selection drawn from the local culture of Thailand and from across the world. However, Thai healer will always be the core of the treatment which improves circulation. Thai massage is a stretching massage, based upon ancient principles brought to Thailand by King Rama III and inscribed in Bangkok's famous Wat Pho Temple. To soothe aching muscles, steamed herbal pouches are applied on the body in an herbal heat treatment.

Some of the popular spa hotels in Thailand provided health and wellness consultation with a dedicated professional who will help the guest to select and design a personalised treatments program to compliment their guests' general health objectives and assist guests in achieving their goals.

Cuito (2001) and Kunz (2003) suggest that the hotels should pay more attention to the fitness facilities of their hotels. The fitness program at the hotels should be designed to cover the widest possible range of activities to suit the majority of their guests, be it in the form of group exercise activities or under individual specialist tuition. Whether their guests want to focus on mindful exercise such as Yoga, or go for serious personalized training and high intensity activity, the hotels should be able to find something to suit their goals.

## 1.3    Hip Hotels

Ypma (2003) suggests that very hip hotel has unique character. It is timelessly stylish; attuned to its location in design, ethos, and cuisine; and achieves that subtle balance between attentiveness and discretion that marks the best of modern service.

In addition, Ypma (2002) suggests that City Hip Hotels are hotels of such sheer style with a choice as immense and varied as the country itself and individuality that they have redefined the travel experience. Through innovative architecture, outstanding design, and world-class cuisine, City Hip Hotels have become destinations in their own right. Interestingly, Ypma introduces many examples of the stunning hip hotels. By way of illustration, the example of modern architecture that were originally built

as hunting lodges which are the biggest names, the hippest locations, and above all the most stylish hotels in the world. In London there is One Aldwych, one of the finest examples of the new contemporary luxury that is fast turning the traditional grand hotel into a museum piece. Moreover, the Establishment in the heart of Sydney takes the hotel-as-destination concept to a new level: besides being a superb hotel, it houses the city's hottest bar, restaurant, nightclub, and sushi bar, all in one incredibly radical architectural conversion.

## 2. Emphasising reliability as the first priority for the provided service.

Customers judge service quality based on five broad dimensions, i.e., reliability, responsiveness, assurance, empathy, and tangibles. Reliability is considered as the essential core of service quality and other dimensions will apply only if a service is firstly reliable. Responsiveness and empathy from service staff, for instance, cannot compensate for unreliable service delivery (Berry et al., 1994, Parasuraman, 1991).

Consequently, hotels must place reliability as their first priority. The more improvements there are in reliability, the greater the customer satisfaction (Berry et al., 1994). From the empirical results, hotels in Thailand may not be generally on the right track in focusing on reliability. Therefore, the hotels in Thailand have to emphasize reliability more by refocusing their efforts and resources to improve it.

## 3. Strengthening IT systems and equipment

From a customer's perspective, they do generally demand a higher degree of products/services information for their decision making. Thus, IT systems, as sources of customer information and a database, are determined to be one of a hotel's sources of competitive strengths (Barker et al., 2003; Knowles, 1998).

According to the management's perspective from this research study, most respondents view strengthening IT systems and equipment as one of the most important techniques. Hotel management should try to strengthen the IT system to

provide valued services and enhance the capability of differentiated service development, which can meet and exceed customers' needs and expectations. The research findings shows that hotels are improving their IT systems and equipment as quickly as they can by either investing in new systems or improving the existing ones to deal with the complexity of worldwide services in the future.

