

TABLE OF CONTENTS

CHAPTER 1 INTRODUCTION	8
1.1 Background.....	8
1.2 Statement of problem.....	9
1.4 Scope of study	10
1.5 Research methodology	10
1.6 Outline of the study	11
CHAPTER 2 LITERATURE REVIEW AND THEORETICAL FRAMEWORK.....	13
2.1 Service quality	13
2.1.1 Concept of service quality.....	13
2.1.1.1 Service.....	13
2.1.1.2 Hotel service	14
2.1.2 Conceptual framework for service quality philosophy.....	15
2.1.3 Major aspects of service quality	16
2.1.4 The relationship between service quality and customer satisfaction.....	17
2.2 Models of service quality measurement.....	19
2.2.1 Model of service quality Gaps and SERVQUAL methodology.....	19
2.2.2 SERVPERF methodology.....	25
2.3 SERVPERF model in literature of service quality.....	26
CHAPTER 3 RESEARCH METHODOLOGY	28
3.1 Study process.....	28
3.2 Study design	28
3.2.1 Designing questionnaires	28
3.2.2 Collecting data	30

3.2.3	Sample size	30
3.2.4	Analyzing data	30
3.2.4.1	Descriptive statistics	31
3.2.4.2	Reliability analysis	32
3.2.4.3	Factor analysis.....	33
3.2.4.4	Regression analysis	34
CHAPTER 4 CURRENT SITUATION AND ANALYSIS RESULT OF SERVPERF MODEL IN DAEWOO HOTEL.....		36
4.1	An overview about Daewoo hotel	36
4.1.1	Daewoo hotel history	36
4.1.2	Organizational structure	37
4.1.3	Products and services	39
4.2	Research analysis and survey result base on implication SERVPERF model in Daewoo hotel	44
4.2.1	Survey results and data analysis	44
4.2.1.1	Descriptive data analysis.....	44
4.2.1.2	Reliability analysis	45
4.2.1.3	Exploring factor analysis	50
4.2.1.4	Regression Analysis	56
4.2.1.5	Research model and tested result	60
CHAPTER 5 FINDINGS AND SUGGESTIONS.....		63
5.1	Impact of service quality factors on customer satisfaction in Daewoo hotel	63
5.2	Suggestion to improve service quality in Daewoo hotel	63
5.2.1	Improving TANGIBLE component	63

5.2.2	Improving RELIABILITY and ASSURANCE components.....	64
5.2.3	Improving RESPONSIVENES - EMPATHY component	65
5.2.4	Suggestions for other components affecting on service quality	65
5.3	Suggestions for implication SERVPERF model in service quality measurement in Vietnam.....	66
5.4	Limitations of the study	67
	CONCLUSION.....	68
	REFERENCES.....	70
	APPENDIX.....	75

LIST OF FIGURES

Figure 2.1 Service quality model (Parasuraman et al., 1985)	13
Figure 2.2 A conceptual framework (Taylor and Cronin, 1992)	18
Figure 4.1 Daewoo hotel's image (marketing department of Daewoo hotel, 2013)	30
Figure 4.2 Organizational Structure (human resource department of Daewoo hotel, 2013).....	31
Figure 4.3 Research model result.....	53

LIST OF TABLES

Table 2.1: Pattern of service quality of service assessment (SERVQUAL).....	14
Table 3.1: Cronbach’s alpha and internal consistency (George & Mallery, 2003) ..	26
Table 4.1: Bed room information (human resource department of Daewoo, 2013).	32
Table 4.2: Restaurant information (human resource department of Daewoo, 2013)	35
Table 4.3: Descriptive statistics	37
Table 4.4: Reliability statistics of TANGIBLE scale	38
Table 4.4: Reliability statistics of TANGIBLE scale (cont.).....	38
Table 4.5: Reliability statistics of RELIABILITY scale.....	39
Table 4.5: Reliability statistics of RELIABILITY scale (cont.).....	39
Table 4.6: Reliability statistics of RESPONSIVENESS scale	40
Table 4.6: Reliability statistics of RESPONSIVENESS scale (cont.).....	40
Table 4.7: Reliability statistics of ASSURANCE scale	40
Table 4.7: Reliability statistics of ASSURANCE scale (cont.).....	41
Table 4.8: Reliability statistics of EMPATHY scale	41
Table 4.8: Reliability statistics of EMPATHY scale (cont.).....	41
Table 4.9: Reliability statistics of CUSTOMER SATISFACTION scale	42
Table 4.9: Reliability statistics of CUSTOMER SATISFACTION scale (cont.)....	42
Table 4.10: Exploring factor analysis for service quality scale	43
Table 4.11: Reliability statistics and factor analysis for service quality scale - at the second time (cont.)	45
Table 4.12: Exploring factor analysis for customer satisfaction scale (cont.)	48
Table 4.13: Correlations.....	49
Table 4.14: Regression analysis summary	50
Table 4.15: Regression analysis summary at the second time	51
Table 4.16: Hypotheses tested results	54

LIST OF ABBREVIATIONS

No.	Abbreviation	Explanation
1	SPSS	Statistical Package for the Social Sciences
2	WTO	World Trade Organization
3	SERVQUAL	Service quality model
4	SERVPERF	Service Performance model
5	GDP	Gross Domestic Product
6	VIF	Variance Inflation Factor

ABSTRACT

Coming along with globalization, competition in international market is growing intensely. To exist in competitive market and run business, companies need to pay more attention in improving products and services. Besides, it is necessary to maintain customers' loyalty for sustainable future development. Moreover, the most important purpose of business is to create values to customer and the key of business success is to satisfy customers' needs.

From that reasons, the author has conducted survey and investigated the relationship between service quality and customer satisfaction in Hanoi Daewoo hotel where service quality is considered as the key of success. To achieve this goal, the author has used quantitative method to analyze data and recommend solutions based on previous analysis result. In details, the author reviewed theory of service quality, customer satisfaction and other previous articles. The author chose SERVPERF model as a tool to analyze statistics because of several advantages in service quality measurement.

Finally, the author has founded three components namely RES-EM, ASSURANCE and RELIABILITY that explain customer evaluation of perceived service quality in Hanoi Daewoo hotel with three different coefficients in equation of satisfaction. Three components play an important role in service quality measurement and Daewoo hotel needs to have specific strategies to enhance three components as well as customer satisfaction.

CHAPTER 1 INTRODUCTION

1.1 Background

Despite years of wars, conflicts and colonization, Vietnam has been developed dramatically and has accomplished in all areas of economy, culture, education and so on. Vietnam affirms itself over the world and become an attractive destination with a series of beautiful landscapes, the most scrumptious food and the friendly people around.

In economy, the ruling Communist Party had made a significant decision that was a declaration of economic renovation in 1986. From that moment, state and society which have undergone dramatic transformations made a big change in Vietnamese economy from the centrally-planned economy with state subsidies to a socialist-oriented market economy in implementation of industrialization, modernization, diversification and multilateral development of economic external relations for open-door. Especially, Vietnam has joined in WTO which is the biggest organization of trade in 2007. It brings about a turning-point favorable to all aspects of Vietnamese economy. An expansion in favorable export market and a reduction in quota barriers for Vietnam are two of the most significant benefits. Moreover, Vietnam can speed up exporting activities and appeal to foreign investment. Like a coin with two sides, however, the more chances Vietnamese economy has, the more challenges it faces. One of the remarkable challenges is an increase in the numbers of firms entering into Vietnamese market. This may lead to a fierce competition in market segmentation and effect on all areas of economy including industry and service.

After joining WTO, hospitality and tourism sectors in Vietnam are standing in front of new opportunities to develop. As travel becomes faster and standard of living becomes higher, the numbers of guests increase and it is a source of more revenue for hospitality industry and contribute to GDP increase manually. As Vietnam economics news, hospitality sector accounts for 3.9% GDP in 2010. Moreover, hospitality sector creates a lot of new jobs for employees as well as

reduce poverty effectively. According to statistics from Ministry of Tourism, there are more than 1.5 million employees who work in hospitality and tourism sector every year. On the other hand, Vietnam considers tourism as an important industry sector to achieve the aims of industrialization and modernization. As a result, hospitality industry should be received more and more attention and support for development in Vietnam in the future.

1.2 Statement of problem

Coming along with globalization, the numbers of firms and new investors entering into international market rocket intensely and lead to an increase in the numbers and differentiation of goods and services. This requires those firms to concentrate on satisfying the needs and wants of customers because of fierce competition. In other words, firms need to understand about customer satisfaction that is the feeling or attitude of a customer towards a product or service after it has been used. Simply, it is the customer's perception that his or her expectations have been met or surpassed. It is true that satisfied customers buy more and more often and they may refer their families and friends to products or services. Today, when customers buy or use products and services, they care about not only quality of products but also a series of relevant services that are reliability, responsiveness, employees' performance and so on. The experience in several industries or firms have proved that successful service quality strategies are some of the main factors to help firms achieve customers' loyalty and solid position in competitive market.

Hanoi Daewoo hotel is one of a series of five star hotels in hospitality sector and quality of service in hotel is vital issue to exist and develop in competitive market. The more diversification customers' tastes and preferences become, the higher requirement Daewoo hotel need to meet. In short, assessing and improving quality of service, enhancing the relationship between customer satisfaction and service quality play an important role to Daewoo hotel's sustainable development in the future.

1.3 Purpose and research question

The purpose of this study is to provide a better understanding of service quality in Hanoi Daewoo hotel and examining how customers satisfy with the quality of service that they received by SERVPERF model (Cronin and Taylor, 1992). After that, Daewoo hotel can improve its service quality and meet customers' requirement at the highest level.

To be able to achieve the stated purpose, the study will focus on three questions:

- What is the quality of service at Hanoi Daewoo hotel?
- What is the relationship between the actual perceptions of customers about service quality and customer satisfaction at Hanoi Daewoo hotel?
- How can Hanoi Daewoo hotel improve and promote service quality and customer satisfaction?

1.4 Scope of study

Subject scope: The study focuses on dependent and independent variables that are used to measure customer satisfaction.

Geographical scope: The study is conducted at Hanoi Daewoo hotel located 360 Kim Ma Street, Ba Dinh district, Hanoi city.

Time scope: The study occurs within 3 months to research and conduct survey. In additions, the research concentrates on customers' evaluation about service quality in Daewoo hotel.

1.5 Research methodology

This study is conducted from February 17 to May 5, 2013 in Hanoi Daewoo hotel, 360 Kim Ma Street, Ba Dinh district, Hanoi city by using both qualitative and quantitative method to complete the study. In this period, the author used qualitative method to research literature review and observed employees working in hotel to learn experience from them and conduct survey with survey questions through customers or guests. Besides, using quantitative method and investigation to

measure service quality are two main manners which state the research problems in very specific and set terms (Frankfort- Nachmias & Nachmias, 1992), achieve high levels of reliability of gathered data. Data collected from this research was analyzed and evaluated by SPSS in order to find out the answers for three main questions above.

1.6 Outline of the study

The study is divided into five main chapters with five main parts respectively:

Chapter 1: Introduction

The research introduction is the first part of the study paper that provides the general idea of what the research is. It includes the background information, the study topic, the reasons which pushed the author to write and the goals of research.

Chapter 2: Literature review and theoretical framework

This chapter will give theoretical framework related to the research and it contains main concepts about service quality, customer satisfaction, SERVQUAL model and SERVPERF model in this research.

Chapter 3: Research methodology

Chapter 3 will include detail research method and the context of conducting survey. Especially, in this chapter, data or statistic will be collected and prepare for data analysis.

Chapter 4: Current situation and analysis result from SERVPERF model in Daewoo hotel

This chapter encompasses data analysis and show analysis results by using SPSS 16.0 software. In addition, by using SERVPERF model, chapter 4 will present current situation of service quality in Daewoo hotel after analyzing results.

Chapter 5: Findings and suggestions

This chapter will present the conclusion, implications and recommendations based on results and findings in chapter 4. After all, three research questions will be

answer by clarifying service quality in Daewoo hotel and understanding how customer satisfy with service quality that they received. Besides, the study will give some suggestions to enhance service quality for Daewoo hotel in future development. Finally, the study will provide recommendations for further studies in both the group of five-star hotel and hospitality sector.

CHAPTER 2 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Service quality

2.1.1 Concept of service quality

2.1.1.1 Service

There are a lot of traditional concepts of services. Gronross (1990) defines that a service is an activity or series of activities of more or less intangible in nature that normally, not necessary, take place in interactions between the customer and the service employees and/or physical resources or goods and/or system of the service provider, which are provided as solution to customer problems. Similarly, services are a type of economic activity that is intangible and not stored. Services are intangible products such as cleaning, education, insurance, banking and so on. A service also can be defined as, ‘any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything’ (Kotler et al., 2005). Normally, the concepts of services associate with the concepts of product and both of them become two important elements in sales. It is notable that services are consumed at the point of sale.

In general, service industries have four major characteristics to identify: perishability, intangibility, inseparably and heterogeneity.

