**CHAPTER ONE**

**INTRODUCTION**

**1.1 Background of the Study**

In providing services to customers in a hotel industry, service delivery stands as the fundamental business activity. This significance arises from the high level of interaction between the guests and the hotel service providers. Service delivery can either succeed or fail. If service delivery fails and the issue is not addressed, it can drive hotels out of business. In a hotel setting, if an employee is inattentive or the guest’s expectations are not met, the customer experience can be deemed a failure (Zeithaml, Bitner, and Gremler, 2019). Service failures are partly due to the inherent variability in services in various hotels, unlike the more standardized process of product manufacturing (Writz and Matilda, 2013). The emotional and personal engagement of consumers is higher in hospitality services, making the impact of service failure more significant. Furthermore, the simultaneous production and consumption of services prevent pre-delivery quality inspections.

Considering that, failures are inevitable in some cases, it is crucial for hotels to establish mechanisms for remedying these adverse events. According to (Smith and Bolton, 2016) service failure and recovery, incidents represent pivotal moments that influence the relationship between service provider and customers’ satisfaction. Ensuring that services meet the organization specifications and customer needs is a significant responsibility of the service provider. Positive service recovery might lead customers to revisit or recommend the hotel to others. The hospitality industry in Nigeria, particularly in Lagos, has witnessed substantial growth in recent years. As service quality enhances and guest preferences evolve, proactive measures to address service mishaps are essential.

This research aims to explore guest experiences in service delivery and their reactions to the service quality provided in three star hotels. The primary sources of satisfaction must be distinctly measured. (Hoffman and Kelly, 2018)state that the outcome of service recovery, whether positive or negative, heavily influences the customer’s perception of the hotel. Therefore, resolving these issues necessitates a focus on service improvement strategies by the management of three star hotels.

**1.2 Statement of the Problem**

The hospitality sector is increasingly competitive (Gopi & Samat, 2020). Hence, three start hotels must refine their services and overall performance to meet the expectations of today's sophisticated customers. In an effort to retain and expand their clientele, three star hotels are continually seeking new strategies, considering the rising cost of losing customers. Evaluating service quality is thus vital to maintaining customer loyalty; this role is crucial and expected to become even more significant (Elvira & Shpetim, 2016). According to (Michel 2010) modern customers are cognizant of the importance of quality products and services and their own rights as customers. Service quality is a crucial success factor in any service industry. However, achieving success heavily depends on performance in service delivery. Given that hospitality is the core business of three star hotels, customers play a pivotal role in sustaining the business.

A principal contributor to customer satisfaction in three star hotels is the degree of interaction between guests and frontline staff. Both parties must engage actively to ensure their respective needs and requirements are met (Kuenzel & Katsaris, 2009). Moreover, since hotels are part of the hospitality services industry, the products they deliver are intangible, and the expected level of quality relies on customers' perceived expectations. Service failures are inevitable in the hotel industry due to the 'people factor,’ including high levels of interaction between employees and guests and the increasing demands of modern hotel guests. Service failure occurs when customer expectations are not fulfilled, indicating that the service provider has not met the anticipated service standard. Therefore, hotel management must excel in understanding and meeting customer demands. However, this cooperation necessitates that both parties work together to satisfy mutually desired outcomes. Poor communication and cooperation can lead to service failures due to unclear instructions for both customers and service providers.

(Vaeren Bergh 2009) emphasizes that since service failures are unavoidable, effective service recovery techniques are essential. Handling dissatisfied customers is challenging due to the frustration involved, necessitating effective strategies to retain them. Additionally, the service provider in three star hotels must respond promptly and accurately to rectify failures efficiently. This requires skills and knowledge to devise excellent recovery solutions. This study aims to contribute to the limited research on service quality and customer satisfaction in the hospitality industry.

**1.3 Aim and objectives**

**1.3.1 Aim**

The aim of the research is to examine the relationship between service quality and customers’ satisfaction on three start hotels in Lagos State Nigeria.

**1.3.2 Specific Objectives**

The study was guided by the following objectives;

1. To determine factors influencing customers’ satisfaction on three star hotels in Lagos State Nigeria
2. To assess customers’ expectations of service quality in three star hotels in Lagos State Nigeria
3. To investigate the relationship between service quality and customers satisfaction in three star hotels in Lagos state Nigeria
4. To give managerial recommendation on strategy can help to boost service quality to meet up with customer’s satisfaction in Lagos State ‘3’ star hotels.