## 5.2  Customer Focus

Techniques for improving service quality of customer focus are as follows:

### 1.  Customer expectation/needs study

Due to the fact that customers today have increasingly higher expectations and demands, Wuest (2001) points out that expected service are those which guests assume the service provider should offer in order to provide adequate service. Over the years, expected services increase. Guests become more demanding, requiring the service provider to move beyond what is commonplace. If guests' expectations are sufficiently met with the services provided, they will assess the services as adequate. Unfortunately, what is adequate today may not be adequate tomorrow and mediocrity is not a standard by which companies will excel. Furthermore, O'Neill (2001) asserts that in today's hospitality environment, the true measure of company success lies in an organization's ability to continually satisfy customers. Increasingly, customers are demanding value for money in terms of both the price/quality ratio and the actual quality of the product or service being offered. To ensure market success, hospitality organizations of all types are now being forced to stand back and take a long hard look at the way they are currently doing business.

Consequently, hotels need to pay more attention to the customer factors. Hotels have to achieve the ultimate goal of organizational survival in terms of profits and market share through developing customer satisfaction. Accordingly, hotels in the Thai hotel industry cannot escape increasing their focus on customer behaviour studies in the near future. Particularly, from the research study indicates that each five-star hotel

does its own customer behaviour studies. Most managers suggest that guests seem to have different demands and expectation towards each type and each individual hotel chain. However, from the empirical results, management seems to pay less attention to customer expectation/needs study. Consequently, it is highly recommend that each individual hotel in the Thai hotel industry should do its own customer surveys in order find out what is most appropriate to provided facility and service that is suitable for their hotels.

## 2.    Pay more attention to customer complaint handling.

In the research by Berry *et al.* (1994), companies obtained the highest service quality scores form clients who had no service complaints. The worst were from clients whose complaints were not resolved satisfactorily. Hotels can encourage customers to complain and make it easy for them to do so by providing reactive strategies including convenient contact channels and tools, e.g., a suggestion card and toll-free telephone numbers, and proactive approaches by asking customers to make complaints about service delivery.

Furthermore, responsive complaint handling is needed to show a hotel's sense of urgency and attention regarding their customers' concerns. Therefore, to focus on all kinds of hotel services, hotels have to provide convenient complaints channels, encourage customers to complain, train employees regarding complaints and invest in their information systems to track complaints' responses and resolution.

## 5.3  Awareness and Responses to External Factors

The external factors include government policy, changes in technology, competitors, and the economy.

### 5.3.1  Government Policy

As it was found from the research study, contacting government organizations is very time consuming. They set some laws and regulations that are comprised of too many steps and too many conditions. Therefore, the hotels should prepare themselves for this concern.

### 5.3.2  Technology

As mentioned above, technology enhances hotels' service quality improvement and performances on information management. Technology is important for hotels to provide superior services to customers, especially in the business target group. However, technology always changes; therefore, it is important for hotels to continually pursue the advancement of technology to develop their operating systems, lessen costs, improve service quality, and to find out how to differentiate their services (Barker *et al.*, 2003; Behara & Gundersen, 2000; Knowles, 1998).

### 5.3.3  Competitors

Hotels have to track the movements of their competitors to understand the competitive situation, changes in hotel services and their own positions in the market. Information about competitors will assist hotels' management to make effective decisions on their provision of services.

### 5.3.4 The Economy

The Thai economy is not yet secure and it impacts greatly on the hotel industry in terms of the reduction of profit margins and the decrease in customer demand for hotel services. Consequently, hotels regularly need to analyse the economic situation and its changes to adjust their corporate strategies and movements in the market.

Even though external factors are out of the hotels' control, they have great influence on the hotels' performances. The tracing of these external factors is needed for hotels to seek the opportunities to develop their businesses and to protect threats at the same time.

## 5.4 Service Quality Measurement

Durand & Eccles (1997) suggest that the notion of service quality encompasses a broad range of activity, from what can be described as organization-wide total quality efforts, to perceptions of quality by customers experiencing service. As a result, hotels are developing their own systems for measuring service quality, referred to as "hard and soft performance indicators" as well as "tangible and intangible aspects of service". Indeed, there are still many techniques for service quality measurement that should be adopted for the Thai hotel industry.