The first characteristic is perishability that requires services to not be stored, saved, resold or given back. For example, the haircut provides a new bad hairstyle for customer. Although customer does not satisfy, he or she cannot take his or her old hairstyle back. Thus, to meet customer demand or to remain their goodwill is not easy. The producer should forecast customer demand to satisfy at the highest level.

Intangibility seems to be the most remarkable characteristic of service because the level of fluctuation in demand is high and complicated to deal with. Moreover, services can be mimicked by competitors since they are easy to copy any new concept and that is a drawback of services compared to tangible or physical products. Services, in general, are difficult to decide as what to include

in the advertisement or set up the price and this becomes an obstacle both for supplier and consumers.

Donald Cowell (1984) states that goods are produced for sold and then consumed whereas the services are sold and then produced and then consumed. It means that a service is considered to be produced when it is consumed. Services are created simultaneously, closely correlated and undividable. This characteristic is called inseparability.

Heterogeneity means that there are no two services to be identical and no two customers can be the same alike. Even though it can be the same customer, they have different frame of mind at different times.

However, Kotler said that there are five main characteristics of services including perishability, intangibility, inseparability, variability and non- ownership (Kotler et al., 2005). In general, two kinds of categories are similar and they may supplement for each other. Variability characteristic considers service to depend on who provides them, and when, where, and how. Besides, non-ownership emphasizes that consumers often have access to the service for a limited time. Even though there are a lot of categories to divide characteristics of services, the nature of service always can be shown when customers consume.

Nowadays, service industries play an increasingly important role in the overall economy of Vietnam and it accounts for a high percentage of GDP, approximately 39.1% (General Statistics Office of Vietnam, 2009). Thus, it is necessary to boost the proportion of service industries in GDP structure.

2.1.1.2 Hotel service

According to Memidex dictionary, the word hotel is derived from French Hôtel (coming from Hôte meaning host) which referred to a French version of a townhouse or any other building seeing frequent visitors, rather than a place offering accommodation. In business dictionary as the online dictionary, hotel is defined as a commercial establishment providing lodging, meals and other guest

services in short- term basis and service in hotel has several specific characteristics that are different from others in service industries.

Typically, the basic hotel services include room service, food service, reception guest and security. Other services offered to guest of the hotel in order to attract customer including fitness gyms, laundry, conference rooms and several other things. Nowadays, the responsibilities of some hotel services are signed to the other companies and the price of the rooms will be lower than in a hotel that provides a full hotel services on its own.

2.1.2 Conceptual framework for service quality philosophy

There may be numerous definitions about service quality. Service quality is that it is a customer's overall impression of the relative inferiority or superiority of the organization and its services (Bitner & Hubbert, 1994). Another definition of service quality is a concept that has stimulated considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging (Wisniewski, 2001). By other words, Kotler et al, 2005, suggests that service quality can be defined as the ability of a service to perform its functions including the overall durability, reliability, and precision, ease of operation and repair, and other valued attributes (Kotler et al., 2005). In addition, one of important definitions is that the quality of service as perceived by customer is the result of an evaluation process in which they compare their perspective of service outcome against what they expected (Gronroos, 2007).

Hotel service quality is defined and studied the level of customer satisfaction when it meets the requirements of the target customer and they satisfy with the provision of service when they consume. Hotel produces and supplies goods and services to meet customer requirement in terms of quantity, quality, type, time and location. Besides, technical facilities and the system of construction need to be modern and synchronous in order to ensure convenience and safe environment for all guests. One of the most important things in hotel service quality is that it has to

follow the process of serving customer and maintain organizational culture such as staffs' attitudes, foreign language proficiency and professional in the process of service.

2.1.3 Major aspects of service quality

First of all, when customers buy goods, they may care about many tangible cues such as: color, style, package and so on. When they purchase services, however, they must depend on other cues to decide which they choose like quality because of service intangibility.

On the other hand, there are ten determinants related to service process and play an important role to help manager understand customer's needs. Ten determinants of service quality are access, communication, competence, courtesy, credibility, reliability, security, and responsibility, tangible and understanding customers.

- Access is the ease and convenience of accessing the service and it involves approachability and waiting time
- Communication means keeping customer informed in language they can understand; listening to customers' voice; adjusting language to different needs of different customers and explaining the service itself.
- Competence means possession of the necessary skills and knowledge required to perform the service.
- Courtesy involves politeness, respect, consideration and friendliness of contact personnel.
- Credibility involves trustworthiness, believability, honesty, reputation and personal characteristics of personnel.
- Reliability consists of dependability of service and consistency of performance, performing the right service right the first time, honoring promises, accuracy.
- Responsibility concerns the willingness or readiness of staffs to provide service; timeliness.
- Security is the freedom from danger, risk or doubt; physical safety; financial security and confidentiality.

- Tangibles include the physical evidence of the service such as physical facilities; appearance of staffs, physical representation of the service such as a receipt.
- Understanding the customer involves making the effort to understand the customer's needs; learning the customer's specific requirement; providing individualized attention; recognizing the regular customer.

Service quality is a comparison between expectations and performance and Lewis and Booms mentioned service quality is a measure of how well the service level delivered matches customer expectation in 1983. Delivering quality service means conforming to customer expectations on a consistent basis. In other words, service quality is judged on the basis of if it satisfies customer expectations.

Exceptions is one of aspects of service quality which is a standard quality level at which the service is delivered. Actually, quality service involves both outcomes and processes and it also consists of the manner in which service is delivered as Gronroos (1982) postulated.

In short, to enhance quality service, manager should design product, manage the service quality and match all of them to customers' expectations.

2.1.4 The relationship between service quality and customer satisfaction

There are many different concepts of customer satisfaction. Customer satisfaction is the extent to which a product's perceived performance matches a buyer's expectations. If the product performance falls short of expectations, the buyers are not satisfied. In convert, they delighted if performance meets or exceeds their expectations (Kotler et al., 2005). Customer satisfaction is the feeling or attitude of a customer towards a product or service after it has been used (East, 1997). Another definition is that customer satisfaction is widely recognized as a key influence in the information of customers' future purchase intentions (Taylor and Baker, 1994). Barsky defined satisfaction and service quality to be often treated together as functions of a customer's perception and expectations. Customer

satisfaction is determined by defining customer perceptions of quality, expectations, and preferences (Barsky, 1995). For instance, customers consume or buy products and services and they satisfy, then they continue to engage in repeat purchase. In this research, customer satisfaction is as psychological state of customers when they satisfy with service that they consume or their requirements are met.

In the past few years, many researchers have conducted survey and studied about service quality and customer satisfaction. Satisfaction and service quality are often treated together and they can be illustrated as function of a customer's perceptions and expectations. The simplest model is the equation defined as $Q = P - E$ where Q is shortcut by service quality, E means expectation and P is shortcut by perception. If expectations are higher than actual perceptions, a customer's rating becomes negative (Cottle, 1990, pp.22-23). On the other hand, according to Parasuraman, when perceived service quality is high, it will lead to an increase in customer satisfaction (Parasuraman et al., 1985). Another attitude comes from Lee et al. (Lee et al., 2000, pp.226), Lee acknowledges that customer satisfaction is based on the level of service quality to support. Besides, Fen and Lian who founded that both service and customer satisfaction have a positive effect on customer's patronage intentions showing that both service quality and customer satisfaction have a crucial role to play in the success and survival of any business in the competitive market (Fen & Lian, 2005, pp.59-60).

In addition, Negi postulated that the idea of linking service quality and customer satisfaction has existed for a long time and he carried a study to investigate the relationship between customer satisfaction and service quality in the context of mobile services and he found that reliability and network quality play the most important role in evaluating overall service quality (Negi, 2009, pp.33). From these research, it can be concluded that service quality and customer satisfaction have a relationship in which service quality is one of the most important factor affecting on customer satisfaction.

2.2 Models of service quality measurement

2.2.1 Model of service quality Gaps and SERVQUAL methodology

Service quality has been a frequently studied topic to serve in the marketing literature and most of researchers recognized that the actual quality of service is difficult to define and measure (Gavin, 1983; Parasuraman et al. 1988; Brown and Swartz, 1989). Parasuraman et al. founded and researched about the SERVQUAL instrument in 1985 and he refined it through the years, 1988, 1991, and 1994. SERVQUAL has become one of the most famous measurable instruments in the service quality. Parasuraman and his colleagues had researched a 22-item scale called ‘SERVQUAL’ which measures service quality in terms of dimensions as tangibles, reliability, responsiveness, assurance and empathy. From the authors’ point of view, customers’ normative expectation for service and their perceptions of service performance are as the degree of discrepancy. Besides, Rust and Oliver (1994) affirmed that SERVQUAL instrument captured the crux of service quality. Nevertheless, Cronin and Taylor (1992) had researched about another instrument called SERVPERF which was developed based on the framework founded by Parasuraman (Parasuraman et al., 1998) with respect to conceptualization and measurement of service quality. In their own research, Cronin and Taylor have focused on performance measurement and linked to customer satisfaction.

For a long time, researchers have used a large numbers of models that are as instruments to measure service quality and they have given a represented model to study called GAP model. According to Brown and Bond (1995), ‘the gap model is one of the best received and most heuristically valuable contributions to the service literature’. Even though there are seven key discrepancies or gaps, three important gaps have a direct relationship with customers that are Gap1, Gap5 and Gap6.

GAP1: Customers’ expectation versus management perceptions

GAP2: Management perceptions versus service specifications

GAP3: Service specifications versus service delivery

GAP4: Service delivery versus external communication

GAP5: The discrepancy between customer expectations and their perceptions of service delivered.

GAP6: The discrepancy between customer expectations and employees' perceptions

GAP7: The discrepancy between employee's perceptions and management perceptions.

Gap5 is responsible for measurement of actual perceptions of customers and SERVQUAL methodology approach is demonstrated.

SERVQUAL model focuses on Gap5 that mentions and compares the customer expectation of service quality and their perceptions of its actual delivery by the provider. It is used to measure quality that works with the difference in gaps in the form of a questionnaire and manage gaps in service will help firms improve its quality.

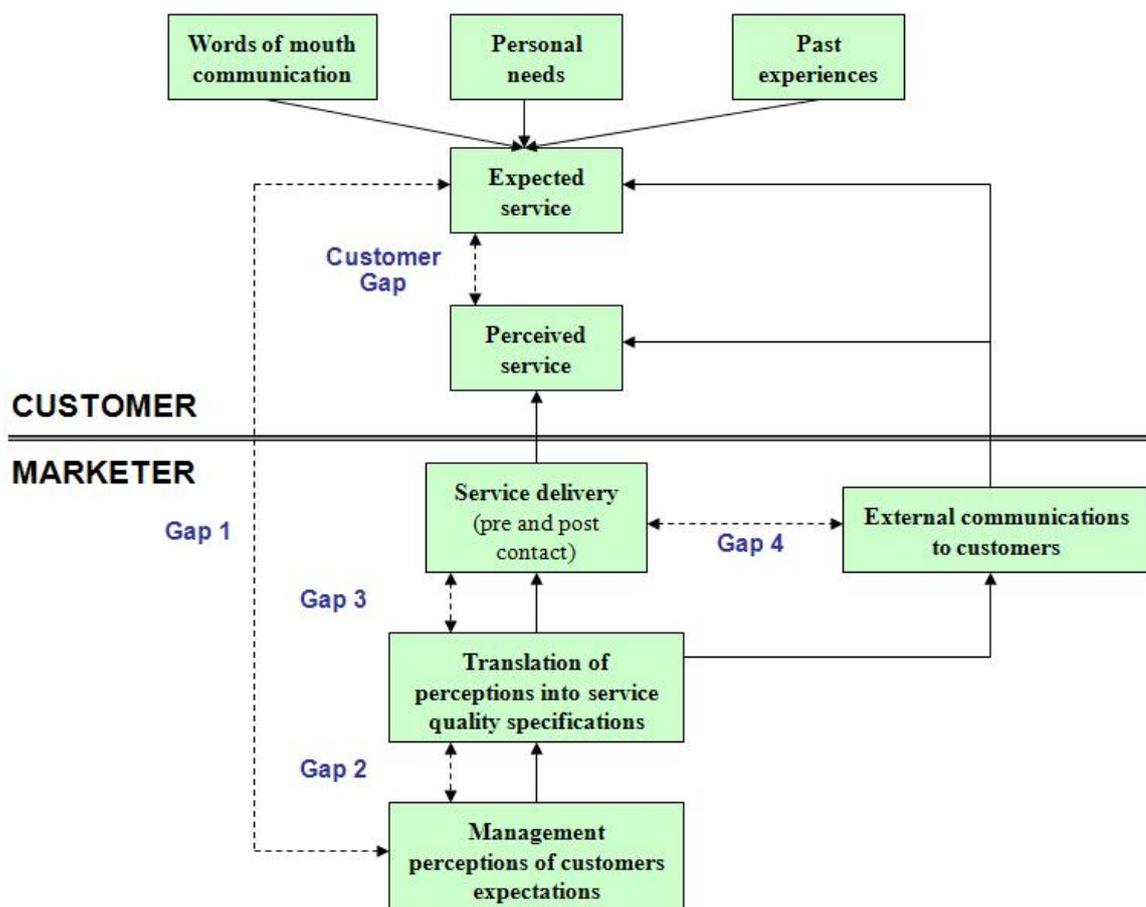


Figure 2.1 Service quality model (Parasuraman et al., 1985)

With five dimensions, SERVQUAL is considered as a symbol of American perspective on service quality (Brady and Cronin, 2001). Five dimensions are as five criteria as five reliability questions to judge a service: reliability, tangibility, responsibility, security and empathy (Parasuraman et al., 1988)

- Reliability is ability to perform the promised service dependably and accurately.
- Tangibility mentioned physical facilities, equipment and appearance of personnel.
- Responsibility is willingness to help customer and provide prompt service
- Security defined as knowledge and courtesy of staffs and their ability to inspire trust and confidence.
- Empathy refers to caring and individualized attention provided to customers.