**1.4 Research Questions**

The study sought to answer the following research questions;

1. What are the factors influencing customers’ satisfaction in three star hotels in Lagos state Nigeria?
2. What are the customers’ expectations of service quality in three star hotels in Lagos State Nigeria?
3. What is the relationship between service quality and customers’ satisfaction in three star hotels in Lagos state Nigeria?
4. What is the managerial strategy that can help to boost service quality to meet up with customers’ satisfaction in Lagos State ‘3’ star hotels?

**1.5 Significance of Study**

Practically, this study assists three-star hotel operations managers in developing strategies for enhanced quality management to facilitate customer satisfaction through the implementation of best operational practices. This, in turn, leads to improved hotel performance and increased customer loyalty. Moreover, the study contributes to the existing literature on hotel franchising by focusing on service quality dimensions. The findings are particularly valuable for researchers in marketing, operations management, and related disciplines as they support and expand the current understanding of service quality and customer satisfaction. The study establishes a solid foundation and reliability, thus reinforcing the empirical evidence supporting the underlying theories. Consequently, the research findings have made significant contributions to this field.

**1.6 Scope of the Study**

This study examines the service quality provided by staff and management in three-star hotels in Lagos State Nigeria. A deeper understanding of the factors influencing client satisfaction help management and decision-makers implement programs that cater to guests' needs as perceived by both guests and service delivery personnel. Guest satisfaction measurements are generally used to provide researchers, hotel managers, and hospitality professionals with valuable insights into guest experiences, promoting professionalism and identifying weaknesses in service performance (Sitzia & Wood, 2011). Three Hotel managers often formulate policies from the provider's perspective without considering input from the guests, who are the recipients of the hotel services. Therefore, the scope of this study involved three star hotel guests and,was conducted using a cross-sectional survey with a sample size of 120 hotel guests from six three-star hotels selected in Lagos.

**1.7 Structure of Dissertation**

The following chapters constitute the study:

Chapter 1: Introduction

This chapter presents the background of the study, the statement of the problem, research objectives, research questions, and the significance and scope of the study.

Chapter 2: Literature Review

This chapter reviews literature on the main concepts and discussions of major issues relevant to this study. It covers various applications of service quality, including delivery, recovery, and standards. The review identifies, compares, and acknowledges the contributions of several authors who have conducted related research over time.

Chapter 3: Research Methodology

The purpose of this chapter is to outline the methodologies used in conducting the study. It details what was done to achieve the objectives and provide answers to the research questions, the adopted methods, and the data collection process. Additionally, it describes the survey instrument used and Data analysis.

Chapter 4: Findings and Analysis

This chapter presents the research findings, providing answers to the research questions and achieving the research objectives. The analysis and interpretation of the data are presented in accordance with the study's methodology. The results obtained were used to provide feedback on the original research hypothesis.

Chapter 5: Discussion of Findings, Conclusion, and Recommendations

This chapter focuses on discussing the findings obtained from the research analysis. It includes recommendations based on the research findings and suggests areas for further research. The findings are discussed in relation to the research questions to evaluate whether they adequately address the questions posed. The chapter aims to demonstrate that the research questions have been answered and the research objectives accomplished.

Chapter 1

**CHAPTER TWO**

**LITERATURE REVIEW**

**2.1 Review of Theoretical Literature**

**2.1.1 Social Exchange Theory and Equity Theory**

Researchers have explored how customers evaluate service recovery efforts by applying social exchange theory and equity theory. These frameworks suggest that the exchange relationship should be balanced and fair for both parties. From this perspective, the consumer-provider relationship is seen to have a mutual relationship. In the context of service delivery and consumption, customers often perceive injustice when their experiences do not align with their expectations or established standards (Oliver, 2011). Service failures can represent economic losses (e.g., money, time) and/or social losses (e.g., status, esteem) for customers within the exchange. Consequently, customers view these failures as an imbalance and will seek to restore equity through their post-service actions (Lapidus & Pinkerton, 2014). Service providers attempt to reestablish balance by offering customers economic compensation (e.g., discounts) or social resources (e.g., apologies) (Smith et al., 1999). Ultimately, the perceived equity or inequity of a customer's inputs compared to their received outputs determines their sense of justice, which then shapes their satisfaction or dissatisfaction (Andreassen, 2010).