O'Neill (2001) points out that today's hotel manager faces many choices when it comes to measuring customer perceptions of service quality. A full range of measurement techniques is now available for the assessment of service quality, each with its own particular strengths and weaknesses, depending upon what is being measured and why it is being measured. The difficulty is that many of these techniques are too costly, too complicated, or totally inappropriate for what is being measured.

By and large, hoteliers employ a mix of qualitative and quantitative methods, choosing to collect feedback through a combination of observation and/or

communication techniques. Qualitative methods include interviews, focus groups, and observation research. Quantitative techniques, on the other hand, collect information on the basis of a predetermined standard and, as such, are more objective and measurable in nature. In the majority of cases, this information is collected by surveys, which can be administered either face-to face, indirectly (by telephone), or simply left for the customer to fill out later (as in the case of room surveys and customer comment cards).

A number of the more popular techniques shall now be addressed in relation to their suitability to the hotel. Ford and Bach (1997) provide a detailed listing of the many techniques available to managers as well as addressing the relative strengths and weaknesses of each. Accordingly, a summary of these techniques along with their principal advantages and disadvantages is provided in Table 2.

**Table 2: Summary of Data Collection Techniques**

| Techniques | Principal Advantage | Principle Disadvantage |
|---|---|---|
| Management Observation | No inconvenience to customer | Presence of observer may influence delivery |
| Employee Feedback | Employee knowledge of delivery problems | Employee bias |
| Comment Cards | Suggest company interest in customer opinions | Comments generally reflect extremes |
| Mail Surveys | Ability to gather valid and representative samples | Time lag and effect of memory retention |
| On-Site Personal Interview | Detailed guest feedback | Sample representation |
| Telephone Interviews | Representative and valid sample of target customers | Customer inconvenience |
| Critical Incident Technique | Identification of what is critical to customer | Low response rate |
| Disconfirmation Models | Directs improvement | Administration |

| Focus Groups | Information rich | Symptom identification |
|---|---|---|
| Mystery Shoppers | Consistent and unbiased | Cost |

(Source: Applied from Ford and Bach, 1997)

According to the results obtained from the empirical interviews in Research Paper II and the questionnaire survey to examine the practical application of the research findings in Research Paper III, results indicate that most hotels select the following techniques to be implemented in order to measure the service quality of their hotels.

### 1. Utilizing guest satisfaction survey to measure customer satisfaction.

Durand & Eccles (1997) suggest that it is becoming increasingly difficult to measure customer satisfaction, and levels of quality offered within service industries, as all customers have different perceptions about what contributes to good "quality". It is true to say that all guests within a hotel have different perceptions on the quality of their stay, but hotel firms are continually striving to monitor customer feedback in the light of improving service.

Durand & Eccles (1997) go on to suggest that one method, which has now become a norm, is the guest questionnaire. The overall principle of measuring customer satisfaction is well established within the hotel sector, with two theories from consumer behavior research being used to investigate consumer satisfaction. In review of the first theory, the disconfirmation theory, consumers develop feelings of satisfaction or dissatisfaction based on levels of expectations, attitudes and intentions towards as yet untried products or services, matched against their actual experience post-purchase. Therefore, disconfirmation occurs when there is a discrepancy between expectations and performance. The second theory is expectancy-value theory, where emphasis is placed on weighting the difference between product attributes and consumer satisfaction—that is to say, the customer has different perceptions and his or her choice and the level of satisfaction derived therefrom is dependent on which attribute is most valued.

As a technique to collect customer comments, the respondents recommend the following criteria which need to be included in the questionnaires:

- the questionnaire should include those variables that customers presume are important;
- the variables need to be weighted on the basis of relative importance;
- there is a requirement for the questionnaire to measure overall satisfaction;
- the questionnaire requires standardization across all samples;
- the questionnaire should be distributed randomly;
- there should be encouragement from staff to maximize the response rate;
- analysis should consider levels of non-response for bias purposes.