Five dimensions were extracted on the form of a questionnaire of 22 questions that consist of the expectations and performance aspect of each dimension of the SERVQUAL model. This table of pattern of service quality was developed by Parasuraman in 1985.

Table 2.1: Pattern of service quality of service assessment (SERVQUAL)

	Expectation	Performance
TANGIBLE 1	They should have modern equipment	XYZ has modern equipment
TANGIBLE 2	The physical installations should be visually attractive	XYZ's physical installations are visually attractive
TANGIBLE 3	The employees should be well-dressed and clean	XYZ's employees are well-dressed and clean
TANGIBLE 4	The appearance of firm installations should be conserved according to the service offered.	The appearance of XYZ installations is conserved according to the service offered

	Expectation	Performance
RELIABILITY 1	When these firm promise to do something in a certain time, they must do it	When XYZ promises to do something in a certain time, it really does it
RELIABILITY 2	When clients have any problem with these firms, the later must be solidary and make them feels secure	When you have any problem with XYZ, it is solidary and makes you feels secure
RELIABILITY 3	They should provide the service in the time promised	XYZ provides the service in the time promised
RELIABILITY 4	They should keep their records correctly	XYZ keeps its records correctly

	Expectation	Performance
RESPONSIVENESS 1	It should be expected that they inform clients exactly when the service are executed	XYZ does inform exactly when the services will be executed
RESPONSIVENESS 2	It is reasonable to expect immediate availability of firm employees	You receive immediate services from XYZ employees
RESPONSIVENESS 3	Firm employees need to be always available	XYZ employees are always available to help

	to help clients	clients
RESPONSIVENESS 4	It is normal for them to be free to readily respond to requests	XYZ employees are always free to respond to client requests

	Expectation	Performance
ASSURANCE 1	Clients should be able to believe in the firm's employees	You can believe XYZ employees
ASSURANCE 2	Clients should be able to feel safe in negotiating with firm employees	You feel secure negotiating with XYZ employees
ASSURANCE 3	The employees should be polite	XYZ employees are polite
ASSURANCE 4	The employees should obtain adequate support from the firm to perform their tasks correctly	XYZ employees obtain adequate support from the firm to perform their tasks correctly

	Expectation	Performance
EMPATHY 1	It should be expected for the firms to pay individual attention to the clients	XYZ pays individual attention to you

EMPATHY 2	It should be expected for the employees to give personalized attention to the clients	XYZ employees give personalized attention
EMPATHY 3	It is necessary to expect the employees to know client needs	XYZ employees know your needs
EMPATHY 4	It is necessary to expect these firms to have the clients' best interests as their objective	XYZ has your best interests as its objective

	Expectation	Performance
CUSTOMER SATISFACTION 1	XYZ service quality should satisfy its customers	You can satisfy with service quality at XYZ
CUSTOMER SATISFACTION 2	Customers will continue use service at XYZ	You will continue to use service at XYZ

Evaluate or measure service quality is difficult because of service tangibility. It means that service quality cannot be measured exactly with totally correct results. Thus, in many cases, researchers pay more attention on the determinants of perceived service quality with particular emphasis on the service delivery process.

2.2.2 SERVPERF methodology

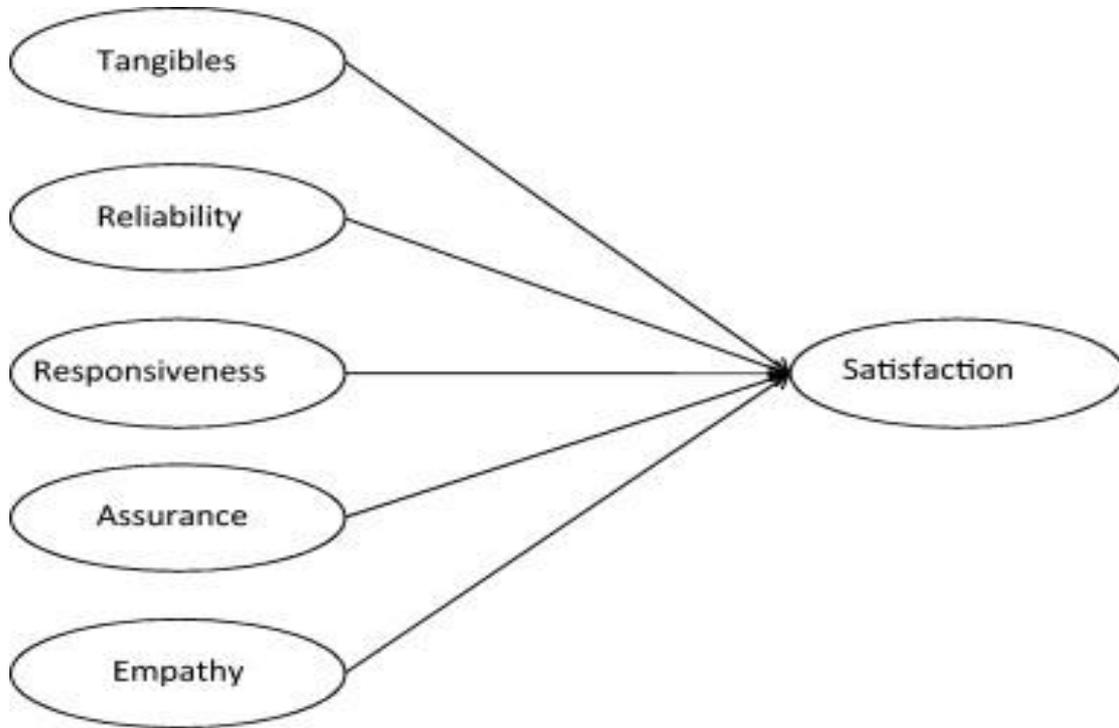


Figure 2.2 a conceptual framework (Taylor and Cronin, 1992)

The SERVPERF model was developed by Cronin and Taylor in 1992 and two researchers argued that only perception was sufficient for measuring service quality therefore expectations should not be involved in measurement. In the service quality scale (SERVQUAL), SERVPERF model is the performance component to measure five dimensions in many empirical studies on service quality. Zhou (2004) demonstrated that performance attributes are much stronger as predictor of customer satisfaction more than expectation comparatively and SERVPERF is useful tool to regard the effects of individual service quality dimensions on satisfaction.

Methodologically, SERVPERF scale represents marked improvement over the SERVQUAL scale with the higher reliability and time saving. The number of items decreases from 44 questions to 22 questions and it is able to explain the

relationship between service quality and customer satisfaction by using single-item scale.

In this model, five dimensions will be tested and evaluate how they influence on customer satisfaction. Ideally, total variance explained by five components and all components will support for customer satisfaction evaluation. However, in many researches, five dimensions including 22 questions are explained by four components that are used to test hypotheses and decide which component support for customer satisfaction evaluation such as a case study of banking industry '*Customer satisfaction in the banking industry: a comparative study of Ghana and Spain*' written by Aborampah AMOAH-MENSAH in 2011. The result had shown that four components are explained by 21 variances and one component could consist of more than 5 variances. Another example is case study of Hangzhou, China in which customers' needs quite diversified and their evaluations are not distinguished or clear: '*Measuring Passenger's Perceptions of Taxi Service Quality with Weighted SERVPERF: a case of Hangzhou, China*' (Yao Zhi-gang, Ding Xiao-dong, 2010) . Thus, the result from that research could be more complex and one component could be explained by six variances. The reasons why five dimensions are explained by four components stem from customers' evaluation about service quality in feedback form. The first reason is that a customer does not pay more attention when he or she marks score. It leads to distinguish between his or her score and others' scores therefore statistics will be complex. The second reason is that the trend of evaluating dimension TANGIBLE, for example, is similar to the trend of dimension RELIABILITY in some cases. Thus, analysis result will be combined to each other as one component.

2.3 SERVPERF model in literature of service quality

SERVPERF is mentioned in many researches including retail (Mehta, Lalwani, and Han, 2000), bank (Angur, Nataraajan, and Jahera, 1999; Bauman et al., 2007), airline (Cunningham, Young, and Lee 2002), education (Abdullah, 2006),

hotels (Nadiri and Hussain, 2005), tourism (Hudson and Miller, 2004). It also can be mentioned some studies as ‘*A dimension specific analysis of Performance only measurement of service quality and satisfaction in China’s retail banking*’ (Zhou, 2004); ‘*Service quality measurement in the banking sector in South Korean* (Cui et al., 2003) and ‘*Exploring SERVPERF: an empirical investigation of the importance performance, service quality of relationship in the uniform rental industry*’ (Hudson P.Rogers, 2004). In Vietnam, it can be mentioned about “*Customer satisfaction research about product and service – case study of HSBC bank in Ho Chi Minh city*” written by Do Tien Hoa (2007); “*SERVQUAL versus SERVPERF – a comparative study in Vietnamese supermarket*”, written by Pham Ngoc Thuy and Nguyen Huy Phong (2007), Science and Technology Development.

In Vietnam, there are a few researches that apply SERVPERF model to measure service quality. Especially, the numbers of researches are fewer in hospitality sector. Traditionally, SERVQUAL model is used to measure service quality frequency therefore applying SERVPERF model is quite new in service quality measurement. This study will contribute for treasure of service quality measurement and it will become a reference or sample to other researches in the future.

CHAPTER 3 RESEARCH METHODOLOGY

3.1 Study process

Study process consists of 4 major stages:

- Stage 1: the author identifies the purpose of the study, topic and objectives
- Stage 2: the author decides the methodology and design questionnaires for conducting survey.
- Stage 3: the author work in Daewoo hotel as an internship in order to conduct survey, find out information and collect data.
- Stage 4: the author process data and information and complete the study.

3.2 Study design

3.2.1 Designing questionnaires

Designing questionnaires and interviews are based on form of questionnaires of SERVQUAL model. To design questionnaires, it is necessary to keep two principles in mind:

- Questionnaires must focus on study's objectives
- The length of the survey should set on limitation.

Survey questionnaires are normally divided into 2 types including open-ended and closed-ended questions. Closed-ended questions provide categories of responses or scales to customers and it maybe yes/no questions. In general, closed-ended questions limit the customers' responses but its format is standard and easier to design. In this study, the form of questionnaires consists of 22 closed-ended questions which belong to SERVQUAL model and they are given to customers as following:

- Questions for TANGIBLE dimension:
 - Looking equipment in hotel is modern
 - Employees at hotel are neat in their appearance
 - Materials associated with service are visually appealing
 - The physical facilities at hotel are visually appealing

- Questions for RELIABILITY dimension
 - Hotel provides services at the promised time
 - Hotel performs service right at the first time
 - When you have a problem with any services, Daewoo hotels interest solving
 - Hotel keeps record correctly
 - Question for RESPONSIVENESS dimension
 - Employees of hotel tell you exactly when service will be performed
 - Employees of hotel give your prompt service
 - Employees of hotel are always willing to help you if you have problem with services
 - Employees of respond to you requirements as soon as possible
 - Questions for ASSURANCE dimension
 - Employees of hotel are knowledgeable about their services and products
 - Employees of hotel are able to solve your problem with satisfaction
 - The behavior of employees instills confidence in you
 - Employees of hotel are consistently courteous to you
 - Questions for EMPATHY dimension
 - Hotel has operating hours convenient to all its customers
 - Employees of hotel understand your specific needs
 - hotel provides good quality service to customers
 - Hotel always gives personal attention and care to you
 - Questions for CUSTOMER SATISFACTION dimension
 - You are satisfied with hotel's services
 - You will continue using the provided services
- On the other hand, this measurement based on a 5-point rating scale:
- Strongly disagree = 1
 - Disagree = 2
 - Moderate or neither disagree nor agree = 3
 - Agree = 4
 - Strongly agree = 5

Open-ended questions in this survey mention about customers' information including gender, name and personality in order to classify participants.

3.2.2 Collecting data

Method to collect data is conducting survey with hotel guests who come to book room or hire meeting room for conference. When guests come to hotel to check-in, they would receive questionnaire form. Guests of hotel include both foreign customers who come from Japan, Korea, China and direct customers who work in ministries, government and companies in Vietnam.