**2.1.2 Attribution Theory**

Customers' beliefs about the reasons behind event influence their subsequent emotions, attitudes, and behaviors. These causal attributions have three key dimensions: stability, origin, and controllability (Swanson & Kelley, 2001; Weiner, 2013). Attribution theory has been used to explain how customers respond to quality of service delivery and service failures. Research highlights the mediating roles of these attribution factors. Generally, dissatisfied customers are more likely to switch and spread negative word-of-mouth if they believe the issue has an external cause, is likely to persist, and is within the provider's control, compared to those who see the problem as temporary and uncontrollable (Folkes, 1984).

**2.2 Customer Satisfaction**

The concept of customer satisfaction has been extensively studied since the early 1970s (Myers, 1992). In recent years, it has become increasingly crucial for businesses due to more sophisticated customers and intense competition. Maintaining and building future with existing customers requires satisfying them during service delivery (Oliver & Swan, 2002). However, while organizations strive to provide exceptional service, completely eliminating dissatisfaction is an unrealistic goal in service delivery (Collie, Sparks, & Bradley, 2010). When dissatisfied, customers may respond in various ways, such as switching providers, voicing their concerns, or remaining loyal (Hirschman 2012).Resolving customer issues presents a chance to fix the problem and favorably shape future customer actions. Studying how organization handle service complaints enables managers to create better and more cost-effective ways to address conflicts, leading to increased customer loyalty and earnings.

According to recent research, the majority of unsatisfied customers do not voice their concerns to the organization; only one in every 20 customers actually complains. Customers may refrain from complaining when they encounter a service failure due to various reasons, such as lack of time, unwillingness to complain, or the belief that the orgaisatio will not address the issue. Consequently, service providers must encourage customers to seek redress; otherwise, customers may turn to competitors, contact third parties, or spread negative word-of-mouth (Downton 2012)

**2.2.1 Customer Responses to Dissatisfaction and Customer Complaining Behavior**

Hirschman’s theory of exit, voice, and loyalty (David 2010) explains the potential behavioral responses that dissatisfied customers may exhibit. Voice and exit represent active negative responses, while loyalty is considered a passive response (Boshoff, 2011). Individuals may choose to discontinue a business arrangement if the opportunity to voice their concerns does not lead to satisfactory changes (, 2013). Devoted customers may persist in using a dissatisfactory product or service, believing that the situation will eventually get better (Boshoff, 2011).

The connection between the quality of service and customer satisfaction is a subject of ongoing debate. Some scholars have argued that service quality precedes customer satisfaction, while others believe the opposite is true. However, the majority of recent research supports the view that service quality is a prerequisite for customer satisfaction (Landon, 2013). It is generally accepted that there is a positive relationship between the quality of service and customer satisfaction. Service quality is considered an attitude-related construct, distinct from, but closely linked to, satisfaction(Landon, 2013). Studies have shown that high-perceived service quality leads to increased customer satisfaction, and that the various dimensions of service quality are key factors influencing customer satisfaction (Singh, 2013). To improve customer satisfaction, organizations must focus on enhancing the different aspects of their service quality.

**2.3 Relationship between Service Quality and Customer Satisfaction**

According to (Watiki Charles 2014), some researchers argue that service quality is an antecedent of customer satisfaction (Churchill & Suprenant), while others believe that satisfaction precedes service quality (Carman, 1990; Bolton & Drew, 1991). However, the majority of recent publications support the view that service quality is an antecedent to customer satisfaction (Carrillat et al., 2007; Zeithaml et al., 2008). Generally, it is accepted that a positive relationship exists between service quality and customer satisfaction (Bei & Chiao, 2001). (Rowley 1998) argues that service quality is an attitude related to, but distinct from, satisfaction. (Parasuraman et al. 1985) proposed that high-perceived service quality leads to increased customer satisfaction, a conclusion supported by (Bei and Chiao 2006) and (Brady et al. 2005). After studying the relationship between customer satisfaction and service quality, (Janet 2011) concluded that a significant relationship exists between the two, identifying all dimensions of service quality as key factors influencing customer satisfaction.