The benefit of guest-questionnaires for consumer satisfaction is that organizations receive up-to-date information concerning the product and service offered, and through a combination of quantitative statistics (percentage of guests liking/disliking the service) and qualitative comment boxes, managers are better informed of unit operation performance, as well as the required and changing priorities and wishes of customers.

## 2. Using the "mystery shopper" service to measure service quality of the hotel.

According to the results obtained from Research Paper II and Research Paper III, results indicate that many hotels think mystery shoppers should be implemented.

As they recommend, the mystery shoppers are the people who come from the company that specializes in and provides market research and surveys to the hospitality industry.

Due to that fact that travellers, especially business travellers, want the best possible service from hotels, their individual needs may vary but hotel staff are expected to be able to serve every need and deal with every request. Nevertheless, hotel staff members have been known to get complacent or to give guests an attitude when a smile and friendly service was most important. Poor staff appearance; improper cleanings (in rooms or public areas); poor guest service (at the desk, by room service

or housekeeping or, even, in the restaurant) are also other factors that contribute to dissatisfaction. In fact, any slip in their hotel's standards can cost business, especially repeat business. Mystery shoppers can eliminate the guess work and give hotel management valuable insight into which of their staff are letting guests down and losing future sales and which staff are making guests happy and building a firm foundation for repeat business.

Mystery guest service consists of unannounced visits to the hotel property and, using the exhaustive checklist, tests every aspect of guest services from check-in, meal service, room service, room cleanliness, concierge, bellman, business services and equipment. The mystery shoppers ask for odd items, place high demands on the hotel staff and test the security before checking out. The mystery shoppers rate every aspect of the hotel and every staff member they contact. The mystery shoppers also provide an extensive commentary report and variety of charts that provide management a complete, objective view of their service performance.

Hence, if the mystery shoppers followed through as promised and the information the hotel received was detailed, accurate and objective, the hotel will use this information to take corrective actions in their need areas and as a training tool to educate their associates. Obviously, the information is much more meaningful as it comes from a professional market research company. Hence, the mystery shoppers technique is very highly recommend for the Thai hotel industry.

## 5.5   Approaches of Service Quality Improvement

According to the results obtained from literature review in Research Paper I, various kinds of projects and approaches implemented for service quality improvement have been found, for example, training, benchmarking, team building, Total Quality Management, and ISO 9000. However, the results obtained from empirical interviews in Research Paper II, and the questionnaire survey in Research Paper III, indicate that hotels select only some of the quality projects to be implemented.

Consequently, in this Research Paper III, selected projects and approaches hotels should employ to improve service quality will now be discussed.

## 5.5.1 Training, Selection and Acculturating

Training, selection, and acculturating are closely related and considered as major parts of service excellence implementation responding by the management. Selecting involves choosing the right service staff for each job and acculturating involves instilling the corporate culture and vision in those staff. Training enhances staff to understand and perform their duties appropriately (Zeithaml & Bitner, 1996). All respondents mentioned training, but selection and acculturating was not indicated. This shows that the hotel staff and management pay great attention to only training. Thus, hotels should focus more on selection and acculturating and, at the same time, training should be continuously invested in and pursued for continuous quality improvement. In addition, the management has to track their staff's performance improvement after the completion of each training course. Moreover, the reviews on the training courses and programs have to be focused to optimize the training investment.

## 5.5.2 Benchmarking

Benchmarking was frequently indicated by many respondents in Paper II.. Moreover, most respondents in Research Paper III confirmed they would utilize this technique for the purpose of improving service quality of their hotel by next year; therefore, it may be highly recommend to be applied to the other hotels in Thailand. This approach should be more focused and strengthened to reach the objective of continuous improvement, even though some hotels in Thailand may succeed in service quality improvement to a certain extent. As hotels' competitors do not stop their service improvement, benchmarking is considered as an approach to track the competitors' movements and is used as an indication to evaluate hotels' performance.