In addition, guest would have free time to fill in form and to give feedback when they check-out. Normally, a guest takes 7 to 10 minutes to answer all questions. Because the minimum number of feedback form is 150, the author needs to provide 230 questionnaires in form to customer because there are a lot of feedback forms to be missed and uncompleted answers.

3.2.3 Sample size

The larger sample is the more authentic survey result will receive. In other words, sampling error should be minimized as possible and means, percentages and other statistics will become more reliability of population.

In this study, sample size is 169 and the author estimates sampling error to be 5% which is appropriate enough for an academic study.

3.2.4 Analyzing data

With sample size is 169, the author will use SPSS 16.0 software to clean and process data. There is a few formula of processing data are applied as following:

Measuring customers' expectation based on gap score:

$$SQi = \sum_{j=1}^k P_{ij}$$

Where SQ is perceived service quality of individual; P is shortcut by perception of customer i about service quality on item j and k is number of items.

Besides, to find out the relationship between customer satisfaction and service quality, it is necessary to hypothesize the relationship among service quality dimensions, perceptions of customer and their satisfaction.

- H1: Tangible component and customer satisfaction have a positive relationship.
- H2: Reliability component and customer satisfaction have a positive relationship.
- H3: Responsiveness component and customer satisfaction have a positive relationship.
- H4: Assurance component and customer satisfaction have a positive relationship.
- H5: Empathy component and customer satisfaction have a positive relationship.

The positive relationship means that the higher/lower service quality dimension is evaluated, the higher/lower level of customer satisfaction achieves.

3.2.4.1 Descriptive statistics

Descriptive statistics is common method in a lot of studies to describe the basic features of the data and give a simple graphic about data to researcher. Descriptive statistics will provide the minimum and maximum of scores which customers evaluate and total number of feedback. There are three major features of a single variable that stems from descriptive statistics:

- The distribution
- The central tendency
- The dispersion

In this study, the author estimates not only mean, median and standard deviation but also the percentage of people in different ranges of standardized test scores.

3.2.4.2 Reliability analysis

According to James Dean Brown 1996, or 1999a, there are three methods for estimating reliability:

- Test – retest reliability: this method is calculating a reliability estimate by administering a test on two occasions and computing the correlation between the two sets of scores.
- Equivalent or parallel forms reliability: it is calculating a reliability estimate by administering two forms of a test and calculating the correlation between the two sets of scores.
- Internal consistency reliability: it is calculating a reliability estimate based on a single form of a test administered on a single occasion using one of the many available internal consistency equations.

In statistics, the author will use Cronbach's alpha which is the most common measure of internal consistency ('reliability'). Laerd statistics uses Cronbach's alpha because data involves multiple Likert questionnaire that form a scale and the researcher wishes to determine whether the scale is reliable. According to Tavakol et al., 2011, internal consistency describes the extent to which all items in a test measure the same concept or construct and hence it is connected to the inner relatedness of the items within the test.

The formula of calculating Cronbach's alpha is followed:

$$\alpha = \frac{k}{k - 1} \left(1 - \frac{\sum_{i=1}^k \delta_{Y_i}^2}{\delta_x^2} \right)$$

Where k is one of the number of components, ($k - items$), δ_x^2 is the variance of the total test scores, $\delta_{Y_i}^2$ is the variance of component i for the current sample of persons.

In general, alpha coefficient ranges in value from 0 to 1 and it is better than when it is greater than 0.7. If the value is equal or larger than 0.6 will be accepted. If the value is less than 0.6, the researcher should reconsider items and makes it more than 0.6.

Table 3.1 Cronbach's alpha values and internal consistency (George & Mallery, 2003)

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.9 > \alpha \geq 0.8$	Good
$0.8 > \alpha \geq 0.7$	Acceptable
$0.7 > \alpha \geq 0.6$	Questionable
$0.6 > \alpha \geq 0.5$	Poor
$0.5 > \alpha$	Unacceptable

3.2.4.3 Factor analysis

In statistics, there are a lot of methods to study about the patterns of relationship among dependent variables and factor analysis is one of those. According to Joseph F.Hair and Bill Black defined that factor analysis is an interdependence technique whose primary purpose is to define the underlying structure among the variables in the analysis. Another definition is belonging to DeCoster who noted that exploratory factor analysis is often used to identify the nature of constructs underlying responses in a specific content, to determine what sets of items 'hang together' in a questionnaire and to demonstrate the dimensionality of a measurement scale (DeCoster, 1998). The major purpose of factor analysis discovers factors that effect on the nature of the independent variable even though independent variables are not measured directly.

The process of doing factor analysis in this study:

- The correlation matrix: KMO use to test factor model whether appropriate. According to Dr. P Narayana Reddy, KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy is an index used to examine the appropriateness of factor analysis. If the index is high values (between 0.5 and 1.0) so it indicates factor analysis to be appropriate and if the index is less than 0.5, factor analysis may not be appropriate.(Dr. P Narayana Reddy, Dr. G V R K Acharyulu, 2009)
- Factor extraction: the goal of factor extraction is to identify factors and the author will use principle components analysis. Principle components analysis is to recommend when the primary concern is to determine the minimum number of factors that will account for maximum variance in the data for use in subsequent multivariate analysis. (Dr. P Narayana Reddy, Dr. G V R K Acharyulu, 2009)
- Factor rotation: in this stage, the author will use Varimax rotation which is the common method to rotate factors and minimizes the number variables with high loadings on factors.

3.2.4.4 Regression analysis

According to Ragsdale, 2007, regression analysis is used for analyzing the relationship between a real value of dependent variable and one or more independent variables. Besides, analyzing regression will help the author identify how independent variables impact on dependent variables and predict the change in dependent variables when there is any change in independent variables.

The first step of regression analysis is testing linearity of the relationship between dependent and independent variables. It also shows Pearson correlation in table of correlations.

In the second step, it is necessary to check the correlation among variables and variance inflation factor (VIF) which accept variable values to be lower than 10. The lower VIF value, the more reliable variable values are.

In the final step, the most important of regression analysis is finding the coefficient or determination and error term in the formula of regression model. It is in formula of calculating customer satisfaction and managers will use it to give development strategies. In general, the formula of regression analysis is bellowed:

$$Y = b_0 + b_1X_1 + b_2X_2 + \dots + b_kX_k + \varepsilon$$

Where:

- Y = Scores on the customer satisfaction
- X_1, X_2, \dots, X_k = Scores on the attitude toward five dimensions
- b_1, b_2, \dots, b_k = Regression coefficient of independent variables
- b_0 = An intercept
- ε = An error term

In short, by using a lot of model to test and research, the study will find out the differences between the actual perceptions of customers about service quality and customer satisfaction at Hanoi Daewoo hotel. In other words, the study will investigate how Daewoo hotel serve or meet its customers. From that, it may be concluded what customer satisfaction of service quality in Daewoo hotel is and proposed suggestions for Daewoo's future development.

CHAPTER 4 CURRENT SITUATION AND ANALYSIS RESULT OF SERVPERF MODEL IN DAEWOO HOTEL

4.1 An overview about Daewoo hotel

4.1.1 Daewoo hotel history

Hanoi Daewoo Hotel is a modern five star hotel, part of the Daeha Business Center Complex, which also consists of a 15-storey apartment building and an 18-storey office tower. The Daeha Business Center is a joint venture with a total investment of 177 million dollars between the South Korean industrial giant Daewoo and the state-run Hanoi Electronic Company (Hanel). The joint venture was signed on a 38-year term. The Korean partner holds a 70%- percent stake while the Vietnamese contributes the rest. Ms.Heeja Chung, chairwoman of the Daewoo hotel Development Co, Ltd, runs the management of the hotel.

The construction of the project began in December 1993 and the complex, including the hotel, was brought into operation in April 1996, six months ahead of the plan. Since April 1997, the hotel has been accepted as a member of the Leading Hotels of the World, a hotel chain that includes 312 deluxe hotels around the world. Hanoi Daewoo Hotel has in total 411 rooms including 33 suites, designed and built with highest architectural standard. It also contains eight F&B outlets, including 4 excellent restaurants: Café Promenade (international cuisine), Silk Road (Chinese restaurant), La Paix (Italian restaurant) and Edo (Japanese restaurant), a Fitness center, a swimming pool of 80 meters and a luxurious garden. To serve every business need, the hotel offers a sophisticatedly equipped Business center and the largest to date in Hanoi Grand Ballroom, which can handle conference for up to 800 people.

Above all else, the hotel owns one of the richest Vietnamese modern painting collections in the country. There are more than 1000 paintings worth nearly one million dollars in the hotel. The hotel also runs an art gallery in conjunction with a famous Hanoi gallery and several shops including a clothing boutique, a flower shop, a delicatessen, a mini-mart and a stationary shop.

During the period of the 7th Summit of French- speaking countries, Hanoi Daewoo Hotel hosted 14 governmental delegations with 13 heads of state. Among them were the Canadian and Belgian Prime Ministers and other presidents and prime ministers of an array of countries.

4.1.2 Organizational structure



Figure 4.1 Daewoo hotel's image (marketing department of Daewoo hotel, 2013)

Daewoo hotel has a strong organizational structure and the division of labor force is clear as the following chart. Each department is responsible for specific duties which are related to each other. Thus, model of business activities in Daewoo hotel is as a chain continuously.

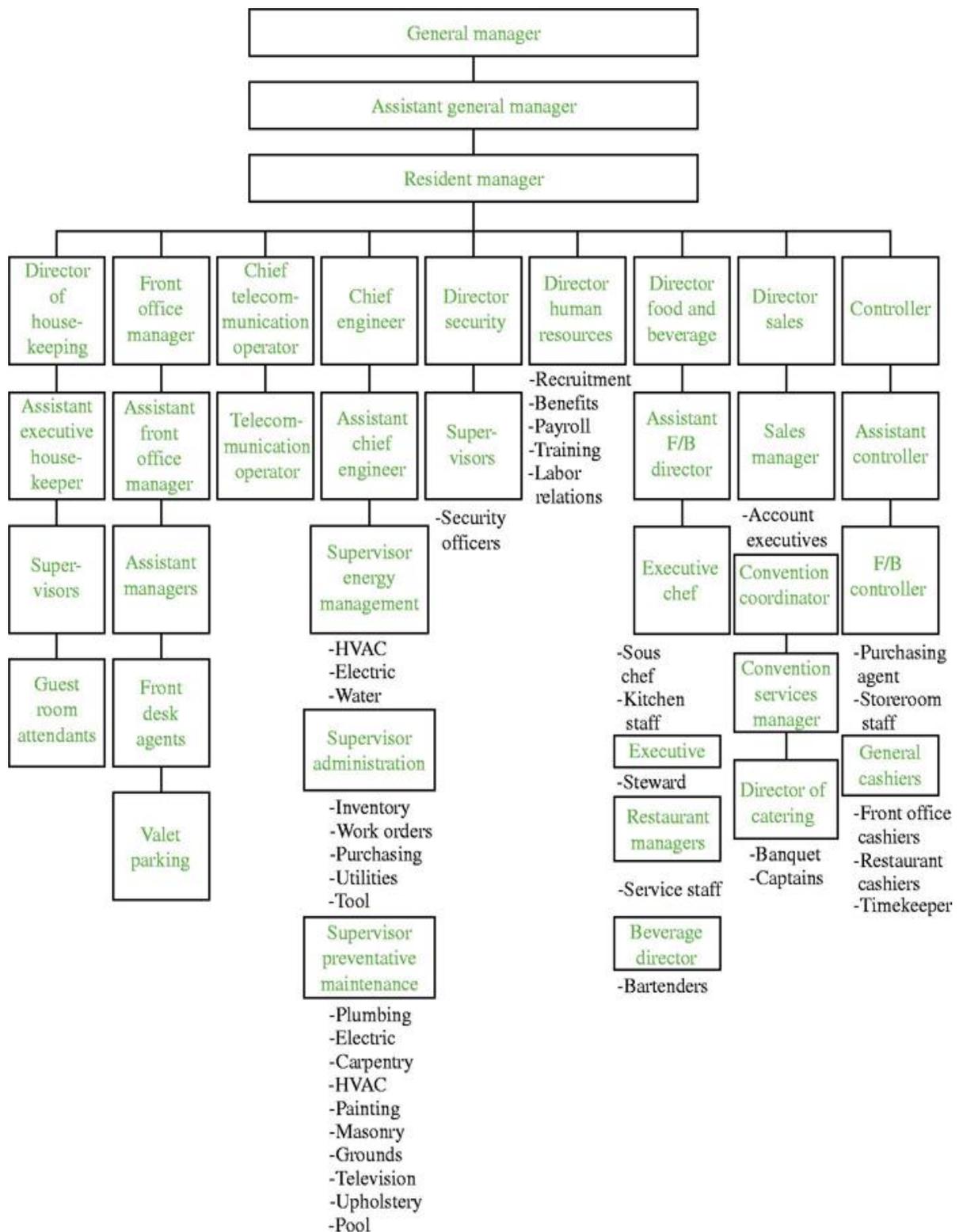


Figure 4.2 Organizational Structure (human resource department of Daewoo hotel, 2013)

Especially, room or house-keeping and front office department are two of the most of important departments in Daewoo Hotel that related to each other because staffs in two those interact with guests directly and effect on image of Daewoo hotel most.