The study suggested that to improve customer satisfaction, organizations need to enhance the dimensions of service quality. (Akoko 2012) studied service quality dimensions and customer satisfaction in the Nigerian telecommunications industry, establishing that all five-service quality dimensions positively impact customer satisfaction, with reliability having the highest impact and tangibility the least. He recommended improving and allocating more resources to all service quality dimensions since they positively affect customer satisfaction. (Musyoka 2013), in a study to determine the relationship between service quality and threehotel user satisfaction in Lagos Nigeria, found that service quality accounts for 73.9% of user satisfaction, with reliability contributing most to user satisfaction and empathy the least.

**2.4 Challenges of Service Quality**

Evaluating service quality remains a complex challenge, as researchers continue to grapple with the lack of a universally accepted approach. Two prominent tools used to analyze service quality, besides perception measurement, are Importance-Performance Analysis (IPA) and Servqual. IPA provides a visual representation of the relative importance of various attributes and the corresponding performance of the organization or destination. This technique can effectively pin areas for service quality enhancement, enabling policymakers to allocate resources and programs accordingly. However, the credibility and consistency of IPA have been subject to debate and scrutiny (Llosa, Chandon, & Orsingher, 2014).

**2.5 Empirical Review**

This section reviews research conducted by various scholars on service quality and customer satisfaction, focusing on studies that explore the relationship between different service quality dimensions and customer satisfaction.

**2.5.1 Service Quality and Customer Satisfaction**

In the late 1980s, researchers Parasuraman, Zeithaml, and Berry delved into service quality from the perspective of customers. Their study revealed that some variables within the ten identified dimensions overlapped. From this, three key dimensions emerged as consistent: tangibility, reliability, and responsiveness. The remaining seven were consolidated into two final dimension (Parasuraman et al., 1988). This revised SERVQUAL model highlights five crucial service quality factors that shape customer satisfaction and brand image. Tangibility encompasses the physical environment, facilities, and employees' appearance. Reliability centers on the ability to deliver services consistently and accurately. Responsiveness reflects the willingness of to assist customers and address their concerns.

Building on this foundation, a recent study by Al-Azzam (2015) examined the impact of service quality on customer satisfaction in the Arab Hotel, Irbid City, Jordan. Utilizing the five-dimensional framework, the research found a positive correlation between high-quality services and increased customer satisfaction. The five service quality factors were found to significantly influence customer satisfaction. It is noteworthy that the current study, conducted in three-star hotels in Lagos State, Nigeria, involved a different customer demographic compared to the previous study. This diversity in settings and clientele highlights the importance of a tailored approach to understanding and enhancing service quality and customer satisfaction. The research delved into the satisfaction levels of customers in Syria's mobile telecommunications sector. Researchers gathered data from600 mobile phone users in Damascus and Aleppo, employing a convenient sampling technique. Confirmatory factor analysis was used to examine the data, revealing a clear and meaningful connection between the quality of services provided and customer satisfaction.

Similarly, a study by Olatokun and Ojo (2014) focused on the impact of mobile telecommunications service quality on customer satisfaction in Nigeria. Utilizing a survey approach, the researchers assessed customer satisfaction in Ibadan, employing a structureionnaire based on the SERVQUAL dimensions, which encompass reliability, responsiveness, assurance, empathy, and tangibility. A convenient sampling method was used to select 431 mobile telecommunications users, whose satisfaction levels were measured. The findings indicated that responsiveness, assurance, and empathy were significant factors in explaining customer satisfaction. These insights could assist regulatory authorities in developing policies that priorit customer satisfaction.

The study conducted by Lee et al. (2016) explored how customers in high-end hotels perceive the physical elements of service quality. The aim was to understand the relative significance of tangible service features in shaping diners' satisfaction within this dining segment. The researchers identified tangible service attributes and, through exploratory factor analysis, distinguished five underlying dimensions: presentation value, table aesthetics, sensory perceptions, hygiene purity etc.

**2.5.2 Tangibles and Customer Satisfaction**

The findings revealed a statistically significant causal relationship between the service factors and guests’' satisfaction in upscale hotel service delivery. In contrast, Santos (2002) emphasized the importance of both tangible and intangible aspects of service quality as perceived by customers and service providers across four different industries. Research on service quality in the hotel industry has provided valuable insights into the relationship between tangible and intangible aspects and their impact on customer perceptions. Another study examining consumers and providers across various service sectors found that the level of tangible components positively influences the perceived importance of the tangible dimension in service quality. This investigation focuses on consumers of three-star hotels in Lagos, Nigeria.

