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**THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION  
AMONG HOTELS IN NAIROBI COUNTY, KENYA**

**JOY MUSYOKA MUTINDA**

**MBA/55372/2017**



**A RESEARCH DISSERTATION SUBMITTED IN PARTIAL FULFILMENT  
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF  
MASTER OF BUSINESS ADMINISTRATION AT  
STRATHMORE UNIVERSITY**

**JULY, 2020**

## DECLARATION

### Student declaration

This research dissertation is my original work and has not been submitted for examination in any other institution

**NAME OF STUDENT: JOY NGINA MUSYOKA MUTINDA**

**DATE:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

### Supervisor's approval

This research dissertation has been approved for examination by the following as university supervisor.

**NAME: DR. STELLA NYONGESA**

**LECTURER, STRATHMORE BUSINESS SCHOOL**

**DATE:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_



## ABSTRACT

Customers' expectations are ever growing and ever changing hence service providers have to find ways of inventing, developing and providing new and better service offers, better service delivery mechanisms. In the current highly competitive hospitality industry environment, it is not only essential to know the significance of service quality but to also identify suitable operational strategies that ought to be implemented to achieve desired service quality goals. The general objective of the study was to establish the influence of service quality on customer satisfaction among four star and five-star hotels in Nairobi County. The anchoring theory of this study is Expectation Disconfirmation Theory (EDP). This study used a descriptive research design specifically cross-sectional survey with the sample size of 385 customers of the four star and five-star hotels in Nairobi County. The non-probability sampling technique specifically convenience sampling was adopted in the selection of the study sample. The study collected primary data using semi structured questionnaires. Quantitative data collected was analysed by use of descriptive statistics, Pearson R correlation was used to measure strength and the direction of the linear relationships between variables. Multiple regression models at 5% level of significance was used to establish the relationship between service quality dimensions and customer satisfaction. The study found that tangibility positively and significantly influences customer satisfaction among hotels in Nairobi County; reliability has a positive significant influence on customer satisfaction; responsiveness has positive significant influence on customer satisfaction in Nairobi County; assurance has a positive significant influence on customer satisfaction among hotels in Nairobi County; and empathy has a positive significant influence on customer satisfaction among hotels in Nairobi County. The study recommends the hotels to ensure that their facilities are visually appealing to its customers and this includes ensuring its employees are neat. Improved tangibility of services will enhance customer satisfaction and therefore their loyalty. It is also the responsibility of the management of the hotel to ensure that its employees are well conversant with the hotel and services provided so that they can help guests and respond to their requests/queries. The study findings can be used by policy makers to encourage hotel managers to enhance the service quality dimensions due to their positive impact on customer satisfaction. The study results can be used by individuals conducting other researchers and scholars to add their body of work by using similar variables with a different methodology. It provides a foundation to those who want to conduct research in a similar field. The study results can be used by hotel owners to elevate their customer satisfaction scores by enhancing their processes and practices. The study was limited by respondents' reluctance to participate in the study due to identify and confidentiality fears. However, the researcher assured them that the information they provide was solely for academic reasons and therefore was to be kept confidential. The information was stored in the university database so that only authorised individuals can access it.

## ACKNOWLEDGMENTS

I thank God for the gift of life. Am also grateful to my supervisor Dr. Stella Nyongesa for the guidance provided. I also thank my family and friends for their support. God bless you all.



## DEDICATION

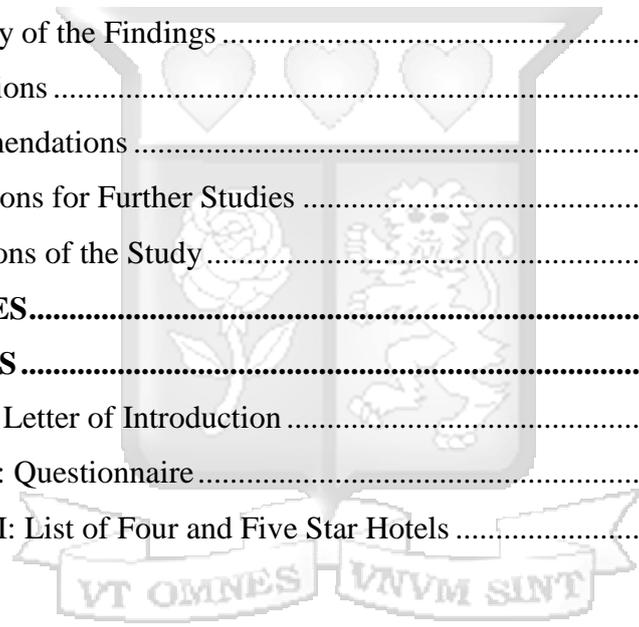
I dedicate this work to my family for being supportive in the period I was pursuing this course.



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## ABBREVIATIONS

<b>ACSI</b>	American Customer Satisfaction Index
<b>ATM</b>	Automatic Teller Machine
<b>CL</b>	Customer Loyalty
<b>CS</b>	Customer Satisfaction
<b>CSAT</b>	Customer Satisfaction Score
<b>EDP</b>	Expectancy-Disconfirmation Paradigm
<b>EE</b>	Employee Empathy
<b>EFA</b>	Exploratory Factor Analysis
<b>NPS</b>	Net Promoter Score
<b>RSQS</b>	Retail Service Quality Scale
<b>SERVQUAL</b>	Service Quality
<b>US</b>	United States





# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Organizations over the years have regarded service quality as a strategic tool for positioning as well as means of achieving operational efficiency and improving business performance (Tan, Oriande & Fallon, 2014). Service quality dimensions have been seen as critical for the success of organizations because of their close link with customer satisfaction (Tan, Oriande & Fallo, 2014) and more so in the service industry. Several empirical studies (Nimako, Gyamfi, Mumuni & Wandaogou 2013; Uddin & Bilkis; 2012; Agbor, 2011) indicate that perceived service quality is the antecedent of customer satisfaction, gives direct and indirect effects on behavioral intentions and positively influences customer satisfaction. Subsequently, companies are increasingly striving to deliver high service quality to gain competitive advantage.

According to Mathews (2008), the main difficulty facing most industries is the ability to continue satisfying their customers while at the same time making huge profits. In the past decade, the global hotel industry has experienced significant changes in terms of growth, competition, technology and consumer needs. Competition puts pressure on many hotel services providers to provide quality services (Mathews, 2008). Hotels make it their priority to meet the dynamic customer preferences and needs and most importantly, to increase sales and cultivate a repeat purchase behavior. In such a market, characterized by intense competition and dynamic consumer needs, it is important for hotels to continuously assess customer perceptions of service quality against expectations in order to meet and satisfy their needs.

Customers' expectation and preferences are increasing from time to time (Ayele, 2012). Service quality and customer satisfaction have increasingly been identified as key factors in the battle for competitive differentiation to gain customer retention and customer loyalty (Hersh, 2010; Kadampully & Suhartanto, 2000; Su, 2004). Along these lines, it is important for hotels to come up with their own unique ways to meet the needs of their customers while at the same time making profits.

Different theories have been advanced to explain the service quality – customer satisfaction relationship and arrive at specific factors for measuring customer satisfaction. These include; assimilation theory, attribution theory, equity theory, the perceived performance theory and the expectation theory. The theory that best explains customer satisfaction however is disconfirmation- expectancy paradigm theory (Oliver, 1997). Disconfirmation theory indicates that customers compare a new service experience with a standard they have developed. Their belief about the service is determined by how well it measures up to this standard. The theory presumes that customers make purchases based on their expectations, attitudes, and intentions (Oliver 1980).

Another theory that explains customer satisfaction is the Contrast theory first introduced by Hovland, Harvey & Sherif (1987). Dawes, Singer, and Lemons (1972) defines contrast theory as the tendency to magnify the discrepancy between one's own attitudes and the attitudes represented by opinion statements. Any discrepancy of experience from expectations will be exaggerated in the direction of discrepancy.

Service quality has significant effect on customers' perception toward brand image, due to the statistics that show that a strong brand image is needed to distinguish an organization's brand and products from competitors' brands or products (Boltan & Drew, 1991). Schiffman and Kanuk (1991) also stated that customer will perceive brands that match and suit their images. As a result, service quality adds value to customers by helping them differentiate the brand from competing brands. This means that customers' perception of service quality is associated with brand image and customers are more likely to purchase the brand that provides the superior service quality.

### **1.1.1 Service Quality Dimensions**

The term service quality has been defined in several ways by a variety of scholars. Jiang and Wang (2006) define service quality as the consumer's evaluation of the service performance received and how it compared with their expectation. The authors argue that evaluations depend on customer's memory or feeling rather than on service attributes. Parasuraman, Zeithaml and Berry (1990) on their part define it as the degree and direction of discrepancy between consumers' perceptions and service quality expectations. Zeithaml

(1988) instead define service quality as an assessment of customers from the overall excellence of services.

According to Turel and Serenko (2014) perceived quality is the actual experience of a customer about service. Despite the variety of definitions of service quality most of the authors agree that service quality is a multidimensional construct due to its elusive nature. For the purpose of this study service quality will be based on the definition by Parasuraman, Zeithaml and Berry (1990) who define service quality as the result of comparison that customers make between their expectations about a service and their perception of the way the service was performed.

When it comes to how service quality is measured various authors have used different dimensions to measure it. Parasuraman et al. (1990) developed the SERVQUAL model which measures service quality using five dimensions namely; reliability, assurance, tangibles, empathy and responsiveness. They measured especially functional service quality through empirical studies in banking, credit card, repair and maintenance, and long-distance telephone services. Dabholkar, Thorp & Rentz, (1996) also measured service quality in their empirically validated multilevel model called Retail Service Quality Scale (RSQS) using 5 dimensions namely physical aspects, reliability, personal interaction, problem solving, and policy. The scale was viewed as a general model to measure service quality of retailers such as department and specialty stores. Philip and Hazlett (1997) instead proposed a hierarchical structure model called P-C-P for measuring service quality in service organizations. The authors adopted the scale of Webster and Hung (1994) one-to-five point scale from -2 to 2 and associated P-C-P model with SERVQUAL. The model was based on pivotal, core, and peripheral attributes.

Grönroos (1984) based his first service quality model on three service quality dimensions namely technical quality, functional quality, and corporate image Technical quality is about customer evaluations about the service and is interested in what was delivered. Functional quality refers how consumers take the service and is interested in how the service was delivered. Corporate image looks at the a positive impact on customer perceptions about the organization. Berry et al.,(1994) used The Service Quality Ring which showed ten lessons that improve the service quality (Berry et al., 1994). These lessons are listening,

reliability, basic service, service design, recovery, surprising customers, fair play, teamwork, employee research, and servant leadership. They claimed that these factors should be developed by service organizations to improve the service quality

For the purposes of this study, the SERVQUAL model by Parasuraman et al. (1990) was adopted. Service quality was measured on five dimensions; that is reliability, tangibles, responsiveness, assurance and empathy. Since the study focuses on the service industry, SERVQUAL model was more suitable because it provides the different dimensions of service quality. Tangibles refer to the appearance of the physical facilities of an organization such as equipment, personnel and communication materials Parasuraman et al. (1990). The authors further define reliability as the ability to perform the promises service dependably and accurately; responsiveness as the willingness to help customers; assurance as the knowledge and courtesy of employees and their ability to convey trust and confidence; and empathy as the provision of caring, individualized attention to customers, ease of access to employees and understanding customer needs.

Dabholkar et al. (1996) view SERVQUAL as more appropriate for “pure” service settings and not as applicable to the retail setting which they believe requires additional dimensions. Mehta *et al.* (2010) found the RSQS to be better suited to businesses in which there is a higher ratio of goods to service (i.e., a supermarket), whereas the SERVQUAL scale is better suited to businesses with the opposite ratio in which service is more important. Hotels being a purely service industry SERVQUAL is more relevant here.

### **1.1.2 Customer Satisfaction**

Customer satisfaction has attracted the attention of several authors who have defined it in different ways. According to Philip & Hazlett (2017) customer satisfaction is when the customer's perception that his or her expectations have been met or surpassed. If the product or service performance falls short of expectation, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted (Philip & Hazlett, 2017). However, Ekinci, Sirakaya-Turk and Preciado (2013) argue that customer satisfaction comes from the evaluation of service quality. Solomon (1994) defined customer

satisfaction as an overall feeling, or attitude, a person has about a product after it has been purchased. Customer satisfaction is typically defined as a post consumption evaluative judgment concerning a specific product or service (Gundersen, Heide & Olsson, 1996). Further, Kotler (2006) defines customer satisfaction as a 'person's feeling of pleasure or disappointment which resulted from comparing a product's perceived performance or outcome against his/her expectations. Like service quality, there are many definitions of customer satisfaction by different authors.

Customer satisfaction is often measured using two main scores namely Customer Satisfaction Score (CSAT) and Net Promoter Score (NPS). CSAT measures how products and services supplied by a company meet or surpass customer expectations. In the tool, a respondent expresses his/her satisfaction on a number of statement in terms of their perception and expectations on a score on a linear scale from either 1-3 or from 1-5 (Elegba & Adah, 2015). The Net Promoter Score (NPS) was also introduced by Reichheld, (2003) and it focuses on measuring long-term happiness for instance repeat purchase or customer loyalty. It does so by asking a respondent to score how likely they are to recommend the organization/product/service in question on a scale which ranges from 0-10.

CSAT is often used to measure short-term or immediate happiness of clients, NPS on the other hand focuses on measuring customers' long-term happiness thus customer loyalty. According to Aulia, Sukati & Sulaiman (2016), NPS is especially used and claimed to be a better predictor of customer behavior and strongly correlated with measures of company growth. However, the CSAT can be used to measure more than just one aspect of customer satisfaction. It can measure transaction specific satisfaction/immediate satisfaction, overall satisfaction(transaction cumulative)/ satisfaction using the product over time, attribute satisfaction, customer loyalty as well as repurchase intention (Elegba & Adah, 2015).