They are responsible for:

- Reservation, registration, room & rate assignment
- Fulfills guest services and updates room status
- Maintains & settles guest accounts
- Creates guest history records
- Develops & maintains a comprehensive database of guest information
- Coordinates Guest Services

4.1.3 Products and services

Table 4.1 Bed room information (human resource department of Daewoo hotel, 2013)

Code	Room Type	Unit	Rate	Special Room Features
ROY	Royal Suite	1	\$ 4,800	All rooms are equipped with individual air-conditioning control unit, mini bar, tea & coffee making facilities, in-house movies and satellite TV, electronic key management system, computer date ports with broadband
SPR	Presidential Suite	1	\$ 3,500	
AMB	Ambassador Suite	1	\$ 2,000	
SEN	Senator Suite	2	\$ 1,500	
CS (15rms)	Club Suite	12	\$ 650	
	Club Suite Non-Smoking (15F)	3		
DS (14rms)	Deluxe Suite (3,4,5,6,7,8,12,13,14,16F)	10	\$ 450	
	Deluxe Suite Non-Smoking	4		

	(9,10,11,15F)			access, telephones with voice mail messaging system. Instant Internet access is complimentary. In total there are 121 non-smoking rooms. Club Lounge , located on the 16th floor International Breakfast – 6:30am to 10:00am (weekday) – 6:30am to 10:30am (weekend) Happy Hour -5:30pm to 7:30pm
CK(45)/CT (32) (77rms)	Club Room (14, 16,17F-CK/CT)	29/24	\$ 330	
	Club Room Non- Smoking (15F- CK/CT)	16/08		
GK/ GT (40rms)	Grand Deluxe Room (6,7,8,12,13F)	15/25	\$ 280	
GKN/GTN (26rms)	Grand Deluxe Room Non- Smoking (9,10,11F)	12/14		
DK/DT (170rms)	Deluxe Room (3,4,5,6,7,8,12,13 F)	42/12 8	\$ 240	
DKN/DTN (64rms)	Deluxe Room (Non-Smoking) (9,10,11F)	36/28		
TOTAL	Suites	34	411	
	Club Rooms	77		
	Grand Rooms	66		
	Deluxe rooms	234		

King Room / Twin Room (Grand / Deluxe)

Start from 34 square meters and come with 78 Deluxe King / 27 Grand King Rooms and 156 Deluxe Twin / 39 Grand Twin rooms' configurations. All rooms have large window with City view or lake view. All rooms are combined colorful

Vietnamese fabrics including a marble bathroom complete with bathrobes and slippers, and a well-stocked Minibar.

Club King / Club Twin

Rooms start from 34 square meters and come in 45 Club King and 32 Club Twin configurations. The rooms are located on the privately keyed top 15th, 16th, 17th floors of the hotel and have access to the exclusive Club Lounge located on the 16th floor where buffet breakfast and happy hour, from 17.30 to 19.30, are provided.

Suites

Suites are divided into 6 types that are followed:

- **Deluxe Suite**
- **Club Suite**
- **Senator Suite**
- **Ambassador Suite**
- **Presidential Suite**
- **Royal Suite**

All the 34 Suites seclude the bedroom from the living room for greater privacy when entertaining guests or holding informal meetings. Large windows provide a view of the Lake or the City skyline. The luxurious master bathroom has a marble vanity, make-up/shaving mirror, deep soaking tub and a separate shower. The living area features a sofa set and coffee table. Rooms feature a DVD player and in-room safe. The rooms feature traditional Vietnamese artwork and the fabric in the shades of cream and beige with a coordinating marble-floored bathroom. Of these, the opulent Presidential Suite is a grand setting for gracious entertaining. Located high above the city on the Hotel's seventeenth floor, it offers panoramic views of Hanoi and the Hotel pool.

Deluxe/Club Suite: Splashes of opulence catch eyes as guests walk through from the 69 to 75 square meters of this supremely spacious suite.

Senator Suite: Luxurious Senator Suite (103 square meters) offers a more spacious alternative to the range of Suite at Hanoi Daewoo Hotel.

Ambassador Suite: Approximately 142 square meters, Ambassador Suite is located on the third floor with a great choice for business, leisure and a great addition to host private meeting.

Presidential Suite: Located on the top floor of the hotel, this is the only Presidential Suite in Hanoi Daewoo Hotel. This spacious 206 square meters suite with a two-bedroom apartment, the Presidential Suite features a King-size bedroom, a twin bedroom, dining room and a large living room with a sofa set, library, decorated by Oriental rugs and chandeliers as well as two modern and bathrooms with a double vanity, dressing room, Jacuzzi and separate shower.

Royal Suite: This spacious 288 square meters.

Table 4.2 Restaurant information (human resource department of Daewoo hotel, 2013)

Outlet	Tel Ext	Opening Hours / Price	Description
Café Promenade Lobby Level	3039	Breakfast Buffet: 6.00 – 10.00 Lunch Buffet: 11.30 – 14.30 Dinner Buffet: 18.00 – 22.00 Sunday Brunch: 11.00 – 15.00	International Daily Buffet as well as selected International favorites Split level “destination” dining.
Palm Court Lobby Lounge	3031	Coffee, Snack and Cocktail from 8.00 to 01.00 daily	Live classical music from 19.00 to 21.00 and from 21.00 to 23.00
Edo Japanese Restaurant Lobby Level	3044	Lunch: 11.30 – 14.00 Dinner: 18.00 – 20.00	Specializing in Japanese style dishes; a host of meat, seafood, noodle dishes, vegetarian delicacies with interactive show kitchen. Weekend special lunch set menu: \$25++ and \$35++ Weekend Dinner Buffet: \$28++/adult, \$16++/child on Sat and Sun

Club Q Entertainment Center Adjacent to Palm Court Lobby Level	3216	<u>Karaoke</u> 6pm to 2am <u>Bar</u> 6pm to 2am	A music bar featuring top Korean and International DJ's performing the ever-moving trends of music
Room Service	4110	24 Hours Daily	Local & Western favorites to enjoy within the privacy of individual hotel rooms

Silk Road Chinese Restaurant	3230	Lunch time: 11.30 to 14.00 Dinner: 18.00 to 22.00	Set menu from \$20++/person to \$50++/person.
La Paix Mediterranean Steak House	3245	Lunch: 11.30 – 14.00 Dinner: 18.00 – 22.30 Close on every Sunday	A la carte Chefs suggestion menu
Lake View Sky lounge	3045	Coffee, snack and cocktail from 17.30 to 01.00	Live music from 19:00 to 23.45 every night Happy hour: two for one from 17.30 to 19.30
Le Gourmet	3040	Homemade Break & pastries Premium Sweets from 7.00 to 21.00	Happy hour: 50% discount of all kinds of bread from 18.30 to 21.00 daily Homemade bakeries, pastries, ice cream. Wide variety of wine, whisky, chocolate

Facilities include state-of-the-art multimedia capabilities, high-performance video conferencing, high-speed internet access, function rooms with the unique advantage of natural daylight and outdoor terraces accessible from the conference area. A dedicated Convention Services team provides a one-stop venue offering customized planning and around-the-clock personalized service for every event.

4.2 Research analysis and survey result base on implication SERVPERF model in Daewoo hotel

4.2.1 Survey results and data analysis

4.2.1.1 Descriptive data analysis

Table 4.3 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
TANGIBLE 1	169	2	5	3.7456	.87307
TANGIBLE 2	169	2	5	3.8639	.75542
TANGIBLE 3	169	2	5	4.0178	.68551
TANGIBLE 4	168	3	5	4.1012	.70617
RELIABILITY 1	169	2	5	4.1065	.79464
RELIABILITY 2	169	3	5	4.0592	.76145
RELIABILITY 3	168	3	5	4.1131	.76154
RELIABILITY 4	167	2	5	4.0240	.70242
RESPONSIBILITY 1	167	2	5	3.9162	.73969
RESPONSIBILITY 2	169	3	5	4.0533	.60020
RESPONSIBILITY 3	168	2	5	4.0298	.76154
RESPONSIBILITY 4	168	3	5	4.0298	.68714
ASSURANCE 1	168	2	5	4.0595	.68955
ASSURANCE 2	167	2	5	4.0120	.77606
ASSURANCE 3	168	3	5	4.0179	.72980
ASSURANCE 4	169	3	5	3.9349	.69129
EMPATHY 1	169	2	5	4.0533	.69231
EMPATHY 2	165	3	5	3.9273	.80064
EMPATHY 3	165	2	5	4.0182	.75282
EMPATHY 4	167	2	5	3.9701	.75590
SATISFACTION1	168	3	5	4.1310	.71393
SATISFACTION 2	168	3	5	4.1548	.73402
VALID N (LIST WISE)	161				

From table 4.3, by using SPSS software 16.0, descriptive statistics shows the result above. Originally, the number of feedback forms is 169 and each question is marked score from 1 to 5. However, the author has given 230 questionnaire forms and forms of feedback which are collected to be 169. Among them, there is only

161 valid sample, others are missing samples because providers did not give a form of full information or they filled in form with the same choice for all questions.

Besides, guests or participants marked 2 as the lowest score and 5 as the highest score for service quality respectively while the lowest score in questionnaire form is 1. Mean values from table 4.3 are quite high. The lowest mean value is 3.7456 and the highest value is 4.1548. Clearly, Daewoo hotel is five-star hotel and it is reasonable when customer evaluate service quality at moderate and high score.

4.2.1.2 Reliability analysis

- **Reliability of TANGIBLE scale:**

Table 4.4 Reliability statistics of TANGIBLE scale

Item-total statistics

	Scale mean if item deleted	Scale variance if item deleted	Corrected item total correlation	Alpha if item deleted
TANGIBLE 1	11.9881	2.6705	0.5011	0.6355
TANGIBLE 2	11.8750	2.9723	0.5049	0.6276
TANGIBLE 3	11.7143	3.1754	0.5025	0.6326
TANGIBLE 4	11.6369	3.2147	0.4548	0.6583

Table 4.4 Reliability statistics of TANGIBLE scale (cont.)

Reliability coefficients

Alpha	N of items	N of cases
0.7023	4	168

After testing 4 items that are TANGIBLE 1, TANGIBLE 2, TANGIBLE 3 and TANGIBLE 4, Cronbach' Alpha value is 0.7023 which is greater than 0.6. Three first vales are approximately equal and the lowest value is TANGIBLE 4 score. Moreover, four items which have the value of corrected item total correlation are greater than 0.3 that is 0.5011, 0.5049, 0.5025 and 0.4548 for TANGIBLE 1, TANGIBLE 2, TANGIBLE 3 and TANGIBLE 4 respectively. Thus, they are acceptable after testing reliability of Tangible score.

In short, TANGIBLE scale includes 4 items which are TANGIBLE 1, TANGIBLE 2, TANGIBLE 3 and TANGIBLE 4 after testing.

- **Reliability of RELIABILITY scale**

Table 4.5 Reliability statistics of RELIABILITY scale

Item-total statistics

	Scale mean if item deleted	Scale variance if item deleted	Corrected item total correlation	Alpha if item deleted
RELIABILITY 1	12.2096	2.7691	0.4268	0.6066
RELIABILITY 2	12.2515	2.7556	0.4776	0.5701
RELIABILITY 3	12.1976	2.7258	0.4955	0.5577
RELIABILITY 4	12.2934	3.1242	0.3728	0.6383

Table 4.5 Reliability statistics of RELIABILITY scale (cont.)

Reliability coefficients

Alpha	N of items	N of cases
0.6618	4	167

As analysis result is shown in table, Cronbach's Alpha value is 0.6618 and its value is higher than 0.6 therefore this value is acceptable for reliability analysis of RELIABILITY scale. The lowest value of Corrected item total correlation of RELIABILITY is RELIABILITY 4 that is 0.3728 and the highest value is 0.4955 which belongs to RELIABILITY 3.

In conclusion, values of four items RELIABILITY 1, 2, 3, 4 are greater than 0.3 so they are acceptable and will be used to analysis in the next step.

- **The reliability of RESPONSIVENESS scale**

By using SPSS 16.0, the reliability of RESPONSIVENESS scale is shown as following table:

Table 4.6 Reliability statistics of RESPONSIVENESS scale

Item-total statistics

	Scale mean if item deleted	Scale variance if item deleted	Corrected item total correlation	Alpha if item deleted
RESPONSIBILITY 1	12.1084	2.1457	0.4281	0.5032
RESPONSIBILITY 2	11.9759	2.7024	0.2753	0.6094
RESPONSIBILITY 3	12.0000	2.0242	0.4615	0.4743
RESPONSIBILITY 4	12.0060	3.3333	0.3867	0.5363

Table 4.6 Reliability statistics of RESPONSIVENESS scale (cont.)