### 5.5.3 Encourge teamwork.

Obviously, from the empirical results, all respondents indicated the adoption of team building in their hotels. This might imply that hotel staff in Thailand generally work as a team because their management put this as an important priority. Thus, in providing quality service, teamwork is really needed and hotel management has to pay much attention to build up teamwork among service staff.

### 5.5.4 Acquiring ISO 9000 certification.

ISO 9000 has been achieved and indicated by only one hotel in Research Paper II. Moreover, the findings in Research Paper III also indicated that the respondents pay less attention to this technique. However, to ensure the standardization and consistency in service delivery, to improve the quality of services, to develop staff's knowledge, skills and attitudes, to encourage teamwork and cooperation, and to enhance cost savings, ISO 9000 should be adopted. In addition, customers presently select to be served, in an increasing trend, at service companies certified by ISO 9000 (Wiraseranee, 1999).

### 5.5.5 Total Quality Management (TQM)

Total Quality Management as one of effective approaches has to be considered, but there were just a few respondents mentioned TQM in the interviews of Research Paper II. Moreover, the findings in Research Paper III also indicated that the respondents do not pay much attention as they should to this technique. In doing so, the work system and work discipline to protect and reduce errors and mistakes in each service process will be set up, which can lead to higher value propositions to customers, as well as enhance cooperation from all staff members (Oakland, 1993). As a result of TQM implementation, the aim of service quality improvement will be achieved.

## 5.5.6 Business Process Reengineering (BPR)

BPR involves creating new processes and approaches for the company's operational functions to serve customers with higher value propositions, especially quick responsiveness with appropriate results (Zeithaml & Bitner, 1996). From the interview results in Research Paper II, no respondents indicated that their hotels adopted this technique. Moreover, the findings in Research Paper III also confirmed that the respondents do not pay much attention to this technique as they should. Respectively, hotels should implement BPR in order to be competitive in this changing environment since BPR will impact on the improvement of services delivered to customers (Zeithaml & Bitner, 1996).

## 5.5.7 Six Sigma

Evidence has shown that most respondents confirmed to utilize Six-Sigma to improve the effectiveness and efficiency of their operations in the very near future. It is one of the most interesting techniques. Even though this technique is currently in use in only 10% of the cases, trends show that 83.33% of respondents prefer to utilize this technique next year.

Six Sigma has proven its benefits in service industries through successful implementation of many providers (DeYong & Sehwail, 2003; Eckes, 2000; Hendricks & Kelbaugh, 1998; Hoerl, 1998; Kuei & Madu, 2003). Appropriately implemented, Six Sigma clearly produces benefits in terms of better operational efficiency, cost effectiveness and higher processes quality. Six Sigma initiatives in service companies may start as a means to improve internal process, but eventually Six Sigma becomes an indicator of future performance and growth. Therefore, Six Sigma is one of the highly recommended approaches that hotels should employ to improve service quality.

## 5.6 Feedback for Continuous Improvement

### 1. Monitoring and evaluation of service quality improvement projects and utilizing feedback from selected service quality improvement approaches.

From empirical results in Research Paper II, hotels in Thailand hardly indicate that they often undertake evaluations of success after quality projects have been introduced and implemented. However, from the research finding in Research Paper III, a little less than half of the managers (43.33 %) agreed to use this technique next year, and almost the rest (43.33 %) within the next 2 years. It can imply that in the executives' views, monitoring and evaluation is an interesting technique for improving service quality in the near future. Thus, the process of service quality improvement should include monitoring and evaluation of the success, in order that hotels can conceive which projects should be terminated or adjusted.

Moreover, a hotel's management has to spend time during the process of service quality improvement to monitor and evaluate the success of projects and to regularly adjust them as the situation changes through customer suggestion, complaint systems, consumer surveys and service comparison with competitors (Kotler, 1997). Furthermore, such success has to be communicated throughout the organization to encourage staff to put in more effort to achieve the goal of improvement.