This study used CSAT to measure customer satisfaction in hotels because its components helps in its conceptualization, understanding and assessment across different domains and organizations (Elegba & Adah, 2015). It measures customers satisfaction quality of purchase or service experienced real time with a service provider. It's an easy way to close the loop on a customer interaction and determine whether or not it was effective in

producing customer happiness. CSAT also helps to tie customer satisfaction surveys to key moments in a customer's experience (Aulia, Sukati & Sulaiman, 2016).

For the purposes of this study therefore, customer satisfaction measurement reflected on transaction specific satisfaction, attribute satisfaction, customer loyalty as well as repurchase intention factors that are important to the hotel industry CSAT. Anderson and Fornell (2001) assert that there is no consensus among authors on how to measure customer satisfaction. Measurement of customer satisfaction should be a continuous process that translates what customers want (their needs and expectations) into strategic information that can be used by management in decision making (Lamb *et al.*, 2012).

### **1.1.3 Four Star and Five Star Hotels in Nairobi County**

The hotel industry highly contributes to the growth of Kenya's economy. The Restaurant and Hotel Act Cap 494 is in charge of licensing of Kenyan hotels and restaurants and also regulates the way hotels are operated in the country. The Act defines a hotel as a premise other than those specified in the third schedule on which accommodation is supplied or available for supply with or without food services in exchange for money.

The hotels are classified as per the Hotel and restaurant act using star ratings. No standardized way for rating hotels, but the most common system uses stars, ranging from one to five-star hotels. Star ratings are a way of classifying hotels based on standards upheld and amenities they contain. Higher star ratings of the Hotel indicates higher luxury. Hotels in Kenya are classified in star-rating system that includes 5-star the higher luxury, 4 –star Hotels, 3-star Hotels, 2-star Hotels and 1-star Hotels. The entity in charge of determining the conditions by which Hotels will be accountable and which will determine whether they receive one or five stars is the World Organization of Tourism (Johanna, 2010).

The current study focused on 4 and 5-stars hotels because these hotels offer a high degree of personal service, the hotel lobbies are luxurious and the rooms complete with stylish furnishing. They feature up to three restaurants all with exquisite menus. The hotels generally invest highly to ensure customer satisfaction. Customers pay a premium price so expectations are high but they still have a high number of complaints or low ratings even with the high investment. In the holiday seasons the hotels tend to have full booking,

however, in normal seasons the bookings may be low. As per the Kenyan Gazette Notice No. 3976 (Vol. CV- No. 62) there are currently thirty-eight four and five-star hotels in the country and fourteen of these are situated in Nairobi. The hotels have a bed capacity ranging from forty-six beds to seven hundred beds.

The hotel industry can be said to be highly service focused because through the experiences customers have in the hotel, they form opinions on the service provided against their expectations thus when a hotel offers high service quality standards this may result in high customer satisfaction ratings. Internationally, consumers are becoming much more discriminating and demanding and there is also increased competitive pressure in the hotel industry due to effects of globalization and due to the increased hotel services supply from emerging and mature tourist destinations (Kinyingi, 2018). According to Euromonitor international (2016), the Kenyan hotel industry will continue to witness exponential growth due to the steady growth in the local hotels and increasing penetration of international hotels.

Terrorist attacks have affected the Kenyan tourism industry negatively with the international market going down as they opt for safer destinations. In order to survive, hotels have had to rely on domestic clients or risk huge losses or closure. Therefore, maintaining high customer satisfaction has been the focus of many Kenyan hotels in order to remain relevant to both their international and domestic customers. (Kinyingi, 2018)

Service quality, customer satisfaction and loyalty in the hotel business are thus key components for establishing a long-term organizational relationship. Service quality and customer satisfaction have increasingly been identified as key factors in the battle for competitive differentiation to gain customer retention and customer loyalty (Hersh, 2010; Kadampully & Suhartanto, 2000; Su, 2004). Although this is important in all areas of the tourism and lodging industry, the fulfillment of customers' expectations for upscale luxury hotel services are essential to keep the customers satisfied and returning (Mohsin & Lockyer, 2010).

The hotel industry makes a significant contribution to the economic development of the Country. Motivated by increasing competitive pressures and challenging economic times, the Kenyan hotel industry has since 2000 embarked on a course of innovation in response

to the changing competitive landscape. Many hotels have been grasping surprising opportunities, responding to threats and outmaneuver their rivals to endure and succeed (Thompson, 2016). This study sought to establish the influence of service quality dimensions on customer satisfaction among four and five-star hotels in Nairobi County.

## **1.2 Statement of the Problem**

Hospitality industries are facing increasing competition day in day out (Gursoy & Swanger, 2016). Consequently, hotels are becoming more and more aware of the need to customize services and improve general service performance to match the requirements of the modern-day sophisticated customers. As customers' expectations are ever growing and ever changing, hotel service providers must find ways of inventing, developing and providing new and better service offers, better service delivery mechanisms. In the current highly competitive hospitality industry environment, it is not only essential to know the significance of service quality but to also identify suitable operational strategies that ought to be implemented to achieve desired service quality goals, (Kim & Mauborgne, 2016).

Hotels continually seek new ways to acquire, retain and increase business, because the cost of losing customers is rising. Assessing service quality is thus an important practice in order to retain customers; the role of service quality is more important than ever and is expected to become even more critical with time (Chu & Choi, 2011). Hotels that have the ability to attract, satisfy and thus retain customers are more likely to survive than hotels that do not do so. Successful customer satisfaction allows the hotel to build relationships with its customers. Bojanic and Rosen (2014) posit that competing firms often provide similar services and as their customers become aware of the dimensions of service quality, they increasingly become sensitive to prices and perceived value. Thus, hotels must continuously assess customers' perceptions of service quality to identify the dimensions that require emphasis and improvement.

Studies establishing the link between service quality and customer satisfaction however reveal inconsistencies. Previous researchers (Omar, 2015 ; Lee, Lee & Dewald, 2016; Pandey & Devasagayam, 2010; Rachman, 2017; Bahadur, Aziz & Zulfiqar, 2018) have used different constructs to measure service quality and customer satisfaction implying there is no consensus yet on this issue. Empirical studies on different industries

investigating the link between service quality and customer satisfaction have employed different service quality measurement scales; Rahhal (2015) in a study to evaluate the effects of service quality on customer satisfaction in Syrian Mobile Telecommunication Services, found a direct significant impact of service quality on customer satisfaction. While this study was in the telecommunication sector, the current study was conducted in four star and five-star hotels in Nairobi County. Kumar and Sikdar (2014) using RSQS in India found that RSQS model in original form is invalid in the Indian retail store environment. A four factor RSQS model excluding the 'Policy' dimension revealed reliable and valid results in Indian context. The current study however instead used SERVQUAL model in four star and five-star hotels in Nairobi County to investigate a similar relationship. Also these studies were done in developed markets whose social, economic and cultural contexts differ from Kenya's environment where the current study was focused.

Other global studies are by Farooqi and Banerji (2013), Mistri and Bhatt (2014) and Nhat and Hau (2017). Farooqi and Banerji (2013) who in the evaluation of RSQS in Big Bazaar Hypermarkets in city of Delhi (India) found that retail service quality is associated with future consumption behavior. The current study used SERVQUAL model in four star and five-star hotels in Nairobi County. Mistri and Bhatt (2014) found that physical aspects and personal interactions of the Retail Service Quality Scale (RSQS) model had a positive influence on customers' perceptions of the quality of service in Indian retail stores. Nhat and Hau (2017) using the RSQS scale concluded that service personnel has the highest impact on customer perception on retail service quality in Vietnam, whereas physical aspects has the lowest impact. While these studies used RSQS the current study used SERVQUAL model in four star and five-star hotels in Nairobi County. The RSQS is applicable in retail kind of businesses therefore not suitable for the hotel industry.

Locally, studies linking service quality and customer satisfaction are available through differ in terms of context and measurement. Kimani, Kagina, Kendi and Wawire (2011) in a study to determine shoppers' perceptions of supermarkets versus small convenience shops using SERVQUAL model in Kenya, found that tangibles, responsiveness and reliability had high influence on customer service in small shops whereas reliability,

responsiveness and empathy had high influence on satisfaction of customers of supermarkets in that order. This study focused on supermarkets and small convenience shops while the current study was conducted in four star and five-star hotels in Nairobi County. Also, Mutua (2013) on a study to determine the factors that influence customer satisfaction in supermarkets in Nakuru town using SERVQUAL model, concluded that customers are generally dissatisfied with the supermarket's responsiveness. Given that the two studies were conducted in the same country as the current one, the focused on the supermarket/ retail industry whereas the current one was conducted in four star and five-star hotels in Nairobi County.

A review of previous empirical studies on SERVQUAL shows that extensive research on service quality and customer satisfaction has been carried out using SERVQUAL model in service industries such as telecommunication, banking, health care and restaurants, whereas, limited studies have focused on Hospitality industry using SERVQUAL. This study therefore bridged this gap by complementing existing research on service quality dimensions and customer satisfaction in the hotel industry context using SERVQUAL model. This study therefore sought to establish the influence of service quality dimensions on customer satisfaction among four star and five-star hotels in Nairobi County

### **1.3 Objective of the Study**

#### **1.3.1 General Objective**

The general objective of the study was to establish the influence of service quality on customer satisfaction among hotels in Nairobi County

#### **1.3.2 Specific Objectives;**

The study was guided by the following specific objectives:

- i. To determine the effects of tangibility on customer satisfaction among hotels in Nairobi County.
- ii. To assess the effects of reliability on customer satisfaction among hotels in Nairobi County

- iii. To determine the effects of responsiveness on customer satisfaction among in Nairobi County
- iv. To determine the effects of assurance on customer satisfaction among hotels in Nairobi County
- v. To establish the effects of empathy on customer satisfaction among hotels in Nairobi County

#### **1.4 Research Questions**

The study sought to answer the following research questions

- i. What is the effect of tangibility on customer satisfaction among hotels in Nairobi County?
- ii. What is the effect of reliability on customer satisfaction among hotels in Nairobi County?
- iii. What is the effect of responsiveness on customer satisfaction among hotels in Nairobi County?
- iv. What is the effect of assurance on customer satisfaction among in Nairobi County?
- v. What is the effect of empathy on customer satisfaction among hotels in Nairobi County?

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

This study aimed to make contributions to policy, practice and research

To policy makers, the study provided information in designing policies that helped hotels in enhancing customer satisfaction through increased service quality. The policies guide hotel managers to adopt quality service dimensions to serve their customers better.

The study findings provide current perspectives on issues related to customer perceptions of services quality dimensions offered in hotels and on what customers currently deem as important in achieving high customer satisfaction. In terms of the practical value, the findings of this study assists hotels operations managers to formulate strategies for improved quality management to facilitate customer satisfaction through adoption of best

operational management practices which results in better performance of hotels and increased customer loyalty through customer satisfaction.

The findings of this study shed more light on the existing literature in the emerging field of hotels franchising focusing on service quality dimensions. Furthermore, the study is valuable to researchers in marketing, operations management and other related fields as it supports and adds on current issues on service quality and customer satisfaction to the existing body of knowledge. It also provides a basis upon which other related studies can be founded and even replicated. It also strengthens the empirical evidence that supports the tenants of the theories underpinning the study through the contributions made by the research findings.

### **1.6 Scope of Study**

The study was limited to investigating service quality and customer satisfaction using the five quality dimensions tangibility, reliability, responsiveness, assurance and empathy in four star and five-star hotels in Nairobi County. Nairobi County was specifically used in this research because of the high concentration of four and five star hotels as well as ease of access by the researcher. The target population of the study was the customers of 14 four star and five-star hotels in Nairobi County (Kenya Association of Hotel Keepers and Caterers, 2018). Questionnaires were the main instrument for data collection hence the study was quantitative in nature and the study was conducted between May 2019 and September 2019.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

This chapter portrays a review of the theoretical and empirical literature on effects of service quality and customer satisfaction. It is divided into five major sections namely, theoretical formulization, empirical review, knowledge gaps, conceptual framework and operationalization of variables

#### **2.2. Theoretical Foundation**

Theories are formulated to explain, predict, and understand phenomena and, in many cases, to challenge and extend existing knowledge within the limits of critical bounding assumptions. The study was based on Expectation Disconfirmation Theory (EDP) and Contrast Theory. However, the main theory supporting the study is Expectation Disconfirmation Theory (EDP)

##### **2.2.1. Expectation Disconfirmation Theory (EDP)**

Oliver (1977; 1980) proposed the Expectancy-Disconfirmation Theory (EDP) as the most promising theoretical framework for the assessment of customer satisfaction. The framework employed in the assessment of customer satisfaction with hospitality and tourism services. The model implies that consumers purchase goods and services with pre-purchase expectations about the anticipated performance. The expectation level then becomes a standard against which the product is judged. That is, once the product or service has been used, outcomes are compared against expectations. If the outcome matches the expectation confirmation occurs (Yi 1990). Disconfirmation occurs where there is a difference between expectations and outcomes. A customer is either satisfied or dissatisfied as a result of positive or negative difference between expectations and perceptions. Thus, when service performance is better than what the customer had initially expected, there is a positive disconfirmation between expectations and performance which results in satisfaction, while when service performance is as expected, there is a confirmation between expectations and perceptions which results in satisfaction (Kopalle & Lehmann,

2001). In contrast, when service performance is not as good as what the customer expected, there is a negative disconfirmation between expectations and perceptions which causes dissatisfaction (Boulding *et al.*, 1993).

This type of discrepancy theory has a long history in the satisfaction literature dating back at least to Howard's & Sheth's (1967) definition of satisfaction which states that it is a function of the degree of congruency between aspirations and perceived reality of experiences. Porter (1961) can be credited with early empirical applications of this comparative model of customer satisfaction in the field of job satisfaction (cf. Oliver, 1997). In his study, Porter (1961), for instance, compared the worker's perception of how much of a job facet (for example, pay) there should be to the worker's perception of how much is the facet.