Reliability coefficients

Alpha	N of items	N of cases
0.6067	4	166

RESPONSIVENESS scale involves 4 items which are RESPONSIVENESS 1, RESPONSIVENESS 2, RESPONSIVENESS 3 and RESPONSIVENESS 4. Besides, 0.6067 is the value of Cronbach's Alpha and it is acceptable (greater than 0.6). As result in table, however, RESPONSIVENESS 2 has value of Corrected item total correlation to be lower than 0.3 while others are greater. Thus, there is three items which will be acceptable to analysis in the next step are RESPONSIVENESS 1, RESPONSIVENESS 3 and RESPONSIVENESS 4. There is only RESPONSIVENESS 2 rejected.

- The reliability of ASSURANCE scale

Table 4.7 Reliability statistics of ASSURANCE scale

Item-total statistics

	Scale mean if item deleted	Scale variance if item deleted	Corrected item total correlation	Alpha if item deleted
ASSURANCE 1	11.9758	2.7607	0.4664	0.5968
ASSURANCE 2	12.0303	2.5661	0.4259	0.6251
ASSURANCE 3	12.0303	2.6027	0.4563	0.6023
ASSURANCE 4	12.1091	2.6831	0.4659	0.5966

Table 4.7 Reliability statistics of ASSURANCE scale (cont.)

Reliability coefficients

Alpha	N of items	N of cases
0.6713	4	165

ASSURANCE scale also has 4 items called ASSURANCE 1, ASSURANCE 2, ASSURANCE 3 and ASSURANCE 4 which has values of corrected item total correlation is 0.4664, 0.4259, 0.4563 and 0.4659 respectively. With Cronbach's Alpha value is 0.6713 and four items have the value of Corrected item total correlation to be greater than 0.3 after making ASSURANCE test. It is confident to remain 4 items for analysis in the next step.

- **The reliability of EMPATHY scale**

Table 4.8 Reliability statistics of EMPATHY scale

Item-total statistics

	Scale mean if item deleted	Scale variance if item deleted	Corrected item total correlation	Alpha if item deleted
EMPATHY 1	11.9506	3.3889	0.5392	0.7171
EMPATHY 2	12.0988	2.9716	0.5805	0.6950
EMPATHY 3	11.9815	3.2357	0.5559	0.7077
EMPATHY 4	12.0432	3.1348	0.5685	0.7007

Table 4.8 Reliability statistics of EMPATHY scale (cont.)

Reliability coefficients

Alpha	N of items	N of cases
0.7616	4	162

Analysis result in table indicates that Empathy scale with four items EMPATHY 1, EMPATHY 2, EMPATHY 3 and EMPATHY 4 have high values of

corrected item total correlation, namely 0.5392, 0.5805, 0.5559 and 0.5685 respectively. On the other hand, Cronbach's Alpha value is 0.7616 (greater than 0.6). It is concluded that four items will be acceptable to use in the next step after testing.

- **The reliability of CUSTOMER SATISFACTION scale**

Customer satisfaction scale includes two variable and they should be dependent variables. The table of result from testing reliability of CUSTOMER SATISFACTION scale is followed:

Table 4.9 Reliability statistics of CUSTOMER SATISFACTION scale

Item-total statistics

	Scale mean if item deleted	Scale variance if item deleted	Corrected item total correlation	Alpha if item deleted
CUSTOMER SATISFACTION 1	4.1548	0.5388	0.5896	
CUSTOMER SATISFACTION 2	4.1310	0.5097	0.5896	

Table 4.9 Reliability statistics of CUSTOMER SATISFACTION scale (cont.)

Reliability coefficients

Alpha	N of items	N of cases
0.7416	2	168

After testing customer satisfaction, the value corrected item total correlation is equal and its value is 0.5896. Besides, Cronbach's Alpha value is 0.7416 (greater than 0.6). Therefore, both of items are acceptable.

In conclusion, after making reliability test, there is only RESPONSIVENESS 2 which is rejected and there are 21 observed variables to acceptable for the next analysis. It involves 19 independent variables of TANGIBLE, RESPONSIVENESS, RELIABILITY, ASSURANCE, EMPATHY and 2 dependent variables of CUSTOMER SATISFACTION.

4.2.1.3 Exploring factor analysis

- Service quality scale analysis

After testing reliability of service quality, there are 21 items which are analyzed or tested for exploratory factor analysis.

As methodology in previous chapter, KMO value measures the sampling adequacy which is 0.879. This value is greater than 0.5 and Sig. is .000. It is concluded that the validity of statistics for exploratory factor analysis is acceptable. Moreover, after testing with Principle Component Analysis and Varimax with Kaiser Normalization rotation, the value of eigenvalues is found that is greater than 1 and the cumulative of variance is 57.739% which means that four components explain 57.739% of service quality variance.

Table 4.10 Exploring factor analysis for service quality scale

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.879
Bartlett's Test of Sphericity	Approx. Chi-Square	1091.101
	df	171
	Sig.	.000

Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.257	38.195	38.195	3.330	17.525	17.525
2	1.468	7.728	45.923	3.123	16.435	33.960
3	1.231	6.479	52.402	2.906	15.297	49.258
4	1.014	5.337	57.739	1.611	8.481	57.739
5	.933	4.913	62.652			
6	.907	4.771	67.423			

7	.790	4.156	71.579		
8	.690	3.631	75.210		
9	.666	3.508	78.718		
10	.611	3.215	81.933		
11	.562	2.957	84.890		
12	.532	2.803	87.693		
13	.464	2.441	90.134		
14	.381	2.007	92.141		
15	.375	1.976	94.118		
16	.317	1.669	95.787		
17	.289	1.524	97.310		
18	.271	1.428	98.738		
19	.240	1.262	100.000		

Rotated Component Matrix

	Component			
	1	2	3	4
RESPONSIVENESS 4	.743			
EMPATHY 3	.722			
EMPATHY 4	.667			
EMPATHY 1	.604			
RESPONSIVENESS 3	.561			
RESPONSIVENESS 1				
ASSURANCE 1		.715		
ASSURANCE 3		.632		
ASSURANCE 4		.624		
ASSURANCE 2		.616		
EMPATHY 2				
RELIABILITY 2			.711	
RELIABILITY 1			.645	

RELIABILITY 4			.563	
RELIABILITY 3				
TANGIBLE 3				.622
TANGIBLE 2				.602
TANGIBLE 4				.551
TANGIBLE 1				

There are four items rejected after testing are TANGIBLE 1, EMPATHY 2, RELIABILITY 3 and RESPONSIVENESS 1 because their values are lower than 0.5 factor loadings. The table of rotated component matrix shows the relationship between items and components. The first component is defined by 5 items which are RESPONSIVENESS 3, RESPONSIVENESS 4, EMPATHY 3, EMPATHY 4, and EMPATHY 1. The second component is defined by 4 items which are ASSURANCE 1, ASSURANCE 2, ASSURANCE 3 and ASSURANCE 4. In addition, RELIABILITY 1, RELIABILITY 2, RELIABILITY 4 defines the third component while TANGIBLE 2, TANGIBLE 3, TANGIBLE 4 defines the fourth component. In conclusion, the service quality scale consists of 15 observed variables and four variables – TANGIBLE 1, EMPATHY 2, RELIABILITY 3 and RESPONSIVENESS 1 are rejected.

This data will be tested at the second time by reliability with Cronbach’s Alpha and factor analysis. The result from the second test with 15 variables is shown from below tables.

Table 4.11 Reliability statistics and factor analysis for service quality scale - at the second time (cont.)

Reliability testing

Component	N of items	Cronbach’s Alpha
1	5	0.7931
2	4	0.7609
3	3	0.6778
4	3	0.6020

The lowest and the highest Cronbach's Alpha values are 0.6020 and 0.7931 respectively. All components have Cronbach's Alpha values which are greater than 0.6 will be analyzed in the next step.

Moreover, 15 items tested by KMO and Bartlett's test to find sampling adequacy is indicated as the following tables:

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.870
Bartlett's Test of Sphericity	Approx. Chi-Square
	859.134
	df
	105
	Sig.
	.000

As result from the table of KMO and Bartlett's Test shows, it is adequate for exploring factor analysis because value of sampling adequacy is 0.870 and Sig. is .000. In additions, components are extracted with greater than 1 eigenvalues and cumulative of variance is 56.542%.

Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.688	37.917	37.917	5.688	37.917	37.917
2	1.267	7.488	45.364	1.267	7.488	45.364
3	1.201	7.009	53.374	1.201	7.009	53.374
4	1.004	5.168	56.542	1.004	5.168	56.542
5	.925	5.671	60.213			
6	.851	5.152	66.365			

7	.773	4.815	76.180			
8	.663	4.417	80.597			
9	.568	3.784	84.381			
10	.525	3.499	87.879			
11	.429	2.863	90.743			
12	.422	2.815	93.557			
13	.380	2.533	96.090			
14	.310	2.066	98.156			
15	.277	1.844	100.00			

Rotated Component Matrix

	Component			
	1	2	3	4
RESPONSIVENESS 4	.788			
EMPATHY 3	.707			
EMPATHY 4	.672			
EMPATHY 1	.600			
RESPONSIVENESS 3	.552			
ASSURANCE 1		.771		
ASSURANCE 3		.690		
ASSURANCE 4		.660		
ASSURANCE 2		.646		
RELIABILITY 1			.587	
RELIABILITY 2			.536	
RELIABILITY 4			.518	
TANGIBLE 3				.835
TANGIBLE 2				.557
TANGIBLE 4				.505

15 variances are acceptable and there are four components existing because responsiveness and empathy together define component RES-EM. The other components are ASSURANCE, RELIABILITY and TANGIBLE.

In conclusion, after making factor analysis, the service quality includes 15 variances divided into 4 components called RES-EM, ASSURANCE, RELIABILITY and TANGIBLE.

- **Customer satisfaction scale analysis**

Table 4.12 Exploring factor analysis for customer satisfaction scale (cont.)

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.500
Bartlett's Test of Sphericity	Approx. Chi-Square
	70.682
	df
	1
	Sig.
	.000

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.590	79.478	79.478	1.590	79.478	79.478
2	.410	20.522	100.000			

Component Matrix

	Component
	1
CUSTOMER SATISFACTION 1	.892
CUSTOMER SATISFACTION 2	.892

The customer satisfaction contains two observed variables which have the sampling adequacy value is equal to 0.5 and Sig. is .000. However, there is one component has value of initial Eigenvalues is lower than 1 so there is one component explains for service quality of variance with 79.478%.

In short, the customer satisfaction scale with 2 variables extracted to 1 component satisfaction.

4.2.1.4 Regression Analysis

Table 4.13 Correlations

		SATIS	TAN	RELI	RESEM	ASS
Pearson Correlation	SATIS	1.000	.449	.635	.595	.673
	TAN	.449	1.000	.502	.502	.461
	RELI	.635	.502	1.000	.557	.570
	RESEM	.595	.502	.557	1.000	.588
	ASS	.673	.461	.570	.588	1.000
Sig. (1- tailed)	SATIS	.	.000	.000	.000	.000
	TAN	.000	.	.000	.000	.000
	RELI	.000	.000	.	.000	.000
	RESEM	.000	.000	.000	.	.000
	ASS	.000	.000	.000	.000	.
N	SATIS	169	169	169	169	169
	TAN	169	169	169	169	169
	RELI	169	169	169	169	169
	RESEM	169	169	169	169	169
	ASS	169	169	169	169	169

To analyze data by using regression model, it is necessary to calculate mean score of both dependent and independent variables. After that, the data will be checked whether satisfy assumptions for regression analysis to find the relations among variables.

The table 4.14 shows that, the relation between Satisfaction and four components is positive because all Pearson Correlation are positive values.

Especially, four components have values of Pearson Correlation to be greater than 0.3 therefore the correlation among them are quite strong.

Table 4.14 Regression analysis summary

Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
.755(a)	.571	.560	.43079	.571	54.471	4	164	.000

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.435	4	10.109	54.471	.000(a)
	Residual	30.435	164	.186		
	Total	70.870	168			

Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics
	B	Std. Error	Beta			Zero-order	Partial	Part	VIF
Constant	.077	.298		.260	.795				
TAN	.035	.074	.029	.466	.642	.449	.036	.024	1.509
RELI	.318	.073	.298	4.368	.000	.635	.323	.224	1.776
RESEM	.238	.085	.193	2.794	.006	.595	.213	.143	1.823
ASS	.432	.079	.376	5.493	.00	.673	.394	.281	1.794

Collinearity Diagnostics

Dimension	Eigen-value	Condition Index	Variance Proportions				
			(Constant)	TAN	RELI	RES-EM	ASS
1	4.962	1.000	.00	.00	.00	.00	.00
2	.0120	20.036	.35	.11	.54	.00	.04
3	.010	21.964	.09	.68	.09	.05	.26
4	.009	24.153	.49	.19	.36	.04	.34
5	.007	26.298	.07	.02	.01	.92	.35

As table of coefficients indicates, VIF – variance inflation factor are very small and smaller than 10. It means that regression model accepts four components. Moreover, the value of adjusted R-square from Model summary is .560 therefore it accounts for 56%. In other words, four components namely RES-EM; TANGIBLE; RELIABILITY and ASSURANCE explains 56% its values in customer satisfaction. Both F value and Sig. value in INOVA table are very small (0.000) so four factors have a significant relationship with customer satisfaction variable.