### 2. Establish a unit for continuous service quality improvement.

In the current changing environment, there has been an increase in competitive pressure and customer demands. Hotels have to continue to improve service quality and continuously create strategic initiatives. Service quality improvement is complicated and means dealing with many parties within the organization. There may be a lot of grey areas where there may be no direct units or departments to respond to problems. The empirical study in Research Paper II showed that only one hotel indicated that a service quality unit had been established to deal directly with service

quality improvement. The possible problems for such hotels without service quality units may be non-continuous improvement and complexity in dealing with service quality issues. However, from the research findings in Research Paper III, in the executives' views, this technique is an interesting approach for improving service quality. They plan to pay more attention to establish a service quality unit in their hotels in the near future.

Consequently, to further improve service quality, hotels may need to establish units or committees in charge of service quality, to be responsible for service problem investigation, to plan for quality development, and to monitor and evaluate the whole process. As a result, any service problems will be solved effectively and a competitive advantage achieved.

## 5.7 Recommendations on Success in Service Quality Improvement

From the research study on service quality improvement in the Thai hotel industry, the author would like to present what characterizes successful service hotels and what can be learnt from them as a guide for the other hotels in the Thai hotel industry as follows:

- The General Manager should be the foremost practitioner of leadership from the top by designing and spreading a quality policy, formulating challenging goals, plans and routines for all parts of the hotel and then dividing up his overall responsibility within the hotel.

- Service quality has become a field for strategic development, an important ingredient in the business idea as well as a central management task at all levels.

- Successful hotels are characterized by focus on the guests. They map and understand their guests' needs and the factors which affect the guests' desired

or adequate services respectively. They are sensitive to ideas and expectations of the guests without being governed in all respects by them.

- Service quality improvement is everybody's responsibility. Each co-worker has knowledge, resources and authority to provide the right quality.

- Focus on new service development and service design is essential. It is becoming more and more apparent that it is essential to build-in prerequisites for the right quality from the beginning when designing new services.

- Stress on the development of a process of continuous improvement focus is needed. This means developing a hotel to prevent mistakes from happening as opposed to discovering mistakes through inspection and then taking measures to correct them.

- Benchmarking by comparing one's own hotel with others and learning from them, not copying but accepting that with some adaptation will support one's own quality work.

- There is a need for emphasis on complaint management as a tool for discovering customer dissatisfaction, learning how to handle the situation, compensating for the mistake and explaining why it happened. In such situations, it is a good opportunity to demonstrate good quality—a unique chance to correct a quality failing.

- There should be a stress on employee commitment and customer involvement for customer-perceived total quality. This requires challenging and engaging tasks, good relations with the staff and the managers.

# Section VI: Contribution of Knowledge, Limitations, Suggestions, and Conclusions

## 6.1 Contribution of Knowledge

At present, hotels in Thailand are not secure due to strong competition and the great impact of the economic recession. It is urgent that they create their core competitive strategy to compete in the market. Quality improvement as one differentiated strategy should be adopted to become a hotel's competitive advantage.

Unfortunately, research studies conducted in other countries may not be applicable to the Thai hotel industry. In addition, Thailand lacks published research regarding hotel service quality improvement, as far as is known after extensive searching by the author. This research may be one of the few systematic studies on such an important topic, with its focus on the implications of service quality improvement in the hotel context of Thailand. This paper would enable hotel practitioners to apply the practical suggestions proposed in this research paper for their hotels to improve service quality and strengthen their competitive edge. Hopefully, the sooner hotels put ideas of service quality improvement into practice, the better such hotels can deliver superior services, increase customer satisfaction, expand their customer base and, finally, gain more profits.

## 6.2 Limitations of Study

This research was examined within the context of the hotel industry and it consequently added some knowledge to the literature of service quality improvement. However, its implications cannot be completely relevant and applicable to all types of the hotels due to its focus on only the five-star hotel industry. Care should be taken not to generalize the findings for the whole hotel service industry, either in Thailand or worldwide.