Thus, in this theory, the customer's perception of overall satisfaction results from a comparison between expectation and outcome performance. Therefore, expectation and outcome performance are two important variables which can influence the judgment of satisfaction measure because customers' satisfaction is one of the curial factor to predict the customer purchase tendency. To investigate satisfaction toward the products is also a main topic in customer behavior research. Based on expectation disconfirmation theory, firm can increase satisfaction by increasing perceived product performance or decreasing expectation.

This theory is useful to the current study as it informs how service quality expectations from a customer's point of view affect's customer satisfaction with the service. This theory explains customer behavior as they use the expectations they come in with to judge the quality of the service experienced which forms their perception This can therefore help guide the 4 and 5 star hotels better understand the importance in the delivery of their services in order maximize customer satisfaction.

### **2.2.2. Contrast Theory**

Contrast theory was first introduced by Hovland, Harvey and Sherif (1987). Dawes et al. (1972) defines contrast theory as the tendency to magnify the discrepancy between one's own attitudes and the attitudes represented by opinion statements. According to the theory,

when actual product performance falls short of consumer's expectations about the product, the contrast between the expectation and outcome will cause the consumer to exaggerate the disparity (Yi, 1990). The Contrast theory maintains that a customer who receives a product less valuable than expected, will magnify the difference between the products received and the product expected (Cardozzo, 1965). This theory predicts that product performance below expectations will be rated poorer than it is in reality (Oliver & DeSarbo, 1988). In other words, the Contrast Theory would assume that "outcomes deviating from expectations will cause the subject to favorably or unfavorably react to the disconfirmation experience in that a negative disconfirmation is believed to result in a poor product evaluation, whereas positive disconfirmation should cause the product to be highly appraised.

While the theory of assimilation asserts that the consumers will try to minimize the expectation-performance discrepancy, the theory of contrast insists on a surprise effect that can lead to exaggerating the discrepancy. From the theory, any discrepancy of experience from expectations will be exaggerated in the direction of discrepancy. If the firm raises expectations in his advertising, and then a customer's experience is only slightly less than that promised, the product/service would be rejected as totally un-satisfactory. Conversely, under-promising in advertising and over-delivering will cause positive disconfirmation also to be exaggerated.

This theory is useful to the current study as it helps to explain the resulting customer satisfaction with a service whereby customers provide a rating on the level of their satisfaction from highly satisfied to highly dissatisfied. This therefore helped the 4- and 5- star hotels understand any major disparity in the customer satisfaction reviews given by clients who experienced their products and services.

### **2.3. Empirical Review**

This section reviews studies carried out by other researchers on service quality and customer satisfaction. The review was center on studies that authors have conducted on the relationship between a few or all service quality dimensions and customer satisfaction.

### **2.3.1 Service Quality and Customer Satisfaction**

In 1988, Parasuraman, Zeithaml, and Berry had conducted an empirical study to measure the service quality towards the customers' perceptions by using the ten dimensions as a basic structure. The results indicated that some variables in these ten dimensions were overlapped with each other. In the ten elements of service quality, tangibility, reliability and responsiveness remain constant while the remaining seven determinants were categorized into the last two dimensions which are assurance and empathy (Parasuraman et al., 1988).

As a result, there are five service quality dimensions in the modified version of SERVQUAL model that affect customers' satisfaction and thus brand image: Tangibility is related to the physical environment, facilities and the employees' appearance. Reliability is the ability to carry out the services consistently and accurately. Responsiveness is the willingness of the employees in helping the customer to solve the problem. Assurance is the adequate knowledge that the employees possess and the ability of the employees in entrusting the confidence. Empathy is associated with the organization provide the caring and individualized attention to their customers. Buttle (1996) mentioned that SERVQUAL model is been used widely in measuring customers' perceptions towards various types of services.

Al-Azzam (2015) studied the impact of service quality on customer satisfaction: a field study of Arab Bank in Irbid City, Jordan. The study used the model of service quality with five dimensions to evaluate its effect on the customer satisfaction. The results indicated that the higher the service quality, the more the customer's satisfaction. The findings also indicated that the five factors of service quality positively affected the customer satisfaction. This study was conducted in the banking industry whose customers differ in the social, economic and cultural elements from the customers that the current study that was conducted on in the four star and five-star hotels in Nairobi County.

Rahhal (2015) evaluated the effects of service quality on customer satisfaction: an empirical investigation in Syrian Mobile Telecommunication Services. Convenience sampling was used to select 600 mobile phone service users and was distributed among the

Damascus and Aleppo. Confirmatory factor analysis was used in the analysis. The findings of the study showed the direct significant impact of service quality on customer satisfaction. This study was conducted in the Syria, while the current study was conducted in Kenya, specifically Nairobi County, that has economic, social, political and cultural differences to Kenya.

Olatokun and Ojo (2014) did a study on the influence of service quality on consumers' satisfaction with mobile telecommunication services in Nigeria. Using survey design, the study assessed customer satisfaction with mobile telecommunication services in Ibadan, a Nigerian municipality. A structured questionnaire, consisting of SERVQUAL dimensions of reliability, responsiveness, assurance, empathy and tangibility, was used to collect data. Convenience sampling technique was used to select 431 mobile telecommunication users to measure their satisfaction level. Findings revealed Responsiveness, Assurance and Empathy to be significant in explaining customer satisfaction. The findings may further strengthen the position of the regulatory authorities in developing policies that will address customers' satisfaction based on defined priorities. This study was conducted in mobile telecommunication services while the current study was conducted in four star and five-star hotels.

Aliata (2016) carried out a study on the relationship between service quality and customer satisfaction of commercial bank customers, Nairobi Kenya. A sample of 384 was drawn using proportionate stratified random sampling technique to constitute 242 Retail, 81 Business and 61 corporate customers. The results revealed that service quality significantly contributed to customer satisfaction at ( $\beta=.488$ ,  $p$  less than .05). This study failed to establish the effects of service quality on customer satisfaction in four star and five-star hotels in Nairobi, Kenya which is the focus of the current study. Although this study was conducted among commercial bank customers in Nairobi Kenya, the current study was conducted among four star and five-star hotels in Nairobi County.

### **2.3.2 Tangibles and Customer Satisfaction**

This section looks at the relationship between tangibles and their effect on customer satisfaction across different conceptual and contextual research works explored by other authors across different geographical regions and industrial sectors.

Tamwatin, Trimetsoontorn and Fongsuwan (2015) studied the effect of tangible and intangible service quality on customer satisfaction and customer loyalty in Siam Kempinski Hotel in Bangkok, Thailand. A self-selection sampling technique was used to select the sample by sending the questionnaires to the guests who stayed at the hotel, out of which 425 guests returned the completed questionnaires. Structural equation modelling (SEM) was used to analyze the collected data. Findings confirmed that tangibles and intangible services influence customer satisfaction significantly and all these jointly influence customer loyalty. This study though similar in the industry focused on, was conducted in Thailand whereas the current one was conducted in a different country that is, in four star and five-star hotels in Nairobi, Kenya.

Lee, Lee & Dewald (2016) carried out a study on measuring the customers' perception of tangible service quality in the restaurant industry. The purpose of the study was to investigate the relative importance of tangible service attributes toward diners' satisfaction within the upscale dining segment. A total of 29 tangible service attributes were identified. Through the exploratory factor analysis (EFA), five underlying dimensions of tangible service attributes were first delineated: presentation value, table aesthetics, sensory perceptions, hygiene purity, and vehicle convenience. The results indicated a statistically significant causal relationship between tangible service factors and the diners' satisfaction exists within the upscale dining segment. This study only focused on tangible service quality, the current study focused on tangibles, reliability, responsiveness, assurance and service empathy SERVQUAL dimensions.

Santos (2002) studied the intangibility to tangibility on service quality perceptions: a comparison study between consumers and service providers in four service industries. The study investigated the importance of tangibles and intangibles in perceptions of service quality as assessed by both customers and service providers. The study was conducted in

four service industries to reflect a range from high to low levels of tangible components and degree of intangibility in both service process and output. Results showed that the level of tangible components has a positive impact on the perceived importance of the tangible dimension in service quality. This study focused on consumers and providers across four service industries while the current study focused only on consumers in four star and five-star hotels in Nairobi, Kenya.

Alsaqre (2011) carried out a study on the effects of tangible and intangible factors on customers' perceived service quality and loyalty in Hotel Industry in Al-Ladhiqiyah, Syria. The study investigated the effects of both tangible and intangible aspects of service quality at hotels on both customers' overall perception of service quality and loyalty. Data were collected from 209 respondents who were guests at some hotels at Al-Ladhiqiyah, a Syrian coastal city. The instrument used for data collection was a questionnaire. This study showed that design of the hotels, the equipment at hotels and the ambient conditions at hotels had their effects on customers' overall perceptions of service quality. The results also showed that only intangible factors of empathy and assurance had their significant influence on customers' overall perception of service quality. In addition, the results indicated that empathy, assurance and reliability had a high significant influence on customers' loyalty. This study was conducted in Syria while the current study was conducted in four star and five-star hotel in Kenya.

Sureshbabu (2014) undertook a study on customer satisfaction on tangibility of banking services in Thanjavur City. Filled questionnaires were received from 116 sample of banking customers and statistical results of the study revealed that level of satisfaction varies with the respect to type of bank, frequency of visit and years of dealing for few factors of tangibility aspects of banking only. This study focused on banking customers in Thanjavur City, while the current one focused on hotel customers in four star and five-star hotels in Nairobi, Kenya.

### **2.3.2. Reliability and Customer Satisfaction**

This section looks at the relationship between reliability and its effect on customer satisfaction across different conceptual and contextual research works explored by other authors across different geographical regions and industrial sectors

Omar (2015) carried out a study on determining the influence of the reliability of service quality on customer satisfaction: the case of Libyan E-Commerce customers. The primary purpose of the study was to determine the influence of reliability dimension of E-commerce on Libyan customers satisfaction. Required data was collected through customers' survey. The findings show that there is a very strong relationship between quality of service (Reliability) and customer satisfaction. Based on the conclusion made, Reliability E-commerce business was representing the ability of the web site to fulfill orders correctly, deliver promptly, and keep personal information secure. This study focused on Libyan E-Commerce customers while the current one focused on hotel customers in four star and five-star hotels in Nairobi, Kenya.

Gagnon and Roh (2008) evaluated the impact of customization and reliability on customer satisfaction in the U.S. Lodging Industry. The study examined the relationship between customers' perceptions of reliability, customization, overall quality, and customer satisfaction in the US lodging market. The American Customer Satisfaction Index (ACSI) provided the secondary data for the research. The results provided evidence that US hotel guests were satisfied with the overall quality of their hotel experiences and that overall quality, customization, and reliability all have significant, positive impacts on customer satisfaction. This study was conducted in the United States of America which is a developed economy compared to the current study that focused in Nairobi, Kenya which is a developing country.

Galetzka, Verhoeven and Pruyn (2006) did a study on service validity and service reliability of search, experience and credence services, a scenario study. Service validity and service reliability were manipulated in scenarios describing service encounters with different types of services. Customer satisfaction was measured using questionnaires. It was established that Service validity and service reliability independently affect customer

satisfaction with search services. For experience services, service validity and service reliability are necessary conditions for customer satisfaction. For credence services, no effects of service validity were found but the effects of service reliability on customers' satisfaction were profound. This study focused on credence services while the current one focused on four star and five-star hotels in Nairobi, Kenya.

Pisnik and Snoj (2010) carried out a study on the development, validity and reliability of perceived service quality in retail banking and its relationship with perceived value and customer satisfaction. The purpose of the study was first to validate the perceived retail banking service scale in the case of a small transitional economy of Europe, and second to re-search service quality-customer satisfaction relationship and the role of perceived value within it. The study established that the perceived value variable has a potential to be mediating variable between perceived quality and customer satisfaction relationship in retail banking settings. This study was conducted in the banking industry while the current study was conducted in four star and five-star hotels in Nairobi County.

### **2.3.3 Responsiveness and Customer Satisfaction**

This section looks at the relationship between responsiveness and its effect on customer satisfaction across different conceptual and contextual research works explored by other authors across different geographical regions and industrial sectors

Pandey and Devasagayam (2010) undertook a study on responsiveness as antecedent of satisfaction and referrals in financial services marketing. It was a detailed study of a multinational bank operating in the emergent economy of India with a random national sample of over 9000 of their customers. The study provided empirical evidence suggesting that responsiveness to customer enquiries and complaints might be a strong driver of customer satisfaction, irrespective of the outcome of the resolution process. The study found that responsiveness supersedes a positive outcome in service provider-customer conflict resolution. This study was conducted in India whose political, social, economic and cultural aspects differ from the current study that was focused in Nairobi, Kenya.

Iberahim (2016) did a study on customer satisfaction on reliability and responsiveness of self-service technology for retail banking services. The purpose of this study was to

examine the current level of ATMs service quality at one of the main ATM service points of a Malaysian bank. The objective of the study was to investigate the relationship between the reliability and responsiveness of ATM services with customer satisfaction and verify the determinants for service enhancement. Data was collected through questionnaire survey of 271 respondents and observations at the service point. Data was analyzed using SPSS. Result of survey suggests the relationships of three out of four elements of service quality dimensions (consistency, dependability and timeliness) are important to maximizing customer satisfaction. This study mainly focused on customer satisfaction while the current study focused on service quality and customer satisfaction.

#### **2.3.4. Assurance and Customer Satisfaction**

This section looks at the relationship between assurance and its effect on customer satisfaction across different conceptual and contextual research works explored by other authors across different geographical regions and industrial sectors

Rachman (2017) undertook a study analyzing the effect of physical evidence and service assurance on customer satisfaction and customer loyalty in using car rental service (PT Pusaka Prima Transport Cases). The method used in this research was descriptive analysis method, using multiple regression, and tools questionnaire given to 107 consumers PT Pusaka Prima Transport. The results showed that the four variables had a significant influence in the amount of 42.99% for physical evidence to customer satisfaction, 18.40% for the guarantee of service to customer satisfaction, and 64.8% for customer satisfaction to customer loyalty. This study was conducted in the transport sector while the current study was conducted in four star and five-star hotels in Nairobi County.