On the other hand, coefficients are presented in table coefficient, it is concluded the regression function as following:

$$SATISFACTION = 0.029 TAN + 0.298 RELI + 0.193 RES - EM + 0.376 ASS$$

Nevertheless, the value of coefficient of TANGIBLE component is so small (0.029) while Sig. value is so large (0.642) and this value is greater than 0.05. Thus, TANGIBLE does not explain customer satisfaction. It is necessary to conduct regression analysis at second time.

Table 4.15 Regression analysis summary at the second time

Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
.755	.570	.562	.42977	.570	79.902	3	165	.000

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.395	3	13.465	72.902	.000(a)
	Residual	30.475	165	.185		
	Total	70.870	168			

Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics
	B	Std. Error	Beta			Zero-order	Partial	Part	VIF
(Constant)	.122	.281		.435	.0664				
RELI	.327	.070	.306	4.636	.000	.635	.339	.237	1.668
RESEM	.248	.083	.201	2.999	.003	.595	.227	.153	1.719
ASS	.437	.078	.381	5.629	.000	.673	.401	.287	1.758

Collinearity Diagnostics

Dimension	Eigenvalue	Condition Index	Variance Proportions			
			(Constant)	RELI	RES-EM	ASS
1	3.972	1.000	.00	.00	.00	.00
2	.012	18.147	.55	.60	.01	.01
3	.009	21.207	.31	.38	.05	.65
4	.007	23.460	.13	.02	.94	.34

Table Model summary indicates adjusted R-square value that account for 56.2% in explaining customer satisfaction by three variables namely RES –EM; ASSURANCE and RELIABILITY. Standardized coefficients are .306; .201; 381 which stand for RELIABILITY, RES – EM and ASSURANCE respectively.

In addition, the value of Sig. is .000 and VIF value is smaller than 10 so it is reliable to determine customer satisfaction by three components called RELIABILITY, RES – EM and ASSURANCE.

The regression function is written as following:

$$\text{SATISFACTION} = 0.201 \text{ RES-EM} + 0.306 \text{ RELIABILITY} + 0.381 \text{ ASSURANCE}$$

4.2.1.5 Research model and tested result

After conducting survey and analysis result, it will be concluded that customer satisfaction (dependent variable) is explained by three components (independent variables) namely RES-EM; ASSURANCE and RELIABILITY. Three components have positive coefficients therefore an increase or decrease in any component may lead to increase or decrease in customer satisfaction respectively.

$$\text{SATISFACTION} = 0.201 \text{ RES-EM} + 0.306 \text{ RELIABILITY} + 0.381 \text{ ASSURANCE}$$

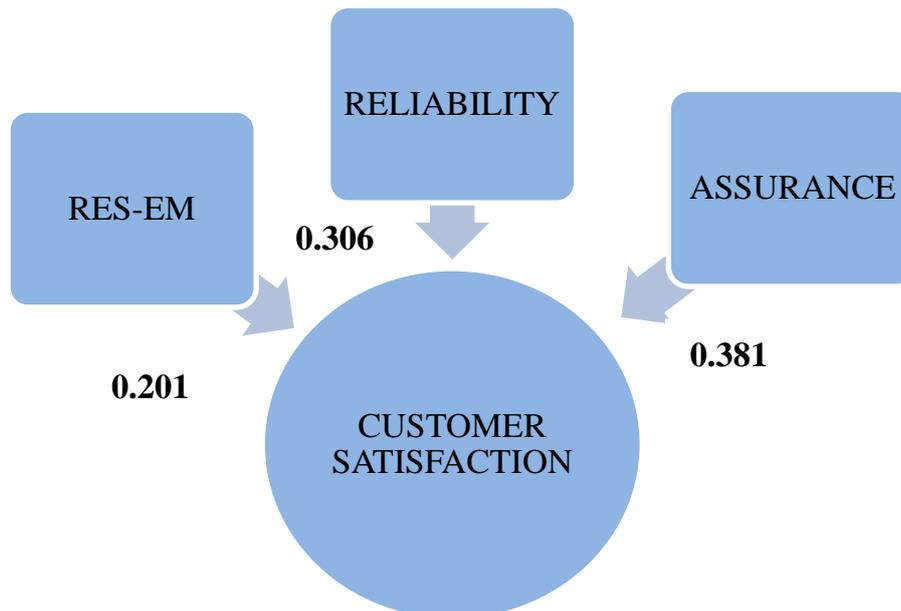


Figure 4.3: Research model result

In detail, after testing hypothesis, factor analysis, regression analysis and descriptive statistics, the relationship between independent variables and dependent variable are founded as the following tables:

Tables 4.16 Hypotheses tested results

Hypothesis	Result
RES – EM component and customer satisfaction have a positive relationship. Thus, the higher/lower value of RES-EM component will lead to higher/lower level in customer satisfaction.	Supported
ASSURANCE component and customer satisfaction have a positive relationship. Therefore, the higher/lower value of ASSURANCE component will lead to higher/lower level in customer satisfaction.	Supported
TANGIBLE component and customer satisfaction have a positive relationship. Therefore, the higher/lower value of TANGIBLE component will lead to higher/lower level in customer satisfaction.	Not supported
RELIABILITY component and customer satisfaction have a positive relationship. Therefore, the higher/lower value of RELIABILITY component will lead to higher/lower level in customer satisfaction.	Supported

From table 4.16, RESPONSIVENESS and EMPATHY are combined together because customers marked scores for RESPONSIVENESS and EMPATHY in feedback forms based on one direction. It leads to duplicate two factors as one component. In other words, the answers from customers do not reach distinguish values when they explain for 2 items therefore RESPONSIVENESS and EMPATHY explain one component called RES-EM in case of Daewoo hotel.

In addition, even though TANGIBLE component is selected after testing reliability and analyze exploratory factor, it is rejected after regression analysis because its Sig. value is too large that is greater than 0.05. Thus, this independent

variable does not impact on dependent variable. In case of Daewoo hotel, customers naturally confirm that physical assets in five-star hotel are modern, attractive and professional. Thus, in statistics, TANGIBLE factor influence slightly on customer satisfaction so it would be rejected from satisfaction equation.

CHAPTER 5 FINDINGS AND SUGGESTIONS

5.1 Impact of service quality factors on customer satisfaction in Daewoo hotel

The service quality in Hanoi Daewoo hotel is defined by three components as the following formula:

$$\text{SATISFACTION} = 0.201 \text{ RES-EM} + 0.306 \text{ RELIABILITY} + 0.381 \text{ ASSURANCE}$$

The first component is RES-EM and its coefficient value is 0.201. It means that a unit increases or decreases in RES-EM, it leads to an increase or decrease in customer satisfaction by 0.201 unit.

The second component is ASSURANCE and its coefficient value is the highest namely 0.381. It means that a unit increases or decreases in ASSURANCE, it leads to an increase or decrease in customer satisfaction by 0.381 unit.

The third component is RELIABILITY and its coefficient value is 0.306. It means that a unit increases or decreases in RELIABILITY, it leads to an increase or decrease in customer satisfaction by 0.306 unit.

Three components explain 56.2% of the variance in customer satisfaction because its adjusted R-square value is .562. The remaining 43.8% can be explaining by other factor such as advertising, brand's image, social responsibility, price and so on.

5.2 Suggestion to improve service quality in Daewoo hotel

5.2.1 Improving TANGIBLE component

Even though TANGIBLE component does not support for customer satisfaction, it should be improved because of standard of five-star that Daewoo hotel must be followed. Daewoo hotel was built for long time ago and its facilities and infrastructure have been becoming older and depreciating. Daewoo hotel should improve infrastructure and enhance the quality of sanitations and lighting system.

Moreover, it is need to pay more attention to the IT systems and equipment and use technology for office department, restaurants and rooms to enhance service quality. Daewoo hotel is five-star hotel, it means that Daewoo hotel's facilities need

to adopt international standard. Any trouble of infrastructure or facilities will effect on hotel's image.

5.2.2 Improving RELIABILITY and ASSURANCE components

From research result, RELIABILITY and ASSURANCE are essential components to effect on customer satisfaction. Thus, it is necessary to pay more attention in human resource development.

In hotel, it is necessary to establish a unit that is responsible for continuous service quality improvement in hotel. This unit is responsible for research to understand customers' needs and preferences and give detail strategies to enhance customer satisfaction.

On the other hand, human resource department should care more about reward and compensation policy for staffs. To work in hotel is required special or professional skills therefore it is necessary to maintain staffs' loyalty and make them work with their responsibility and dedication. Besides, it is important to hire right person for right position. Fairness and transparency in hotel should be increased and written in hotel' rules. Making information about promotion campaigns is necessary but it is more important to implement its promotion with honesty. For recruitment, Daewoo hotel should set up an attracting-talent policy to hire employees in advance qualification. Using staff intensive training course to improve the staffs' skills, manners and attitude is one of useful solutions for Daewoo hotel in service quality improvement at this time which customers require employees to have professional skills, especially, foreign customers.

In addition, Daewoo hotel should improve its service processes which play an important role in customers' positive thinking and satisfaction. If customers come to Daewoo hotel to check-in and they need to wait a long time for checking-in, it will cause negative impression to customers. Therefore, services in hotel should be performed on time at the first time to create sympathy for new customer as well as maintain customer loyalty.

5.2.3 Improving RESPONSIVENES - EMPATHY component

Information about customer should be saved and it will make customer think that they are cared and respected. Hotel may present gifts or best wishes for its customer on special occasion such as New Year or birthday. It creates the close relationship between hotel and customer as well as remains customers' positive thinking about service in hotel. In additions, customers' taste may change overtime and Daewoo hotel should update information frequently to avoid obsolete or backward. The service in hotel should be change and diversify in order to attract more customers.

On the other hand, Daewoo hotel pay attention to enhance its RESPONSIVENESS ability. It is necessary to invest in human resource and create a good system of working condition. If employees have positive attitudes about organization, they will dedicate for Daewoo hotel based on both their enthusiasm and responsibilities. In other words, employees have positive thinking about their organization; they might inspire to customers with their thinking by serving, attitude, and communication with customer and so on.

In short, Daewoo hotel should enhance the quality of human resource and focus on customer service in order to satisfy customers' needs by best way.

5.2.4 Suggestions for other components affecting on service quality

There are several five-star hotels in Hanoi city and it requires Daewoo hotel boosts its marketing campaign to compete with others. Service quality improvement may become a significant competitive strategy and remain five-star for Daewoo hotel in the future.

Price is an important factor impacting on buying-decision. Thus, Daewoo hotel should consider the price for rooms compared with competitor' price in order to attract more customers. However, price is sensitive and it should be flexible. For travel agents, Daewoo hotel must be provide lower price of products and it should be higher price for direct customers.

Daewoo hotel also should build and maintain the relationship with its travel agents, such as Tourism Companies. It is necessary to balance benefits for two parties. For travel agents, Daewoo hotel may apply specific policy such as lower price, wider selection and flexible services to bring more benefits for travel agents.

Moreover, Daewoo hotel should care about social responsibility and sponsor for social organizations, social activities in order to enhance customers' awareness. It also support for improving Daewoo's image on both domestic and foreign customers. Actually, most customers or guests of Daewoo hotel are foreign people therefore it is necessary to maintain good images in customers' mind.

Finally, Daewoo hotel should cooperate with local community in advertising famous landscape, historical place, festivals and local culture. It not only supports for increasing the number of customers but also create close relationship between Daewoo hotel and local community. In addition, Daewoo hotel will improve efficiency and reduce the risk of business disruptions and create a sustainable development in the future.

5.3 Suggestions for implication SERVPERF model in service quality measurement in Vietnam

SERVPERF model is useful instrument to measure service quality as well as customer satisfaction and it is implicated on several sectors. In Vietnam, however, it is necessary to clarify 22 questions so that customers could understand totally service quality that they perceived and would mark score correctly in order to avoid misunderstanding or ambiguity. Besides, it is easy to duplicate among variables that explain for mutual component when researchers analyze data so they should interview customers for ensuring the correct answers.

In addition, Vietnamese cultures influence strongly on employees' attitudes, styles of working and daily habits. Thus, service quality measurement should be considered cultural environment and organizational culture when companies give policies or campaign in order to increase its service quality.

5.4 Limitations of the study

The study uses SERVPERF model to research and analysis therefore it cannot measure customer expectation about service quality. In addition, it will be better if the author has more time and advantages to interview customer directly. Customers might provide more correct answers when they fill in feedback forms and express their attitudes about service quality in details.

Moreover, the study focuses on one case of Daewoo hotel. In the future, the author would like to research more cases so that there will be an overview about service quality measurement in hospitality sector by applying SERVPERF model.