## 6.3    Suggestions for Future Research

The three interrelated research papers have to be taken into account regarding possible research directions. The first research paper involves a literature review of service quality improvement and the second concerns empirical interviews with hotel practitioners, including top management level and middle management level. In the third research paper, the implications of service quality improvement in the context of the Thai hotel industry, particular five-star hotels, are discussed. It would be beneficial to look at this research topic with other types of hotels for possible future research, for example, three-star hotel or budget hotel or tourist hotel. It would also beneficial to understand more about service quality policies in Thailand, or even compare service quality policy with other hotels' policy makers, such as General Managers, in other countries to see the trend of quality improvement in their long-term future perspectives, and then to compare them with this study's findings. It would then be possible to prove and modify the effective system presented to be as useful as possible.

In addition, a future case study might offer an interesting research methodology by conducting research with particular hotels in Thailand and in other countries to investigate the process of service quality improvement in detail. The areas of study should start from the process of idea initiatives, their adoption, implementation, evaluation, adjustments, and the trend of service quality in the future. Such research would be beneficial for hotels across the industry, especially small hotels not familiar with quality initiatives.

## 6.4 Conclusions

In a competitive business environment, hotels need to search for their long-term competitive advantage. Improved service quality, as one of the differentiated strategies, should be adopted to achieve customer satisfaction and to maintain their profits for business success, things that are absolutely crucial to the organizational future (Adebanjo, 2001; Durand & Eccles, 1997).

This paper is the final study of the three interrelated research studies. It is based on the knowledge and understanding gained from the previous two papers. This paper enables hoteliers to apply the practical implications proposed for their hotels to build and improve on their competitive edge. This third paper examines the implications for the practical application of the research findings. The aim of this research was to determine how hotel managers think of using the proposed techniques for service quality improvement in real situations.

According to the results obtained from the questionnaire survey, the findings revealed that most executives found the techniques are efficient and applicable as follows:

Most executives indicated that they provided valuable and supportive techniques to improve their service quality. The usual types of techniques which are currently in use for improving service quality are: (1) staff intensive training course to improve the staff's skills, manners, and attitude; (2) hotel facility improvement; (3) encourage teamwork; and (4) utilizing guest satisfaction survey to measure customer satisfaction.

Most executives confirmed that some other techniques are also interesting and will be utilized for improving service quality of the hotel in the next couple years: (1) employee research to understand the staff's needs and ensure overall satisfaction; (2) delegating more power to staff to make their own decisions; (3) pay more attention to customer complaint handling; (4) monitoring and evaluation of service quality improvement projects and utilizing feedback from selected service quality

improvement approaches; and (5) establish a unit for continuous service quality improvement.

However, most hotel executives seem to pay less attention to the following techniques: (1) the management should clearly communicate the vision of the organization's culture and development to their staff; (2) providing English Language training to all staff; and (3) customer expectation/needs study.

Nevertheless, an encouraging result of this study was that most executives believed that acquiring the various techniques would help hotel improve their service quality to respond to the changes in the Thai hotel industry. Interestingly, most executives indicated the following techniques which they believed it is effective, and will be utilized in the very near future were: (1) executive training courses on leadership in hospitality; (2) differentiating hotel facility and provided service, such as, focusing on boutique hotel, spa hotel, or hip hotel; (3) using the "mystery shopper" service to measure service quality of the hotel; and (4) using Six-Sigma to improve the effectiveness and efficiency of all operations. Consequently, it is interesting to note that the views of the participants in this research study supported the study discussed in Research Paper I and Research Paper II.

In addition, it was found that the starting point to improve service quality is, first of all, the hotels need to have an in-depth understanding of factors influencing service quality in their hotels. Then, the hotels need to provide proper techniques for improving service quality.