Park, Bhatnaga & Rao (2014) carried out a study on assurance seals, on-line customer satisfaction and repurchase intention. The study explored how third-party assurance seals, a privacy service provided by vendors to mitigate customers' fears, have an impact on on-line customer satisfaction and repeat-purchase intention. The study showed, first, that seals provide a frame such that a consumer's overall satisfaction and repeat-purchase intention would be higher when vendors provide assurance seals than when they do not. Second, applying the concept of diminishing sensitivity, it showed that consumers would be

subjectively less sensitive to service performance of vendors who provide seals than vendors who do not provide seals. This study focused on how the different ways customer fears are mitigated impact customer satisfaction while the current study focused on how service quality dimensions influence customer satisfaction.

### **2.3.5. Empathy and Customer Satisfaction**

This section looks at the relationship between empathy and its effect on customer satisfaction across different conceptual and contextual research works explored by other authors across different geographical regions and industrial sectors

Ye, Dong and Lee (2017) conducted a study on long-term impact of service empathy and responsiveness on customer satisfaction and profitability: a longitudinal investigation in a healthcare context. Using 24 quarters of longitudinal patient satisfaction data and archival financial data from 25 clinical units in a large healthcare organization, the study examined how empathy and responsiveness influence profitability over time. The findings showed that downgrading empathy and responsiveness allows firms to lower costs, resulting in immediate productivity benefits; however, this strategy had an enduring negative effect on customer satisfaction and ultimately hurts profitability in the long run. This study was conducted in the health industry while the current study was conducted in four star and five-star hotels in Nairobi County.

Bahadur, Aziz and Zulfiqar (2018) studied the effect of employee empathy on customer satisfaction and loyalty during employee–customer interactions: The mediating role of customer affective commitment and perceived service quality. The study investigated the indirect effect of employee empathy (EE) on customer loyalty (CL) and loyalty outcomes through intervening variables, i.e. customer affective commitment, perceived service quality, and customer satisfaction (CS). Associations between the constructs of the proposed model were examined in the context of employee–customer interactions. Data were collected through the online survey from 360 useable responses collected from active users of telecommunication services from the province of Anhui, China. To test the model, structural equation modeling was applied by using AMOS 21. The findings confirmed the positive and indirect effect of EE on CL and loyalty outcomes (i.e. positive word-of-mouth

and repurchase intentions). This study was conducted in China which is a developed economy compared to the current study that focused on Nairobi, Kenya which is a developing country.

#### **2.4. Summary of Knowledge Gaps**

From the above empirical literature review the study identifies conceptual, empirical and contextual knowledge gaps. Conceptually, prior studies have mainly used one or two service quality dimensions and studied their relationship with customer satisfaction (Omar, 2015 ; Lee, Lee & Dewald, 2016; Pandey & Devasagayam, 2010; Rachman, 2017; Bahadur, Aziz & Zulfiqar, 2018). Empirically prior studies also yield different results. Some authors found that 3 out of the five dimensions had a the most influence on customer satisfaction while other authors who only focused on one dimensions found a positive relationship e.g Olakutan and Ojo (2016) and Omar (2015) . This implies that this relationship still presents mixed findings warranting further research. The current study instead employed all five service quality dimensions to establish their relationship with customer satisfaction.

Contextually, prior studies (e.g Gagnon and Roh, 2008; Alsaqre, 2011) were conducted in different environments/ countries that have both social, economic and cultural differences from where the current study will take place since market dynamics in developing markets like Kenya differ significantly, that is, how customers perceive quality of a service in Kenya may differ from how it is perceived in developed markets.

Additionally majority of prior studies were conducted in sectors such as e-commerce (Omar ,2015), banking (Aliata, 2016), restaurant (Lee, Lee and Dewald, 2016), telecommunication (Rahhal, 2015), transport (Rachman,2017) and healthcare (Ye, Dong and Lee, 2017) suggesting that hotel industry requires more research to be done. This is because the service offering and the customer profiles for the hotel industry differ from the industries mentioned.

Arising from these conceptual, empirical and contextual knowledge gaps, this study sought to address them by investigating the influence of service quality dimensions on customer satisfaction among four star and five-star hotels in Nairobi County.

**Table 2.1: Knowledge Gaps**

<b>Author</b>	<b>Focus of the study</b>	<b>Methodology</b>	<b>Findings</b>	<b>Research gap</b>
Al-Azzam (2015)	Impact of service quality on customer satisfaction: a field study of Arab Bank in Irbid City, Jordan	The study used the model of service quality with five dimensions to evaluate its effect on the customer satisfaction.	The results indicated that the higher the service quality, the more the customer's satisfaction.	This study was conducted in the banking industry whose customers differ in the social, economic and cultural elements from the customers that the current study that was conducted on in the four star and five-star hotels in Nairobi County
Santos (2002)	Evaluation on intangibility to tangibility on service quality perceptions: a comparison study between consumers and service providers in four service industries.	The study was conducted in four service industries to reflect a range from high to low levels of tangible components and degree of intangibility in both service process and output.	Results showed that the level of tangible components has a positive impact on the perceived importance of the tangible dimension in service quality.	This study focused on consumers and providers across four service industries while the current study focused only on consumers in four star and five-star hotels in Nairobi, Kenya.
Omar (2015)	Determining the influence of	Required data was collected	The findings show that there is	This study focused on

	the reliability of service quality on customer satisfaction: the case of Libyan E-Commerce customers.	through customers' survey.	a very strong relationship between quality of service (Reliability) and customer satisfaction.	Libyan E-Commerce customers while the current one focused on hotel customers in four star and five-star hotels in Nairobi, Kenya.
Pandey and Devasagayam (2010)	Responsiveness as antecedent of satisfaction and referrals in financial services marketing.	It was a detailed study of a multinational bank operating in the emergent economy of India with a random national sample of over 9000 of their customers.	The study found that responsiveness supersedes a positive outcome in service provider-customer conflict resolution.	This study was conducted in India whose political, social, economic and cultural aspects differ from the current study that was focused in Nairobi, Kenya.
Park, Bhatnaga & Rao (2014)	Assurance seals, on-line customer satisfaction and repurchase intention.	The study adopted a survey research method	Seals provide a frame such that a consumer's overall satisfaction and repeat-purchase intention would be higher when vendors provide assurance seals than when they do not.	This study focused on how the different ways customer fears are mitigated impact customer satisfaction while the current study focused on how service quality dimensions influence

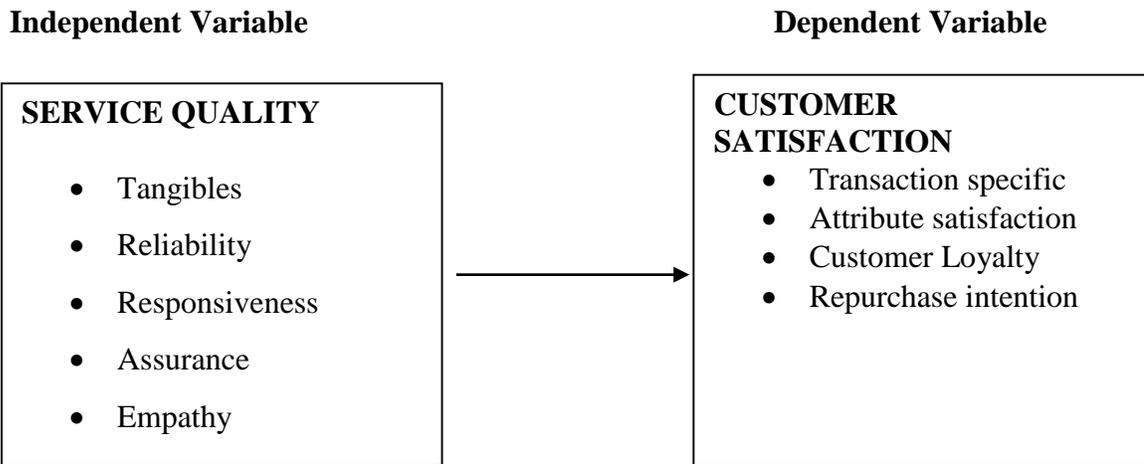
				customer satisfaction.
Ye, Dong and Lee (2017)	long-term impact of service empathy and responsiveness on customer satisfaction and profitability: a longitudinal investigation in a healthcare context	The study made use of 24 quarters of longitudinal patient satisfaction data and archival financial data from 25 clinical units in a large healthcare organization	Downgrading empathy and responsiveness allows firms to lower costs, resulting in immediate productivity benefits	This study was conducted in the health industry while the current study was conducted in four star and five-star hotels in Nairobi County.

**Source: Author (2019)**

## 2.5. Conceptual Framework

The conceptual framework of this study was developed based on the theoretical underpinnings of the study as well as the theoretical models on assessing service quality in service-based industry. According to the SERVQUAL model, service quality in a service-based firm is measured by five dimensions of namely assurance, reliability, quality of tangibles, empathy and responsiveness. Based on the above arguments, the conceptual model in Fig 2.1 is formulated.

**Figure 2.1: Conceptual Framework**



Source: Author (2019)

### 2.6. Operationalization of study variables

This section is a table representation on operationalization of variables. Operationalization refers to how variables are defined and measured as used in the study.

**Table 2.2: Operationalization of study variables**

Independent variables (Service Quality)	Operational ability	Measurement	Supporting Literature
<b>Tangibles</b>	Up-to-date equipment	Likert scale where; 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree	(Awara & Anyadighibe, 2014)
	Visually appealing facilities		
	Employees well-dressed/neat		
	Facilities consistent with the industry		
<b>Reliability</b>	Response within timeframe	Likert scale where; 1-strongly disagree, 2-disagree, 3-	(Rahman <i>et. al.</i> , 2014).
	Reassuring when problems arise		

	Dependable	moderate, 4-agree, 5-strongly agree	
	Service delivered at times promised		
	Accurate records		
<b>Responsiveness</b>	Employees were helpful in informing customer when service will occur	Likert scale where; 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree	(Rauch <i>et.al.</i> , 2015)
	Employees were willing to help		
	Employees respond to requests		
	Prompt service delivery by staff		
<b>Assurance</b>	Trustworthy employees	Likert scale where; 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree	(Awara & Anyadighibe, 2014)
	Customers safety		
	Politeness of employees		
	Employees have support to do their job well		
<b>Empathy</b>	Individualized attention by hotel	Likert scale where; 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree	(Rauch <i>et.al.</i> , 2015)
	Individualized attention by employees		
	Employees understand customer needs		

	Best interest of customer in mind by employees		
	Convenient operation hours		
<b>Dependent Variable (Customer Satisfaction)</b>	<b>Operational ability</b>	<b>Measurement</b>	<b>Supporting Literature</b>
Transaction specific	How satisfied were you with the service offered?	Likert scale where; 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree	(Elegba & Adah, 2015)
Customer Loyalty (Affective, Behavioral)	Would you recommend the hotel to your family and friends?		
Attribute Satisfaction Measurement (Affective and Cognitive)	Did the hotel meet you perceived expectations?		
Repurchase (Behavioral Measures)	Do you intend to return to the hotel the next time you travel?		

**Source: Author (2019)**

## 2.7. Chapter Summary

This section has reviewed the theories adopted in explaining service quality and customer satisfaction. These include; the contrast theory and the Expectancy-Disconfirmation Theory. The empirical literature in line with study objectives tangibles, reliability, responsiveness, assurance, and empathy and customer satisfaction has also been discussed while identifying the research gaps. Then the conceptual framework which shows the

relationship between the study variables has also been review and finally the operationalization of the study variables.



# CHAPTER THREE

## RESEARCH METHODOLOGY

### 3.1 Introduction

This chapter presents the methodology of research. The chapter covers the research design, target population, the sample frame, sample and sampling techniques. In addition, the chapter also identified the data collection instruments utilized for data collection, the data collection procedure, pilot testing, validity and reliability of the research instrument, data analysis and presentation.

### 3.2 Research Design

The research design facilitates the framework of the various research operations, thereby making research as efficient as possible hence yielding maximum information with minimal expenditure of effort, time and money (Mugenda, 2008). This study used a descriptive research design specifically cross-sectional survey. This type of research design focuses on explaining the aspects of the study in a detailed manner. A researcher starts with a general idea and uses this research as a medium to identify issues, that can be the focus for future research. The purpose of explanatory research is to increase the understanding on a certain subject. It also explains why events occur to build, elaborate, extend or test theory (Creswell, 2013).

Explanatory research is interested in understanding, explaining, predicting and controlling relationships between variables than in detecting causes. Explanatory studies go beyond description and attempts to explain the reasons for the phenomenon that the descriptive study only observed (Yin, 2013). The study sought to be explanatory in nature because it increases understanding between common people, or other researchers among the topic that is investigated. Zikmund, Babin, Carr and Griffin (2012) recommended explanatory research design because it is associated with greater levels of internal validity due to systematic selection of subjects.

### 3.3 Population of Study

Target population is the entire set of units for which the study data are to be used to make inferences; the target population thus defines those units for which the findings of the study are meant to generalize (Sarason, 2013). A population includes all elements that meet certain criteria for inclusion in a research study. It is the entire set of individuals or objects sharing some common characteristics as defined by the sampling criteria established for the study (Burns & Grove, 2013). McLeod (2014) note that a research population is generally a large collection of individuals or objects that is the focus of a scientific query. It is for the benefit of the population that researches are done. The unit of observation was the four star and five-star hotels while the unit of analysis was the customers at the four star and five-star hotels. There were 14 four star and five-star hotels in Nairobi County as at Dec 2018 (Kenya Association of Hotel Keepers and Caterers, 2018). All 14 hotels were selected to participate in the study. According to Kenya Association of Hotel Keepers and Caterers, (2018), these hotels in 2018 were estimated to have 10,000 customers and a sample of these was selected.

### 3.4 Sample Size and Sampling Technique

Yin (2013) explains that sampling is the procedure of selecting a representative of the total population as much as possible in order to produce a miniature (small) cross section. Kothari (2010) defines a sample as a small proportion of a target population selected for analysis. The study used the Krejcie and Morgan (1970) formula to arrive at the sample size.