CONCLUSION

Service quality plays a significant role in maintaining and developing sustainable competitive advantage of company or firm because service quality influence on customer satisfaction directly. Moreover, SERVPERF model is as a useful instrument to measure service quality. Thus, the researcher focuses on measuring service quality by using SERVPERF model and conducts survey in Daewoo hotel – one of five-star hotels in Hanoi.

The research has been conducted during 3 months to investigate the relationship between service quality and customer satisfaction. By using quantitative method, the research used 22 observed items divided into 5 components of service quality and one component of customer satisfaction based on SERVPERF model. The number of feedback form is 169 and this statistics were tested by using SPSS software 16.0 through descriptive analysis, factor analysis and regression analysis. The function of customer satisfaction measurement is followed:

$$\text{SATISFACTION} = 0.201 \text{ RES-EM} + 0.306 \text{ RELIABILITY} + 0.381 \text{ ASSURANCE}$$

The equation shows a positive relationship between dependent variable (SATISFACTION) and independent variables (RES-EM, RELIABILITY and ASSURANCE) where ASSURANCE stands for customers trust in service quality; RES-EM stands for hotel's willingness to provide service and support for customers when they get any troubles as well as how much Daewoo hotel pays more attention and care to individual customer. The final component is RELIABILITY which mentioned Daewoo hotel's ability to perform service on time right at the first time. Moreover, three components explain 56.2% satisfaction variable and remaining components explain 43.8%.

After analyzing data, it may be concluded that Daewoo hotel should pay more about its service quality and the important role of employees who perform service quality in order to maintain customer satisfaction. Furthermore, this research also provides some recommendations or suggestions for improving service quality

in Daewoo. The most remarkable suggestion relates to human resource because human factor plays a significant role in service quality improvement. In other words, recruitment, training, compensation, rewards for employees should be cared more.

For further research, the author suggests that the researchers could do interview to find out more details about perceived service quality from customer and it is better allocate resources to provide better service quality to customer. Besides, the study of service quality is both important and challenging. Future efforts should continue to advance the understanding of the concept and the models to measure and improve service quality.

REFERENCES

Vietnamese references

1. Do Tien Hoa (2007), “*Customer satisfaction research about product and service – case study of HSBC bank in Ho Chi Minh city*”, pp.9-24.
2. Pham Ngoc Thuy and Nguyen Huy Phong (2007), “*SERVQUAL versus SERVPERF – a comparative study in Vietnamese supermarket*”, Science and Technology Development, Vol 10, No.08, pp.1-30.

English references

3. Aborampah AMOAH-MENSAH, (2011), “*Customer satisfaction in the banking industry: a comparative study of Ghana and Spain*”, pp.9-26.
4. Arash Shahin, “*SERVQUAL and Model of Service Quality Gaps: A Framework for Determining and Prioritizing Critical Factors in Delivering Quality Services*”, Department of Management, University of Isfahan, Iran, pp. 2-5.
5. Akan (1995), “*Dimensions of service quality: A study in Istanbul. Managing Service Quality 5*” (6), pp.39–45.
6. Baker, T.L., & Taylor, S.A., (1994), “*An assessment of the relationship between service quality and customer satisfaction in the formation of consumers’ purchase intentions*”, Journal of retailing and consumer services, 70(2), pp.163-178.
7. Bitner, M.J. & Hubbert, A.R.,(1994), “*Encounter Satisfaction versus Over Satisfaction versus Quality. In the Service Quality: New Directions in Theory and Practice*”, R.T.Rust & R.L.Oliver (Eds). Thousand Oaks, CA: Sage Publication, pp.79-84.

8. Brady, M.K & Cronin, J.J., (2001), "*Some new thoughts on Conceptualizing Perceived Service Quality: A Hierarchical approach*", *Journal of Marketing*, Vol.65, pp.34-49.
9. Brown, S.W., & E.U. Bond, (1995), "*The internal market/external market framework and service quality: Toward theory in service marketing*", *Journal of Marketing*, pp.25-39.
10. Brown, S. and Swartz, T.A. (1989), "A gap analysis of professional service quality", *Journal of Marketing*, Vol.53, April, pp.92.
11. Cronin, J.J., and Taylor, S.A., (1992). "*Measuring service quality: A Reexamination and extension*", *Journal of Marketing*, pp. 55-70.
12. Cronin, J.J., and Taylor, S.A., (1994), "*SERVPERF versus SERVQUAL: Reconciling Performance-Based and Perception minus Expectations Measurement of Service Quality*", *Journal of Marketing*. vol.58, no.1, pp.125-136.
13. DeCoster, J. (1988), "*Overview of Factor Analysis*", pp1-4.
14. Donald Cowell (1984), "*The marketing of services*", Heinemann, pp.12-15.
15. Fen, Y.S., & Lian, K.M (2005), "*Service quality and customer satisfaction: antecedents of customer's re-patronage intentions*", *Sunway Academic Journal*, pp.59-60.
16. Fogarty, G., Catts, R., & Forlin, C. (2000), *Measuring Service Quality with SERVPERF*, *Journal of Outcome Measurement*, pp. 425-447.
17. George, D., & Mallery, P. (2003), "*SPSS for Windows step by step: A simple guide and reference*", 11.0 update (4th edition), Boston: Allyn & Bacon.
18. Ghobadian, A., S. Speller, and M. Jones, (1994), "*Service quality: Concepts and models*, *International Journal of Quality & Reliability Management* 11" (9), pp.40–66.

19. Gronroos, C., (1990), "*Service management and marketing: Managing the moments of truth in service competition*", Lexington, MA, pp.17-23.
20. Gronroos, C., (2007), "*Service management and marketing: Customer Management in Service Competition*", Wiley, pp.396-402.
21. Hollis Landrum et al., (2009), "*Measuring information science system service quality with SERVQUAL: Users' perceptions of relative importance of the five SERVPERF dimensions*", *Information Science: the International Journal of an Emerging Trans-discipline*, Vol. 12, pp. 18-34.
22. Hudson S., Hudson P., & Miller G.A., "*The measurement of service quality in the tour operating sector: a methodological comparison*", *Journal of Travel Research*, Vol.42, pp.305-312.
23. Jiang, J.J., Klein, G., and Carr, C.L., (2002), "*Measuring Information System Service Quality: SERVQUAL from the Other Side*", *MIS Quarterly*. vol.26, no.2, 2002, pp.145-166.
24. Kotler Philip, Wong Veronica, Saunders John, Armstrong Gary, (2005), *Principles of Marketing (4th European edition)*, Prentice Hall, pp. 539, 546, 625.
25. Laerd statistics, "Cronbach's alpha (α) using SPSS", retrieved 01/04/2013, <https://statistics.laerd.com/spss-tutorials/cronbachs-alpha-using-spss-statistics.php>
26. Lewis. R.C., & Booms, B.H. (1983), "The Marketing Aspects of Service Quality. In Berry, L., Shostack, G., & Upah, G.(Eds). *Emerging Perspectives on Service Marketing*. Chicago, LL: American Marketing, pp.99-107.
27. Negi Rakshit (2009), "*User's perceived service quality of mobile communications: experience from Ethiopia*", *International Journal of Quality & Reliability Management*, Vol. 26, pp.33, pp.699 – 711.
28. Oliver, R.L., (1981), "*Measurement and Evaluation of Satisfaction Processes in Retail Setting*", *Journal of Retailing*, vol. 57, no.3, pp. 26-50.

29. Oliver, R.L. & Swan, J.E. (1989), "*Consumer perceptions of interpersonal equity and satisfaction in transaction: a fields survey approach*", *Journal of Marketing*, Vol.53, pp.21-35.
30. Parasuraman, Valarie A. Zeithaml, & Leonard L. Berry, (1985), "*A conceptual Model of Service Quality and Its Implications for Future Research*", *Journal of Marketing*, Vol. 49, pp. 40-45.
31. Parasuraman, A. (1985), "*A conceptual model of service quality and its implications for future research*", *Journal of Marketing*, Vol.49, pp.41-50.
32. Parasuraman, A., V. A. Zeithaml, and L. L. Berry, (1988), "*SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality, Journal of retailing 64*" (1), pp.14–40.
33. Parasuraman, A., V. A. Zeithaml, and A. Malhotra, (2005), "*SERVQUAL: A multiple-item scale for assessing electronic service quality. Journal of Service Research 7*" (3), pp. 213–233.
34. Ruyter, K., Bloemer, J., and Pascal, P., (1997), "*Merging service quality and service satisfaction: an empirical test of an integrative model*", *Journal of Service Marketing*, Vol. 16 (4), pp. 363-379.
35. Russel, M, (2005), "*Marketing education: A review of service quality perceptions among international students, International Journal of Contemporary Hospitality Management 17*" (1), pp. 60–79.
36. Rust, R.T. & Oliver, R.L. (1994), "*Service quality: insights and managerial implications from the frontier*", in *Service Quality: New Directions in Theory and Practice*, R.T.Rust and R.L. Oliver Eds., Sage, Thousand, CA, pp.1-20.
37. Sanjay K Jain and Garima Gupta, (2004), "*Measuring Service Quality: SERVQUAL vs. SERVPERF Scales*", *Vikalpa*, Vol. 29, pp. 25-35
38. Tavakol Mohsen, Dennick Reg, (2011), "*Making sense of Cronbach's Alpha*", *International Journal of Medical Education*, pp. 53-55.

39. Vanniarajan, Anbazhagan, B., (2007), "*SERVPERF Analysis in Retail Banking*", *International Marketing Conference on Marketing & Society*, pp. 720-734.
40. Zeithaml, V. A., Berry, L. L. and Parasuraman, A. (1996), "*The behavioral consequences of Service quality*", *Journal of Marketing*, Vol. 60 April, pp. 31-48.
41. Zhou Lianxi, (2004), "*A dimension-specific analysis of performance-only measurement of service quality and satisfaction in China's retail banking*", *Journal of Services Marketing*, Vol. 18, pp.534 – 546.
42. Wang, M., J. Wang, and J. Zhao, (2007), "*An empirical study of the effect of customer participation on service quality*, *Journal of Quality Assurance in Hospitality & Tourism* 8" (1), pp. 49–73.
43. Wisniewski Mik (2001), "*Using SERVQUAL to access customer satisfaction with public sector services*", *Managing Service Quality*, 11(6), pp.380-388.
44. Yao Zhi-gang and Ding Xiao-dong, (2010), "*Measuring Passenger's Perceptions of Taxi Service Quality with Weighted SERVPERF: a case of Hangzhou, China*".

APPENDIX

SURVEY OF SERVICE QUALITY IN HANOI DAEWOO HOTEL

Please help us serve you better by taking a couple minutes to tell us about the service that you have received so far. We appreciate your business and want to make sure we meet your expectations. Thank you very much.

Please, circle your answer.

	Tangible dimension	Strongly disagree	Disagree	Moderate	Agree	Strongly agree
1	Looking equipment in Daewoo hotel is modern	1	2	3	4	5
2	Employees at Daewoo hotel are neat in their appearance	1	2	3	4	5
3	Materials associated with the service are visually appealing	1	2	3	4	5
4	The physical facilities at Daewoo hotel are visually appealing	1	2	3	4	5
	Reliability dimension	Strongly disagree	Disagree	Moderate	Agree	Strongly agree
1	Daewoo hotel provides services at the promised time	1	2	3	4	5
2	You are always reach Daewoo hotel any time you want to	1	2	3	4	5
3	Daewoo hotel performs service right at the first time	1	2	3	4	5

4	When you have a problem with any services, Daewoo hotels interest solving	1	2	3	4	5
	Responsiveness dimension	Strongly disagree	Disagree	Moderate	Agree	Strongly agree
1	Employees of hotel tell you exactly when service will be performed	1	2	3	4	5
2	Employees of hotel give your prompt service	1	2	3	4	5
3	Employees of hotel are always willing to help you if you have problem with services	1	2	3	4	5
4	Employees of respond to you requirements as soon as possible	1	2	3	4	5
	Assurance dimension	Strongly disagree	Disagree	Moderate	Agree	Strongly agree
1	Employees of hotel are knowledgeable about their services and products	1	2	3	4	5
2	Employees of hotel are able to solve your problem with satisfaction	1	2	3	4	5
3	The behavior of employees instills confidence in you	1	2	3	4	5
4	Employees of hotel are consistently courteous to me	1	2	3	4	5

	Empathy dimension	Strongly disagree	Disagree	Moderate	Agree	Strongly agree
1	Employees of hotel listen carefully to your needs	1	2	3	4	5
2	Hotel has operating hours convenient to all its customers	1	2	3	4	5
3	Daewoo hotel provides good quality service to its customer	1	2	3	4	5
4	Employees of hotel understand your specific needs	1	2	3	4	5
	Service quality	Strongly disagree	Disagree	Moderate	Agree	Strongly agree
1	You are satisfied with Daewoo hotel's services	1	2	3	4	5
2	You will continue using the provided services	1	2	3	4	5

PERSONAL INFORMATION

Guest name:

Gender:

Nationality:

Thank you for your response.