This paper made many suggestions for improving service quality in the Thai hotel industry. Nevertheless, these implications will be effective only if all staff and management act together. Service quality improvement requires long-term commitment, total involvement from staff and management, and continuous improvement. There is no line for hotels to pass and no finish line to reach (Barker *et al.*, 2003; Chung *et al.*, 2002; Edvardsson, 1998; Maxwell *et al.*, 2004).

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# Questionnaire

From the literature review on service quality improvement and the empirical findings from the previous survey which you participated in by being interviewed, we have identified the following techniques employed in improving service quality in five-star hotels in Thailand.

Please indicate your opinion and whether or not these techniques have been considered or are being used at your hotel by using a check mark (√).

Position or department in charge: .............................................................................

| Techniques for improving service quality | Currently in use | Will be in use in... | | | | | Will not use |
|---|---|---|---|---|---|---|---|
| | | 1 yr | 2 yr | 3 yr | 4 yr | 5 yr | |
| 1. Executive training courses on leadership in hospitality. | | | | | | | |
| 2. The management should clearly communicate the vision of the organization culture and development to their staff. | | | | | | | |
| 3. Staff intensive training course to improve the staff's skills, manners, and attitude. | | | | | | | |
| 4. Employee research to understand the staff's needs and ensure overall satisfaction. | | | | | | | |
| 5. Delegating more power to staff to make their own decisions. | | | | | | | |
| 6. Career development plan for the staff. | | | | | | | |
| 7. Staff motivation: increase in staff salary, benefits, rewards and incentive. | | | | | | | |
| 8. Increase moral activity to improve staff attitude. | | | | | | | |
| 9. Internal promotion to reduce staff turnover. | | | | | | | |
| 10. Supporting the staff for self-efficiency improvement e.g. providing opportunities for creative initiatives. | | | | | | | |
| 11. Increasing number of staff to an appropriate level. | | | | | | | |
| 12. Provide psychologist to give advice to staff. | | | | | | | |

| Techniques for improving service quality | Currently in use | Will be in use in... | | | | | Will not use |
|---|---|---|---|---|---|---|---|
| | | 1 yr | 2 yr | 3 yr | 4 yr | 5 yr | |
| 13. Providing English Language Training to all staff. | | | | | | | |
| 14. Service minded focus. | | | | | | | |
| 15. More prompt service provision. | | | | | | | |
| 16. Emphasising reliability as the first priority for the provided service. | | | | | | | |
| 17. Using the uniqueness of Thai culture. | | | | | | | |
| 18. Hotel facility improvement. | | | | | | | |
| 19. Differentiating hotel facility and provided service, e.g. focusing on boutique hotel, spa hotel or hip hotel. | | | | | | | |
| 20. Strengthening IT systems and equipment. | | | | | | | |
| 21. Customer expectation/needs study. | | | | | | | |
| 22. Pay more attention to customer complaint handling. | | | | | | | |
| 23. Utilizing guest satisfaction survey to measure customer satisfaction. | | | | | | | |
| 24. Using the "mystery shopper" service to measure service quality of the hotel. | | | | | | | |
| 25. Using management observation technique to assess the interactions that take place daily between hotel operation and its guests. | | | | | | | |
| 26. Using benchmarking to track the competitors' movements, and use as an indication to evaluate the hotels' performance. | | | | | | | |
| 27. Encourage teamwork. | | | | | | | |
| 28. Using Six-Sigma to improve the effectiveness and efficiency of all operations. | | | | | | | |
| 29. Acquiring ISO 9000 certified. | | | | | | | |
| 30. Total Quality Management (TQM) | | | | | | | |
| 31. Soft System Methodology (SSM) | | | | | | | |
| 32. Business Process Reengineering (BPR) | | | | | | | |
| 33. Monitoring and evaluation of service quality improvement projects and utilizing feedback from selected service quality improvement approaches. | | | | | | | |
| 34. Establish a unit for continuous service quality improvement. | | | | | | | |