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

Where n= the required sample size

N = is the Target Population (172)

e = accuracy level required. Standard error = 5%

$$n = 10,000 / 1 + (10,000-1)0.05^2; n = 385 \text{ respondents.}$$

The study therefore targeted a total of 385 respondents distributed equally between 4- and 5-star hotels as 193 and 193 respondents, respectively. This is because there is an equal distribution of 7 hotels each between the four- and five-star hotels.

Convenience sampling method was adopted in the selection of the respondents. According to Kothari (2010) convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher. In convenience sampling, the first available primary data source is used for the research without additional requirements. This sampling method involves getting participants wherever the researcher can find them and typically wherever is convenient. In convenience sampling no inclusion criteria identified prior to the selection of subjects. All subjects are invited to participate (Saunders, Lewis & Thornhill, 2012). This method enables the study to achieve the sample size it targets in a relatively fast and inexpensive way. This method was adopted to select the customers.

The researcher presented the letter from Strathmore Business School indicating the ongoing research and get approval from the hotel management staff first before politely approaching their clients to participate in the questionnaire. The researcher approached the clients checking out or the ones relaxing at the reception lounge area. The researcher explained to the hotels clients what the study's aims to do, how confidentiality was to be maintained and then sought consent before giving them the questionnaire to fill.

### **3.5 Data Collection Methods and Instruments**

Primary data was collected from respondents using a semi structured questionnaire in which most questions were closed; however, there were a few open-ended questions to generate further insights on the quality of service offered by the hotel. The questionnaires given were self-administered using a fill and wait approach for the respondents who were customers at the hotel premises at the time of data collection. For example, as they customers check out when the researcher is at the premises. Research assistants were trained for the purpose of data collection. The questionnaire was divided into six sections each following the 5 service quality dimensions yielding the 22 SERVQUAL statements. The researcher also employed a five-point likert scale on each of the 22 SERVQUAL

statements (Parasuraman, Zeithaml & Berry, 1990). The sections also included the CSAT questions to directly measure the effect of each service quality dimension on customer satisfaction using a five-point likert scale as well.

Some of the advantages of using questionnaires for data collection are that the researcher had the opportunity to personally introduce the study to the respondents and explain to them the intentions of the study, and also to clarify to the respondents any issues that arose during the study.

According to Sekaran (2003) data collection instrument is the means by which information is obtained from the selected subject under investigation. The study collected primary data using questionnaires. According to Babbie (2009), questionnaires are used for data collection because of their simplicity in the administration and scoring of items as well as data analysis. The questionnaire had seven sections. These include demographic information, questions on tangibles, reliability, responsiveness, empathy and customer satisfaction.

### **3.6 Research Quality**

#### **3.6.1 Validity Test**

Validity is the degree to which an instrument measures the construct under investigation. For a data collection instrument to be considered valid, the content selected and included must be relevant to the need or gap established (Liaw & Goh, 2002) stated that a pilot study is not compulsory in research design, but is a normal practice before an actual study. There are different methods of measuring validity. Face validity is the degree to which a test seems to measure what it reports to measure. Construct validity defines how well a test or experiment measures up to its claims. It refers to the degree to which an assessment instrument is relevant to, and representative of the targeted construct it is designed to measure (Liaw & Goh, 2002) stated that a pilot study is not compulsory in research design, but it is a normal practice before an actual study. In this study content validity was used to determine the validity of the research instrument. Before the actual study, the instrument was discussed with lecturers in the field under study. The feedback from the lecturers and the experts assisted in modifying the instrument prior to data collection.

### **3.6.2 Reliability Test**

According to Mugenda a (2008) reliability is a measure of the degree to which research instruments yields consistent results or data after repeated Trials. The test-retest method was adopted in the study. Reliability of the questionnaire was evaluated using Cronbach's Alpha which measures the internal consistency. The value of the alpha coefficient ranges from 0-1 and may be used to describe the reliability of factors extracted from dichotomous and or multi-point formatted questionnaires or scales. A higher value shows a more reliable generated scale. Cooper and Schindler (2008) have indicated 0.7 to be an acceptable reliability coefficient therefore the study used 0.7 as the cutoff point. The reliability results are presented in chapter four, section 4.3.

### **3.7 Data Analysis**

Once all the questionnaires were received from the field, the researcher embarked on data editing, coding and analysis.

When it comes to data editing, the researcher checked for completeness, accuracy, consistency of data by arranging the data in a systematic manner. The filled questionnaires were checked for completeness at two levels where the data collectors verified that questionnaires were complete before they are taken to the researcher to do the final verification. This was done to ensure that any anomalies detected were corrected immediately before the questionnaires were collected from the respondent. Spelling and grammatical mistakes were also corrected. With editing the data, the researcher made sure that all responses were very clear to understand. Bringing clarity is important otherwise the researcher can draw wrong inferences from the data.

Data coding refers to the process of transforming collected information or observations to a set of meaningful, cohesive categories. It is a process of summarizing and re-presenting data in order to provide a systematic account of the recorded or observed phenomenon. The questionnaire had both closed and open questions. The responses from the closed questions were assigned numerical numbers which were entered into the SPSS software in preparation for analysis. The researcher generated themes for the responses from the open-ended questions and grouped the responses that are similar.

Data was entered numerically into an SPSS software data matrix and this process was automated in a computer-assisted system. The researcher imported an ASCII file and named the variables/column headings or, creates variables/column headings and then data in each case was entered.

### 3.7.1 Data Analysis and Presentation

Data analysis was guided by the research objectives presented. The data collected from the field was analyzed using statistical package for social sciences (SPSS) 23 program. All questionnaires received were referenced and items in the questionnaire coded to facilitate data entry. Quantitative data collected were analysed using descriptive and inferential statistics using SPSS (version 23). Descriptive statistical analysis was performed by computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions to communicate research findings. Descriptive statistics were presented through percentages, means, standard deviations and frequencies. The information was displayed by use of bar charts, graphs and pie charts.

Inferential statistics included performing correlation and regression analysis to examine the effect of service quality on customer satisfaction among hotels in Nairobi County. Pearson R correlation was used to measure strength and the direction of linear relationship between variables. Correlation value of 0 showed that there is no relationship between the dependent and the independent variables. On the other hand, a correlation of  $\pm 1.0$  means that there is a perfect positive or negative relationship (Hair *et al.*, 2010). The values were interpreted between 0 (no relationship) and 1.0 (perfect relationship). The relationship was considered weak when  $r = \pm 0.1$  to  $\pm 0.29$ , while the relationship was considered moderate when  $r = \pm 0.3$  to  $\pm 0.49$ , and when  $r = \pm 0.5$  and above, the relationship was considered strong.

The study adopted multiple regression models at 5% level of significance to examine direct and indirect relationship between the study variables. The regression model was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon,$$

**Where;** Y= Customer satisfaction,  $\beta_0$ = constant (coefficient of intercept),  $X_1$ = Tangibles;  $X_2$ = Reliability;  $X_3$ = Responsiveness;  $X_4$ = Empathy;  $\epsilon$  = error term;

This study used regression analysis. The data was however checked for violations of assumptions of normality and linearity, multicollinearity, heteroscedasticity and independence.

### **3.8. Ethical Considerations**

The researcher sought for and was granted ethical approval for the study by the Strathmore Ethics Review Board. A research permit was also obtained from National Commission for Science Technology and Innovation (NACOSTI) and this granted permission to collect data. An introduction letter was obtained from Strathmore University that helped in introducing the study to the respondents. The respondents who were willing to participate in the study were provided with a consent form to sign that clearly stated that participation in the study is purely voluntary and no one was coerced to take part. To ensure anonymity the name of the respondents did not appear anywhere in the research instrument. The respondents were also informed that the study is purely academic and that their information was to be kept confidential. The researcher encouraged the respondents to respond to the questionnaire truthfully, honestly and in an unbiased fashion without any fear that their responses would put them in any physical or psychological harm.

### **3.9. Chapter Summary**

This chapter looked at the methodology of research that the researcher undertook. The researcher used an explanatory research design with the 10,000 clients from the fourteen 4 and 5 star hotels in Nairobi for which a sample size of 385 clients was obtained using the Krejcie and Morgan (1970) formula. Convenience sampling was employed by the researcher to select the respondents. Primary data was collected from the respondents using a semi structured questionnaire using a fill and wait approach. The data collected from the field was analyzed using statistical package for social sciences (SPSS) 23 program.

## CHAPTER 4

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

Data analysis, presentation, interpretation, and discussion of findings obtained from data collection are discussed in this chapter. This chapter also presents background information of the respondents and findings of the analysis based on study objectives. To discuss the study findings descriptive and inferential statistics were applied.

#### 4.2 Response Rate

The study selected a sample of 385 respondents from 4- and 5-star hotels. All respondents selected for the study were issued with questionnaires, but the researcher was able to receive back 320 questionnaires having been dully filled. Returned questionnaires translated to a response rate of 83.12%. According to Mugenda and Mugenda (2003), a response rate of 50% and above is adequate and can be used for analysis and reporting, that of 60% and above is good while that of 70% and above is excellent. Therefore, this study had an excellent response and was therefore was used for analysis and reporting.

**Table 4.1: Response Rate**

Questionnaires	Frequency	Percent
Returned	320	83.12
Un-returned	65	16.88
Total	385	100.00

**Source: Primary Data (2019)**

#### 4.3 Reliability Analysis

The study evaluated reliability of the questionnaire using Cronbach's Alpha which measures the internal consistency. A higher value showed a more reliable generated scale. Reliability of each variable was evaluated, and the results obtained were as presented in Table 4.2.

**Table 4.2: Reliability Analysis**

Scale	Cronbach's Alpha	Number of Items
Tangibility of Services	0.793	9
Reliability of Service	0.764	6
Responsiveness of Services	0.759	8
Assurance of Service	0.783	8
Empathy of Services	0.725	7
Customer Satisfaction	0.774	7

**Source: Primary Data (2019)**

From the findings presented in table 4.2, all variables had Cronbach alpha value of 0.7 and above. Specifically, tangibility of services had alpha value of 0.793, reliability of service had Cronbach alpha of 0.764, responsiveness of services had alpha of 0.759, assurance of service had alpha value of 0.783, empathy of services alpha value of 0.725, and the dependent variable (customer satisfaction) had Cronbach alpha value of 0.774. Cooper and Schindler (2008) indicated 0.7 to be an acceptable reliability coefficient therefore the study used 0.7 as the cutoff point. Based on the study findings, it is evident that all variables were reliable since they all met the set threshold value of 0.7 and above and therefore, all items were used for analysis and reporting.

#### **4.4 Demographic Information**

In this section, the study presents the general information of respondents. The study sought to determine the gender, age, level of education, marital status, length of time visiting the hotel and their reasons for visiting the hotel. This guided the researcher in determining the nature of customers visiting the 4- and 5-star hotels in Nairobi County. The results obtained were as presented in subsections below.

##### **4.4.1 Gender of Respondents**

The study sought to determine the gender distribution of respondents used in the study. Determining the gender of respondents helped the researcher to determine the nature of respondents visiting the selected hotels based on their gender. It also informed on whether

the study was biased when selecting respondents for the study. Table 4.3 presents the results obtained.

**Table 4.3: Gender of Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	191	59.10
Female	129	40.90
<b>Total</b>	<b>320</b>	<b>100.0</b>

**Source: Primary Data (2019)**

Results presented show that 59.1% of the respondents were male while 40.9% were female. Based on these findings, the study was not gender biased since respondents of both genders were used in the study. It is also an indication that 4- and 5-star hotels in Nairobi County receive customers of both genders.

#### **4.4.2 Age of the Respondents**

The study sought to determine the age distribution of respondents selected for the study. The results provided were analysed and the results obtained were as presented in Table 4.4

**Table 4.4: Age of the Respondents**

<b>Category</b>	<b>Frequency</b>	<b>Percent</b>
Below 25 years	45	14.0
26-40 years	108	33.7
41-50 years	84	26.2
51-60 years	56	17.4
Above 61 years	27	8.7
<b>Total</b>	<b>320</b>	<b>100.0</b>

**Source: Primary Data (2019)**

From the findings, 33.7% of the respondents indicated that they were aged 26 to 40 years, 26.2% were aged 41 to 50 years, 17.4% were of ages 51 to 60, 14% were aged below 25 years, and 8.7% were aged above 61 years. These findings show that customers of 4- and 5-star hotels in Nairobi County are of varied ages and that the study was not biased based

on age since respondents used in the study were of varied ages. The results also show that most (33.7%) of the customers in four- and five-star hotels in Nairobi County are aged between 26 and 40 years. This implies that most of the customers in four- and five-star hotels are adults.

#### 4.4.3 Respondents Highest Level of Education

Respondents were asked to indicate their highest level of education. This guided the researcher in determining how learned customers visiting the four- and five-star hotels in Nairobi County were. Responses provided were analysed and the findings were as presented in Table 4.5.

**Table 4.5: Respondents Highest Level of education**

Category	Frequency	Percent
Certificate	5	1.7
Diploma	13	4.0
Undergraduate	178	55.7
Postgraduate	124	38.6
<b>Total</b>	<b>320</b>	<b>100.0</b>

**Source: Primary Data (2019)**

From the findings presented, 55.7% of the respondents indicated undergraduate as their highest level of education, 38.6% indicated post graduate, 4% indicated diploma while 1.7% had certificate. Based on these results, it is evident that majority of customers of four- and five-star hotels in Nairobi County, Kenya have high levels of education. From the results obtained, it is only 1.7% and 4% that had certificates and diploma, respectively. This implies that most respondents were undergraduates.

#### 4.4.4 Respondents Marital Status

Respondents were asked to indicate their marital status. The results obtained were as presented in Table 4.6

**Table 4.6: Respondents Marital Status**

Category	Frequency	Percent
Single	51	16.0
Married	175	54.7
Divorced	36	11.1
Separated	58	18.2
<b>Total</b>	<b>320</b>	<b>100.0</b>

**Source: Primary Data (2019)**

The findings presented in Figure 4.4 and Table 4.6 show that 54.7% of the respondents were married, 18.2% were separated, 16% were single, and 11.1% were divorced. Based on these findings it is evident that the four- and five-star hotels in Nairobi County receive customers of varied marital status. Majority (54.7%) of customers are married. This implies most of the customers attending four- and five-star hotels are married.

#### **4.4.5 Respondents Frequency Visiting the Hotel**

Respondents were asked to indicate how frequently they usually visit the hotel. Their results were analysed and the findings were as presented in Table 4.7.

**Table 4.7: Respondents Frequency Visiting the Hotel**

Category	Frequency	Percent
Once a year	39	12.2
Once every six months	100	31.1
Once every four months	117	36.5
once every month	64	20.3
<b>Total</b>	<b>320</b>	<b>100.0</b>

**Source: Primary Data (2019)**

From the findings, 36.5% of the respondents indicated that they visited the hotel once every four months, 31.1% visited once every six months, 20.3% visited once a month and 12.2% visited once a year. Based on these findings, the frequency in which respondents visited the hotel varied. Most (36.5%) of the customers that participated in the study visited the

hotel twice a year that is once every six months. This implies that most customers visit five-star hotels twice a year.

#### 4.4.6 Respondents Reasons for Visiting the Hotel

Respondents were asked to indicate the reasons why they visited the hotel. The results obtained were as presented in Table 4.8.

**Table 4.8: Respondents Reasons for Visiting the Hotel**

<b>Reason</b>	<b>Frequency</b>	<b>Percent</b>
Visually appealing facilities and up to date equipment	295	92.2
Great service delivery by staff	280	87.5
Great location	247	77.2
Individualized attention by staff	260	81.3
Hotel is clean	301	94.1

**Source: Primary Data (2019)**

From the findings, 301(94.1%) of the respondents indicated that they visit the hotel because it is clean, 295(92.2%) indicated it is because it has visually appealing facilities and up to date equipment, 280(87.5%) indicated it is because it has great service delivery by staff, 260(81.3%) indicated it is because of its individualized attention by staff while 247(77.2%) indicated it is because of the great location. Based on these findings, it is evident that cleanliness is the main concern of customers followed by how appealing and up to date the hotel equipment are, service delivery by staff and staffs individualized attention.

#### 4.5 Descriptive Statistics

Respondents were asked to indicate the level to which they agreed or disagreed with some statements relating with study variables. They used a 5-point Likert scale where 1- Strongly disagree, 2- Disagree, 3- Neutral, 4- Agree, and 5- Strongly agree. The results were interpreted using means and standard deviations where a mean (M) value of 0.5-1.4 was interpreted as strongly disagree, 1.5-2.4 as disagree, 2.5-3.4 as moderate, 3.5-4.4 as agree and 4.5-5 as strongly agree. On the other hand, the standard deviation (SD) values showed the amount of variation in respondents' responses. A standard deviation value greater than two means that the respondents had differing opinions while a value less than

2 is low and indicates that the respondents and similar opinions. The results are presented in subsections below.

#### 4.5.1 Tangibility of Services

The study sought the opinion of respondents regarding the kind of physical facilities in the hotel. They were asked to indicate their level of agreement/disagreement with various statements on tangibility of services offered by the hotel. Table 4.9 presents the results obtained.

**Table 4.9: Tangibility of Services**

<b>Statements</b>	<b>Mean</b>	<b>Std. Dev.</b>
The hotel premises are always clean	3.982	1.370
There is a unique feature that differentiates the hotel and are visually appealing	3.777	1.275
The hotel rooms are spacious	3.889	1.381
The hotel rooms are well ventilated	3.738	1.320
The equipment in the hotel rooms are up to date	3.698	1.331
The hotel rooms are well arranged and attractive	3.948	1.263
The servers are usually dressed in uniforms	3.863	1.326
Customers are usually guided by the employees	3.836	1.220
The hotel is strategically located in an area with good road infrastructure	3.915	1.343

**Source: Primary Data(2019)**

Results in table 4.9 show that all the mean values were greater than 3.5 and less than 4.5; this is an indication that the respondents agreed with the various statements on responsiveness of services. Also, the standard deviation values were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. From the findings, the respondents agreed that the hotel premises are always clean (M=3.982, SD=1.370); the hotel rooms are well arranged and attractive (M=3.948, SD=1.263); the hotel is strategically located in an area with good road infrastructure (M=3.915, SD=1.343); the hotel rooms are spacious (M=3.889, SD=1.381); the servers are usually dressed in uniforms (M=3.863, SD=1.326); customers are usually guided by the employees (M=3.836, SD=1.220); there is a unique feature that differentiates the hotel and

are visually appealing (M=3.777, SD=1.275); the hotel rooms are well ventilated (M=3.738, SD=1.320); and the equipment in the hotel rooms are up to date (M=3.698, SD=1.331). Based on these findings, it is evident that the four and five star hotels in Nairobi County are always clean, and have unique feature that differentiates the hotel and are visually appealing. Aside from that, the hotels have spacious rooms which are well ventilated and are equipped with up to date equipment. The findings also showed that the arrangement of the hotels is attractive and the servers/workers in the hotels are dressed in uniforms. Employees also offer customers of the hotel with help and this includes guiding them. The study also found that the hotels are located in areas with good road infrastructure.

#### 4.5.2 Reliability of Service

In this section, respondents were asked their opinion on how reliable the services offered by the hotel are. Respondents indicated their level of agreement on various statement about reliability of services offered by the hotel. The results obtained were analyzed and Table 4.10 presents the findings.

**Table 4.10: Reliability of Service**

Statements	Mean	Std. Dev.
Customers complaints and requests are handled fast	3.961	1.476
Pricing is similar to all customers	3.856	1.525
The hotel personnel were concerned, reassuring and helpful when an issue was brought to their attention	3.994	1.476
Services of the hotel delivered within the promised time frame/at the right time	3.955	1.546
The prices of the extra services at the hotel are reasonable	3.836	1.426
The hotel had an accurate record and costing of the services requested for	3.994	1.343

**Source: Primary Data (2019)**

Results in table 4.10 show that all the mean values were greater than 3.5 and less than 4.5; this is an indication that the respondents agreed with the various statements on responsiveness of services. Also, the standard deviation values were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. Specifically, the respondents were in agreement that the hotel personnel were concerned,

reassuring and helpful when an issue was brought to their attention (M=3.994, SD=1.476); the hotel had an accurate record and costing of the services requested for (M=3.994, SD=1.343); customers complaints and requests are handled fast (M=3.961, SD=1.476), services of the hotel are delivered within the promised time frame/at the right time (M=3.955, SD=1.546); pricing is similar to all customers (M=3.856, SD=1.525); and the prices of the extra services at the hotel are reasonable (M=3.836, SD=1.426). These findings suggest that customers get good services since their complaints and requests get to be attended to fast. There is no discrimination or favors in pricing and the prices of the extra services at the hotel are reasonable. Also the personnel are concerned, reassuring and helpful and therefore contribute to the services of the hotel being delivered within the promised time frame/at the right time. In addition, there are accurate record and costing of the services.

#### 4.5.3 Responsiveness of Services

Respondents were asked to indicate their opinion regarding how responsive the hotel and hotel staff were to their needs, requests and issues. Respondents gave their level of agreement/disagreement with various statements about responsiveness and the results obtained were as presented in Table 4.11.

**Table 4.11: Responsiveness of Services**

Statements	Mean	Std. Dev.
Employees were helpful in informing customer when service will occur	3.830	1.441
Customers problems are solved immediately	3.988	1.475
Customers order are delivered on time	3.961	1.674
Customers get help when needed	4.007	1.251
The employees are friendly	3.817	1.142
Important information is shared to the customers	3.902	1.235
In case of inconveniences apologies are made	3.764	1.168
Employees assist guests and provide prompt service.	3.975	1.169

**Source: Primary Data (2019)**

Results in table 4.11 show that all the mean values were greater than 3.5 and less than 4.5; this is an indication that the respondents agreed with the various statements on

responsiveness of services. Also, the standard deviation values were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. From the findings, the respondents agreed that customers get help when needed (M=4.00, SD=1.251); customers problems are solved immediately (M=3.988; SD=1.475); employees assist guests and provide prompt service (M=3.975; SD=1.169); customers order are delivered on time (M=3.961; SD=1.674); important information is shared to the customers (M=3.902; SD=1.235); employees were helpful in informing customer when service will occur (M=3.830; SD=1.441); the employees are friendly (M=3.817; SD=1.142); and that in case of inconveniences apologies are made (M=3.764; SD=1.168). Based on these findings it is evident that there is responsiveness of service among the four and five star hotels in Nairobi County. This is because, the study found that employees were friendly, and helpful in informing customer when service will occur, and assist guests and provide prompt service. Also, customers problems are solved immediately, their orders are delivered on time and in case of inconveniences apologies are made.

#### 4.5.4 Assurance of Service

Respondents were requested to give their opinion on regarding how assured they are of the services offered by the hotel and hotel staff. Respondents indicated their level of agreement/disagreement with statement about the assurance of service by the hotel and hotel employees and the results obtained were as presented in Table 4.12.

**Table 4.12: Assurance of Service**

<b>Statements</b>	<b>Mean</b>	<b>Std. Dev.</b>
Customers information is kept confidential	3.902	1.235
Employees are well trained on customer service	3.830	1.300
Customers security is paramount	3.836	1.207
Hotels employees have the customer's best interest at heart	3.902	1.345
The customer care employees are welcoming and polite	3.955	1.199
Hotels employees deal with guests in a caring fashion	3.961	1.149
Employees are polite when answering my questions	3.836	1.234
Employees have essential resources and support to execute customer requests well	3.803	1.248

**Source: Primary Data(2019)**

Results in table 4.12 show that all the mean values were greater than 3.5 and less than 4.5; this is an indication that the respondents agreed with the various statements on responsiveness of services. Also, the standard deviation values were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. Specifically, the respondents agreed that hotels employees deal with guests in a caring fashion (M=3.961, SD=1.149); the customer care employees are welcoming and polite (M=3.955, SD=1.199); customers information is kept confidential (M=3.902, SD=1.235); hotels employees have the customer's best interest at heart (M=3.902, SD=1.345); customers security is paramount (M=3.836, SD=1.207); employees are polite when answering their questions (M=3.836, SD=1.234); employees are well trained on customer service (M=3.830, SD=1.300); and that employees have essential resources and support to execute customer requests well (M=3.803; SD=1.248). These findings show that there are high levels of service assurance in four and five star hotels in Nairobi County. This is because confidentiality of customer information is observed, employees of the hotel are trained on customer care and the hotels prioritize on the security of its customers. Also hotel employees have the customer's best interest at heart which allows them to be welcoming and polite, and their dealing with customers is in a caring fashion. This is evident from the way employees answer questions from their customers; it is in a polite manner. To ensure that the requests of customers are executed well, the hotels have provided their employees with the essential resources.

#### **4.5.5 Empathy of Services**

Respondents were asked to give their opinion regarding the empathy expressed by the hotel and hotel staff towards their needs, requests and issues. Respondents gave their level of agreement/disagreement with various statements about empathy expressed by the hotel's employees. The results obtained were as presented in Table 4.13.

**Table 4.13: Empathy of Services**

<b>Statements</b>	<b>Mean</b>	<b>Std. Dev.</b>
Staff listens to customers' issues and/or requests carefully	3.836	1.313
The staff is interested in what the guest has to say	3.896	1.210
Employees' give individualized attention to customer is addressing them	4.021	1.265
Customer feels that employees adequately listened to their issues and requests	3.810	1.142
Guests are allowed to get through what they are saying without interrupting and changing the subject	3.902	1.235
Employees act towards the benefit of the customers	3.738	1.168
Opening times of the company are suitable	3.988	1.182

**Source: Primary Data (2019)**

Results in table 4.13 show that all the mean values ranged between 3.5 and 4.5 this is an indication that the respondents agreed with the various statements on responsiveness of services. Also, the standard deviation values were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. The study specifically established that employees' give individualized attention to customer is addressing them (M=4.021, SD=1.265); opening times of the company are suitable (M=3.988, SD=1.182); guests are allowed to get through what they are saying without interrupting and changing the subject (M=3.902, SD=1.235); the staff is interested in what the guest has to say (M=3.896, SD=1.210); staff listens to customers' issues and/or requests carefully (M=3.836, SD=1.313); customer feels that employees adequately listened to their issues and requests (M=3.810, SD=1.142); and employees act towards the benefit of the customers (M=3.738, SD=1.168).

Results show that there is empathy of service among the four- and five-star hotels in Nairobi County. This is because the study found that staff listens to customers' issues and/or requests carefully and this shows that they are interested in what the guest has to say. This is the form of individualized attention the customers of these hotels get from employees and therefore, the customers feels that employees adequately listened to their issues and requests. When guests are expressing themselves, employees have been trained

to listen to them without interrupting. All the actions of employees are towards benefiting the customer. Other indication of empathy of service is suitable opening hours.

#### 4.5.6 Customer Satisfaction

Respondents were asked to indicate their opinion on how satisfied they were by the hotel and the services offered by the hotel. Respondents indicated their level of agreement/disagreement regarding how satisfied they are with the services offered by the hotel. Table 4.14 presents the findings.

**Table 4.14: Customer Satisfaction**

<b>Statements</b>	<b>Mean</b>	<b>Std. Dev.</b>
I will recommend the hotel to your family and friends	3.902	1.235
The hotel met my expectations	3.836	1.313
I intend to return to the hotel the next time I travel	3.850	1.220
The hotel's advertised image and brand was similar to what I experienced	3.909	1.359
I would like to receive information on the hotel's new service or services' discounts	3.863	1.326
The hotel made me feel valued as a customer	3.836	1.220
I am highly satisfied with the services offered by the hotel	3.836	1.426

**Source: Primary Data (2019)**

Results in table 4.14 show that all the mean values ranged between 3.5 and 4.5 this is an indication that the respondents agreed with the various statements on responsiveness of services. Also, the standard deviation values were less than two which is a small standard deviation and therefore suggests that respondents had similar opinions. The findings specifically showed that the respondents agreed that the hotel's advertised image and brand was similar to what they experienced (M=3.909, SD=1.359); they will recommend the hotel to their family and friends (M=3.902, SD=1.235); they would like to receive information on the hotel's new service or services' discounts (M=3.863, SD=1.326); they intend to return to the hotel the next time they travel (M=3.850, SD=1.220); the hotel met their expectations (M=3.836, SD=1.313); the hotel made them feel valued as a customer (M=3.836, SD=1.220); and that they are highly satisfied with the services offered by the hotel (M=3.836, SD=1.426).

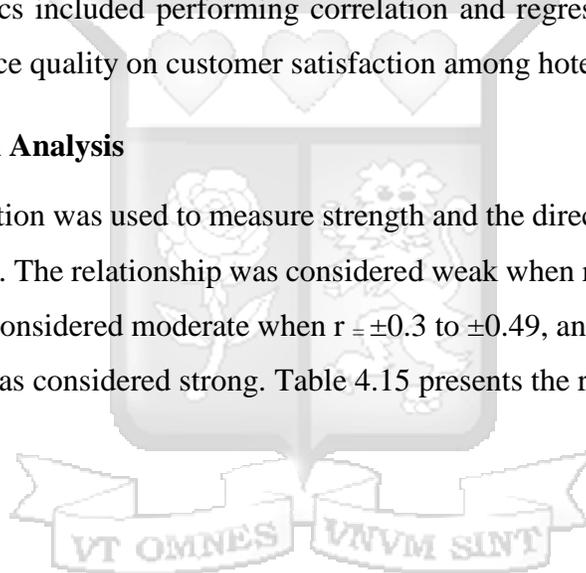
These findings show that customers of four- and five-star hotels in Nairobi County were satisfied with the services they received. This is because they indicated that they would recommend the hotel to their family and friends, and that the next time they visit they will return to the hotel. Also, the hotel's advertised image and brand was similar to what they experienced and therefore, customers found that the hotel met their expectations. Customers also felt satisfied with the services they received from the hotel and felt valued as customers. Because of this customers would like to receive information on the hotel's new service or services' discounts.

#### **4.6 Inferential Statistics**

Inferential statistics included performing correlation and regression analysis to examine the effect of service quality on customer satisfaction among hotels in Nairobi County.

##### **4.6.1 Correlation Analysis**

Pearson R correlation was used to measure strength and the direction of linear relationship between variables. The relationship was considered weak when  $r = \pm 0.1$  to  $\pm 0.29$ , while the relationship was considered moderate when  $r = \pm 0.3$  to  $\pm 0.49$ , and when  $r = \pm 0.5$  and above, the relationship was considered strong. Table 4.15 presents the results obtained.



**Table 4.15: Correlation Analysis**

		Customer Satisfaction	Tangibility	Reliability	Responsiveness	Assurance	Empathy
Customer Satisfaction	Pearson Correlation	1					
	Sig. (2-tailed)						
Tangibility	N	320					
	Pearson Correlation	.653**	1				
Reliability	Sig. (2-tailed)	.003					
	N	320	320				
Responsiveness	Pearson Correlation	.539**	.453*	1			
	Sig. (2-tailed)	.000	.040				
Assurance	N	320	320	320			
	Pearson Correlation	.619**	.374**	.119	.565**	1	
Empathy	Sig. (2-tailed)	.004	.000	.134	.000		
	N	320	320	320	320	320	
Customer Satisfaction	Pearson Correlation	.568**	.339**	.068	.640**	.286**	1
	Sig. (2-tailed)	.004	.000	.394	.000	.000	
Tangibility	N	320	320	320	320	320	320

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: Primary Data (2019)**

From the findings, it is evident that the relationship between the dependent and the independent variables are strong. The findings show that tangibility has a strong positive correlation with customer satisfaction ( $r=0.653$ ,  $p\text{-value}=0.003$ ); reliability and customer satisfaction are seen to be strongly and positively correlated ( $r=0.724$ ,  $p\text{-value}=0.000$ ); responsiveness had a strong positive relationship with customer satisfaction ( $r=0.539$ ,  $p\text{-value}=0.001$ ); assurance and customer satisfaction were seen to be positively and significantly related ( $r=0.619$ ,  $p\text{-value}=0.004$ ); and lastly, empathy had a strong positive correlation with customer satisfaction ( $r=0.568$ ,  $p\text{-value}=0.004$ ). These findings suggest that tangibility, reliability, responsiveness, assurance, and empathy all have direct relationship with customer satisfaction among hotels in Nairobi County.

## 4.6.2 Multiple Regression Analysis

The study adopted multiple regression models at 5% level of significance to examine direct and indirect relationship between the study variables. The findings were presented in three tables discussed in subsections below.

### 4.6.2.1 Model Summary

Model summary is used to show the amount of variation in dependent variable that can be explained by changes in the independent variables. In this study, model summary was used to show the amount of variation in customer satisfaction as a result of changes in tangibility, reliability, responsiveness, assurance, and empathy. Table 4.16 presents the results.

**Table 4.16: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805 <sup>a</sup>	0.648	0.637	.46503

a. Predictors: (Constant), tangibility, reliability, responsiveness, assurance, empathy

**Source: Primary Data (2019)**

From the findings, the value of R square was 0.648 which suggests that 64.8% variation in customer satisfaction can be explained by tangibility, reliability, responsiveness, assurance, and empathy. The remaining 35.2% suggest that there are other factors that can explain variation in customer satisfaction among hotels in Kenya. The findings further show that the variables under investigation are strongly and positively related as indicated by correlation coefficient (R) value of 0.805.

### 4.6.2.2 Analysis of Variance

Analysis of variance is used to determine how fit the model developed is to the data. It tests the significance of the model. In this study the significance of the model was tested at 5% level of significance.

**Table 4.17: ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	604.029	5	120.806	6.060	.000 <sup>b</sup>
1 Residual	3070.214	154	19.936		
Total	3674.244	159			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), tangibility, reliability, responsiveness, assurance, empathy

**Source: Primary Data (2019)**

The findings from ANOVA analysis showed that the population parameters had a p-value of 0.000; an indication that the model was significant. This suggests that the data was suitable for making conclusion on the population under investigation because the p-value was less than 0.05. The F critical, obtained from the f-distribution table (2.273) was less than F calculated (6.060). This shows that tangibility, reliability, responsiveness, assurance, and empathy significantly influence customer satisfaction among hotels in Kenya.

#### **4.6.2.3 Beta Coefficients of the Study Variables**

The regression model was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon,$$

Where; Y= Customer satisfaction,  $\beta_0$ = constant (coefficient of intercept),  $X_1$ = Tangibles;  $X_2$ = Reliability;  $X_3$ = Responsiveness;  $X_4$ = Assurance;  $X_5$ = Empathy;  $\epsilon$  = error term;

**Table 4.18: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.730	0.197		8.782	0.000
Tangibility	0.153	0.038	0.176	4.026	0.028
Reliability	0.291	0.036	0.377	8.083	0.004
Responsiveness	0.140	0.029	0.107	4.828	0.030
Assurance	0.340	0.038	0.255	8.947	0.021
Empathy	0.520	0.055	0.492	9.455	0.002

a. Dependent Variable: Customer Satisfaction

**Source: Primary Data (2019)**

From the findings, the following regression model was fitted;

$$Y = 1.730 + 0.153X_1 + 0.291X_2 + 0.140X_3 + 0.340X_4 + 0.520X_5 + \epsilon,$$

From the above equation, it is evident that when the variables; tangibility, reliability, responsiveness, assurance, and empathy are held to a constant zero, customer satisfaction will be at a constant value of 1.730.

The study also found that tangibility has a positive influence on customer satisfaction ( $\beta=0.153$ ). The study also found that tangibility had p-value (0.028) less than selected level of significance (0.05) an indication that the influence of tangibility on customer satisfaction is significant. Therefore, tangibility can be said to have a positive significant influence on customer satisfaction.

The first research question was; *What is the effect of tangibility on customer satisfaction among hotels in Nairobi County?* Based on the research findings, tangibility positively and significantly influences customer satisfaction among hotels in Nairobi County.

The second research question was; *What is the effect of reliability on customer satisfaction among hotels in Nairobi County?* From the results presented in table 4.13, reliability had a positive influence on customer satisfaction ( $\beta=0.291$ ). The findings further showed that the influence of reliability on customer satisfaction was significant since the p-value obtained

(0.004) was less than the selected level of significance (0.05). Therefore, reliability can be said to have a positive significant influence on customer satisfaction.

The third research question was; *what is the effect of responsiveness on customer satisfaction among hotels in Nairobi County?* From the findings, responsiveness was found to have positive influence on customer satisfaction ( $\beta=0.140$ ). Further, the influence of responsiveness on customer satisfaction was found to be significant ( $p=0.030<0.05$ ). Based on these findings, responsiveness can be said to have positive significant influence on customer satisfaction in Nairobi County.

The fourth research question was; *what is the effect of assurance on customer satisfaction among in Nairobi County?* From the findings, the study established that assurance has a positive influence on customer satisfaction among hotels in Kenya ( $\beta=0.340$ ). The study also found that the influence of assurance on customer satisfaction was significant since the p-value obtained (0.021) was less than the selected level of significance (0.05). Therefore, based on the findings, it can be deduced that assurance has a positive significant influence on customer satisfaction among hotels in Nairobi County.

Lastly, the study sought to answer; *what is the effect of empathy on customer satisfaction among hotels in Nairobi County?* From the findings, empathy is seen to have positive influence on customer satisfaction ( $\beta=0.520$ ). Further, the influence of empathy on customer satisfaction is seen to be significant since the p-value obtained (0.002) was less than the selected level of significance (0.05). Therefore, from these study findings, it is seen that empathy has a positive significant influence on customer satisfaction among hotels in Nairobi County.

#### **4.7. Chapter Summary**

This chapter analyzed, presented, interpreted the data collected from the respondents by the researcher. Findings obtained from data collections were discussed in this chapter based on study objectives. Descriptive and inferential statistics were applied by the researcher to discuss the study findings

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

Summary of the findings, conclusions and recommendations made there-to are presented in this chapter. Conclusions and recommendations made, addressed the research objectives.

#### 5.2 Summary of the Findings

In this section, the study presents summary of findings for each study objective. The summary is presented based on the specific objectives of the study which were: to determine the effects of tangibility on customer satisfaction among hotels in Nairobi County; to assess the effects of reliability on customer satisfaction among hotels in Nairobi County; to determine the effects of responsiveness on customer satisfaction among in Nairobi County; to determine the effects of assurance on customer satisfaction among hotels in Nairobi County; and to establish the effects of empathy on customer satisfaction among hotels in Nairobi County.

##### 5.2.1 Tangibility of Services

The study found that the four- and five-star hotels in Nairobi County are always clean and have unique feature that differentiates the hotel and are visually appealing. Aside from that, the hotels have spacious rooms which are well ventilated and are equipped with up to date equipment. The findings also showed that the arrangement of the hotels is attractive and the servers/workers in the hotels are dressed in uniforms. Employees also offer customers of the hotel with help and this includes guiding them. The study also found that the hotels are located in areas with good road infrastructure. The study findings agree with the findings of Lee, Lee and Dewald (2016) who carried a study on measuring the customers' perception of tangible service quality in the restaurant industry using five dimensions of tangible service attributes: presentation value, table aesthetics, sensory perceptions, hygiene purity, and vehicle convenience and found a statistically significant causal relationship between tangible service factors and the diners' satisfaction exists within the

upscale dining segment. The study disagrees with the findings of Alsaqre (2011) who noted that only intangible factors of empathy and assurance had their significant influence on customers' overall perception of service quality.

### **5.2.2 Reliability of Service**

The study found that customers get good services since their complaints and requests get to be attended to fast. There is no discrimination or favors in pricing and the prices of the extra services at the hotel are reasonable. Also, the personnel are concerned, reassuring and helpful and therefore contribute to the services of the hotel being delivered within the promised time frame/at the right time. In addition, there are accurate record and costing of the services. The study findings agree with the findings of Omar (2015) that there is a very strong relationship between quality of service (Reliability) and customer satisfaction; on the basis of the conclusion made, Reliability of business was representing the ability of the web site to fulfill orders correctly, deliver promptly, and keep personal information secure. The study disagrees with the findings of Alsaqre (2011) who noted that only intangible factors of empathy and assurance had their significant influence on customers' overall perception of service quality.

### **5.2.3 Responsiveness of Services**

The study found that there is responsiveness of service among the four- and five-star hotels in Nairobi County. This is because, the study found that employees were friendly, and helpful in informing customer when service will occur, and assist guests and provide prompt service. Also, customers problems are solved immediately, their orders are delivered on time and in case of inconveniences apologies are made. These study findings agree with Pandey and Devasagayam (2010) who provided empirical evidence suggesting that responsiveness to customer enquiries and complaints might be a strong driver of customer satisfaction, irrespective of the outcome of the resolution process. Their study also found that responsiveness supersedes a positive outcome in service provider-customer conflict resolution which concurs with the findings of current study. The study disagrees with the findings of Alsaqre (2011) who noted that only intangible factors of empathy and assurance had their significant influence on customers' overall perception of service quality.

#### **5.2.4 Assurance of Service**

The study found that there are high levels of service assurance in four- and five-star hotels in Nairobi County. This is because confidentiality of customer information is observed, employees of the hotel are trained on customer care and the hotels prioritize on the security of its customers. Also, hotel employees have the customer's best interest at heart which allows them to be welcoming and polite, and their dealing with customers is in a caring fashion. This is evident from the way employees answer questions from their customers; it is in a polite manner. To ensure that the requests of customers are executed well, the hotels have provided their employees with the essential resources. The study findings agree with the findings of Rachman (2017) who did an analysis of effect of physical evidence and service assurance on customer satisfaction and the results showed that guarantee of service had a significant influence on customer satisfaction. The study findings disagrees with Ye, Dong and Lee (2017) that assurance strategy had an enduring negative effect on customer satisfaction and ultimately hurts profitability in the long run.

#### **5.2.5 Empathy of Services**

The study established that there is empathy of service among the four- and five-star hotels in Nairobi County. This is because staff listens to customers' issues and/or requests carefully and this shows that they are interested in what the guest has to say. This is the form of individualized attention the customers of these hotels get from employees and therefore, the customers feels that employees adequately listened to their issues and requests. When guests are expressing themselves, employees have been trained to listen to them without interrupting. All the actions of employees are towards benefiting the customer. Other indication of empathy of service is suitable opening hours. The study findings disagrees with Ye, Dong and Lee (2017) that downgrading empathy and responsiveness allows firms to lower costs, resulting in immediate productivity benefits; however, this strategy had an enduring negative effect on customer satisfaction and ultimately hurts profitability in the long run. The findings agree with Bahadur, Aziz and Zulfiqar (2018) who confirmed a positive and indirect effect of EE on CL and loyalty outcomes.

### 5.3 Conclusions

The first objective of the study was to determine the effects of tangibility on customer satisfaction among hotels in Nairobi County. The study found that tangibility has a positive influence on customer satisfaction. The study also found that the influence of tangibility on customer satisfaction is significant. Based on the research findings, the study concludes that tangibility positively and significantly influences customer satisfaction among hotels in Nairobi County. Therefore, increasing level of service tangibility among hotels in Kenya will result to an increase in customer satisfaction.

The second objective of the study was to assess the effects of reliability on customer satisfaction among hotels in Nairobi County. The study found that reliability had a positive influence on customer satisfaction. The findings further showed that the influence of reliability on customer satisfaction was significant. Therefore, the study concludes that reliability has a positive significant influence on customer satisfaction. This means that an increase in service reliability in the hotels will result to an increase in level of customer satisfaction.

The third research objective was to determine the effects of responsiveness on customer satisfaction among in Nairobi County. Responsiveness was found to have positive influence on customer satisfaction. Further, the influence of responsiveness on customer satisfaction was found to be significant. Based on the research findings, the study concludes that responsiveness has positive significant influence on customer satisfaction in Nairobi County. Therefore, a unit increase in service responsiveness in hotels will result to an increase in customer satisfaction.

The fourth objective of the study was to determine the effects of assurance on customer satisfaction among hotels in Nairobi County. The study established that assurance has a positive influence on customer satisfaction among hotels in Kenya. The study also found that the influence of assurance on customer satisfaction was significant. Therefore, based on the findings, the study concludes that assurance has a positive significant influence on customer satisfaction among hotels in Nairobi County. This suggests that an increase in

service assurance among hotels in Kenya will result to an increase in its customer satisfaction.

The final objective of the study was to establish the effects of empathy on customer satisfaction among hotels in Nairobi County. The study found that empathy has positive influence on customer satisfaction. Further, the influence of empathy on customer satisfaction was found to be significant. Therefore, from the study findings, the study concludes that empathy has a positive significant influence on customer satisfaction among hotels in Nairobi County. This suggests that increasing the level of empathy of service among hotels in Kenya will result to an increase in level of customer satisfaction.

#### **5.4 Recommendations**

The study found that service tangibility positively influences customer satisfaction. The study therefore recommends management of hotels in Kenya to embrace new technology and the use of up-to-date equipment's. The study also recommends the hotels to ensure that their facilities are visually appealing to its customers and this includes ensuring its employees are neat. Improved tangibility of services will enhance customer satisfaction and therefore their loyalty.

Reliability was found to positively influence customer satisfaction; the study therefore recommends management of hotels in Kenya to ensure that they are reliable in providing services to its customers; this will enhance their satisfaction and therefore loyalty. Reliability can be enhanced by ensuring response is provided within the time frames, and reassuring customers whenever challenges arise. Management of hotels in Kenya should also ensure that their records are accurate and are dependable.

The study recommends hotels to hire employees with customer service skills. The study also recommends employees to be provided with regular trainings on service delivery this will enhance their promptness in service delivery. It is also the responsibility of the management of the hotel to ensure that its employees are well conversant with the hotel and services provided so that they can help guests and respond to their requests/queries.

Assurance was also found to be a significant determinant of customer satisfaction. The study recommends hotels in Kenya to hire trustworthy employees who can ensure customers safety. Human Resource department in Hotels in Kenya should ensure that hired individuals are polite and can interact with customers. It is also the responsibility of the hotel to provide its employees with the support they need to do their job well.

Increase in empathy level results to an increase in customer satisfaction. The study therefore recommends hotels in Kenya to ensure hired employees are emphatic to facilitate provision of caring, individualized attention to customers, and understanding of customer needs.

### **Contribution to Policy**

The study findings can be used by policy makers to encourage hotel managers to enhance the service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) due to their positive impact on customer satisfaction. The managers can also be encouraged to consistently use service quality dimensions, this would ensure that they maintain long-term relationships with their customers.

### **Contribution to practice**

To enhance customer satisfaction in the hotels, managers should consider applying the service quality measures and this should be well implemented to ensure customer satisfaction. The managers should emphasize the service quality dimensions in order of importance. This would help in improving customer satisfaction

### **Contribution to theory**

The study results can be used by individuals conducting other researchers and scholars; it provides a foundation to those who want to conduct research in a similar field. Academicians can make use of the research findings as foundation of discussing service quality and customer satisfaction in organizations. The research would also be an addition to the body of knowledge. It can make contributions to improve the practice and the existing knowledge on service quality and customer satisfaction.

### **5.5 Suggestions for Further Studies**

The main objective of this study was to establish the influence of service quality on customer satisfaction among hotels in Nairobi County. The study was conducted among four- and five-star hotels in Nairobi County. The study therefore recommends replication of the research study in other four- and five-star hotels in the country to facilitate comparison and generalization of the research findings.

The study also recommends a study to be conducted among other hotels other than 4 and 5 stars to provide a wider perspective on influence of service quality on customer satisfaction. The study further recommends a study to be conducted on the influence of service quality on customer satisfaction in other service providing organizations such as hospitals. The study recommends a study to be conducted using a different study design other the descriptive research design. This will improve the data collection and analysis as well as validity of the study results.

### **5.6 Limitations of the Study**

Some respondents were unwilling to take part in the study. The researcher explained the purpose of this research study to the respondents and assured them that filling of the questionnaire will take a little time. The respondents feared that their identity would be leaked to the public and the management of the hotel. The researcher assured them that the information they provide was solely for academic reasons and therefore was to be kept confidential. The information was stored in the university database so that only authorised individuals can access it.

### **5.7 Chapter Summary**

The researcher in this chapter presented the summary of findings for each study objective. All independent variables in the study, that is, tangibility, reliability, responsiveness, assurance and empathy were found to have a positive influence on the dependent variable, customer satisfaction. The researcher also highlighted recommendations such as embracing new technology and the use of up-to-date equipment's given these findings.

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## APPENDICES

### Appendix I: Letter of Introduction

I am the undersigned, currently undertaking a Master's degree in Business administration at Strathmore Business School. I am conducting a study that involves collecting data for writing and compiling the final thesis as a partial requirement for the award of the degree. The research entails a study on **The Effect of Service Quality on Customer Satisfaction among Hotels in Nairobi County, Kenya**. The information collected will be used solely for academic purposes and will be handled with utmost confidentiality.

Please direct any enquiries to: **Joy Ngina Musyoka Mutinda**

**Joymusyokamutinda@gmail.com**



## Appendix II: Questionnaire

<b>Serial Numbers:</b>	
<b>Star Rating:</b>	
<b>Name of Hotel:</b>	

Kindly assist in responding to the questionnaire on the “**The Effect of Service Quality on Customer Satisfaction among Hotels in Nairobi County, Kenya**”. Information gathered will be treated with utmost confidentiality and it is purely meant for academic purposes. Kindly do not disclose your identity.

### Part A: Demographic Information

Kindly tick or write in the spaces provided as appropriate.

1. Kindly indicate your gender.  
Male  Female
2. Kindly indicate your age?  
Below 25 years   
26-40 years   
41-50 years   
51- 60 years   
Above 61
3. What is your highest level of Education?  
Certificate   
Diploma   
Undergraduate   
Postgraduate   
Others .....
4. Kindly Indicate your marital status  
Single   
Married

- Divorced [ ]
- Separated [ ]
5. What is your occupation? .....
6. How frequently do you visit this hotel?
- Once a year [ ]
- Once every six months [ ]
- Once every four months [ ]
- Once every month [ ]
- Other [ ] Specify: .....
7. Reason(s) why you visit the hotel: (tick three that apply to you)
- Visually appealing facilities and up to date equipment [ ]
- Great service delivery by staff [ ]
- Great location [ ]
- Individualized attention by staff [ ]
- Hotel is clean [ ]

**Part B: Tangibility of Services**

8. This section seeks your opinion regarding the kind of physical facilities in the hotel. Indicate your level of agreement on the following statement about the tangibility of services offered by this hotel where 1 –Strongly disagree, 2-disgaree, 3-moderate, 4-agree, 5- strongly agree

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Statements	1	2	3	4	5
The hotel premises are always clean					
There is a unique feature that differentiates the hotel and are visually appealing					
The hotel rooms are spacious					
The hotel rooms are well ventilated					

The equipment in the hotel rooms are up to date					
The hotel rooms are well arranged and attractive					
The servers are usually dressed in uniforms					
Customers are usually guided by the employees					
The hotel is strategically located in an area with good road infrastructure					

9. Indicate and briefly talk about the physical aspects of the hotels that were or were not mentioned above that greatly affected your stay at the hotel positively or negatively.

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**Part C: Reliability of Service**

10. This section seeks your opinion regarding how reliable the services offered by the hotel are. Indicate your level of agreement on the following statement about reliability of services offered by this hotel where 1 –Strongly disagree, 2-disagree, 3-moderate, 4-agree, 5- strongly agree

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Customers complaints and requests are handled fast					
Pricing is similar to all customers					

The hotel personnel were concerned, reassuring and helpful when an issue was brought to their attention					
Services of the hotel delivered within the promised time frame/at the right time					
The prices of the extra services at the hotel are reasonable					
The hotel had an accurate record and costing of the services requested for					

11. Indicate and briefly explain about any issues or experiences encountered at the hotel that were or were not mentioned above that greatly affected how you view the hotel from a more or less reliable point of view.

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**Part D: Responsiveness of Services**

12. This section seeks your opinion regarding how responsive the hotel and hotel staff were to your needs, requests and issues. Indicate your level of agreement on the following statement about the responsiveness of employees of the hotel where 1 – Strongly disagree, 2-disagree, 3-moderate, 4-agree, 5- strongly agree

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Employees were helpful in informing customer when service will occur					
Customers problems are solved immediately					

Customers order are delivered on time					
Customers get help when needed					
The employees are friendly					
Important information is shared to the customers					
In case of inconveniences apologies are made					
Employees assist guests and provide prompt service.					

13. Indicate or briefly explain about any other aspect mentioned above or not that you experienced at the hotel in regards to how responsive employee were to you that may have affected your view of the hotel in a more or less positive point of view.

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**Part E: Assurance of Service**

14. This section seeks your opinion regarding how assured you are of the services offered by the hotel and hotel staff. Indicate your level of agreement on the following statement about the assurance of service by the hotel and hotel employees where 1 –Strongly disagree, 2-disagree, 3-moderate, 4-agree, 5- strongly agree

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Customers information is kept confidential					
Employees are well trained on customer service					
Customers security is paramount					

Hotels employees have the customer's best interest at heart					
The customer care employees are welcoming and polite					
Hotels employees deal with guests in a caring fashion					
Employees are polite when answering my questions					
Employees have essential resources and support to execute customer requests well					

15. Indicate or briefly explain about any other aspects mentioned above or not that affected you negatively or positively in how assured you were by the hotel and its staff about their service delivery

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**Part F: Empathy of Services**

16. This section seeks your opinion regarding the empathy expressed by the hotel and hotel staff towards your needs, requests and issues. Indicate your level of agreement on the following statement about empathy expressed by the hotel’s employees where 1 –Strongly disagree, 2-disagree, 3-moderate, 4-agree, 5- strongly agree

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Staff listens to customers’ issues and/or requests carefully					
The staff is interested in what the guest has to say					

Employees' give individualized attention to customer is addressing them					
Customer feels that employees adequately listened to their issues and requests					
Guests are allowed to get through what they are saying without interrupting and changing the subject					
Employees act towards the benefit of the customers					
Opening times of the company are suitable					

17. Indicate or briefly explain about any other aspect or experience mentioned above or not that may have made you feel that the hotel and hotel employees did or didn't care about your wellbeing while at the hotel.

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**Part G: Customer Satisfaction**

18. This section seeks your opinion regarding how satisfied you were by the hotel and the services offered by the hotel. Indicate your level of agreement on the following statement about how satisfied you are with the services offered by the hotel where 1 –Strongly disagree, 2-disgaree, 3-moderate, 4-agree, 5- strongly agree

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Statements	1	2	3	4	5
I will recommend the hotel to your family and friends					
The hotel met my expectations					
I intend to return to the hotel the next time I travel					

The hotel's advertised image and brand was similar to what I experienced					
I would like to receive information on the hotel's new service or services' discounts					
The hotel made me feel valued as a customer					
I am highly satisfied with the services offered by the hotel					

**THANK YOU FOR YOUR TIME**



## **Appendix III: List of Four and Five Star Hotels**

### **Five Star Hotels**

1. Hotel Intercontinental
2. Laico Regency Hotel
3. Hilton Hotel
4. The Norfolk Hotel
5. Nairobi Serena
6. The Stanley
7. Safari Park

### **Four-star Hotels**

1. The Boma Hotel
2. Fair View Hotel
3. Eka Hotel
4. Landmark Hotel
5. Holiday Inn
6. Windsor Golf Country club
7. Nairobi Safari Club