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**2.5.3 Reliability and Customer Satisfaction**

The research delved into the significance of reliability and its influence on customer satisfaction within the hotel industry. The findings suggest that the tangible aspects of hotels, such as their design, equipment, and ambient conditions, play a crucial role in shaping customers' overall perceptions. Moreover, the intangible factors of empathy and assurance exhibited by hotel staff have a substantial impact on customers' overall perception of service quality. These studies highlight the intricate relationship between the tangible and intangible elements of service quality, and how they profoundly shape customer experiences and loyalty within the hotel industry.

The study by Omar (2015) examined the impact of service quality reliability on customer satisfaction among Libyan e-commerce customers. The research aimed to understand how the reliability component of e-commerce affects customer satisfaction in Libya. Through customer surveys, the study revealed a strong correlation between service quality (reliability) and customer satisfaction. In the context of e-commerce, reliability was defined as the website's ability to accurately fulfill orders, deliver promptly, and maintain the security of personal information. While Omar's research focused on Libyan e-commerce customers, the current study investigates hotel customers in three-star establishments.

Furthermore, Gagnon and Roh (2008) evaluated the influence of customization and reliability on customer satisfaction in three star hotels.The study investigated the connection between customers' views of reliability, personalization, general quality, and fulfillment levels in the U.S. hotel industry. Analyzing data from the American Customer Satisfaction Index (ACSI), the researchers found that hotel visitors in the United States were generally content with the overall standard of their lodgings. The results suggested that general quality, personalization, and reliability all substantially contributed to increasing customer satisfaction.

(Galetzka, Verhoeven, and Pruyn 2006) explored how the validity and reliability of services affected customer satisfaction across different service types, including search, experience, and credence services. They manipulated these service attributes in simulated encounters and measure satisfaction through surveys. Their findings revealed that for search services, both validity and reliability independently influenced customer satisfaction. However, for experience services, both were necessary conditions for satisfaction. Interestingly, for credence services, validity had no impact, but reliability had a profound effect on satisfaction. In contrast, the current study focused on three-star hotels.

**2.5.4 Responsiveness and Customer Satisfaction**

This section examines the connection between a Hotel's responsiveness and its impact on customer satisfaction across various regions and industries. Pandey and Devasagayam (2010) investigated responsiveness as a precursor to satisfaction and referrals in financial services marketing. Their researched with over 9,000 customers of a multinational hotel operating the emerging Indian economy, provided empirical evidence suggesting that responsiveness to customer inquiries and complaints might be a strong driver of customer satisfaction, regardless of the resolution outcome.

Iberahim (2016) conducted a comprehensive study to examine the level of satisfaction regarding the dependability and responsiveness of self-service technology for hotel guests. The research aimed to assess the current quality of ATM services at a major Malaysian hotel, explore the link between ATM service reliability, responsiveness, and customer satisfaction, and identify areas for service improvement.The study gathered data through a survey of 271 respondents and direct observations at the ATM service point. Using SPAS for data analysis, the results revealed that three out of the four service quality dimensions – consistency, dependability, and timeliness – are crucial for maximizing customer satisfaction. While this current study focused on service quality and customer satisfaction, previous research had primarily concentrated on customer satisfaction alone.

**2.5.6 Assurance and Customer Satisfaction**

This section explores the intricate relationship between assurance and its impact on customer satisfaction, encompassing various geographic regions and industry sectors. A study by Rachman (2017) delved into the effects of physical evidence and service assurance on customer satisfaction and loyalty within the car rental industry (PT Pusaka Prima Transport Cases). Utilizing a descriptive analysis method, including multiple regression and a survey of 107 consumers, the findings revealed a significant 42% influence of these factors. Remarkably, 18.40% of customer happiness was attributed to reliable service, while 64.8% was linked to customer satisfaction, ultimately leading to loyalty.

Shifting the focus, Park, Bhatnagar, and Rao (2014) investigate connection between third-party assurance seals, customer satisfaction, and repeat-purchase intention in an online setting. Their research suggests that when vendors offer these seals, intended to alleviate customer concerns, it can result higher overall satisfaction and a greater likelihood of repeat purchases. Furthermore, the study found that customers tend to be less to the service performance of vendors who provide these seals, compared to those who do not. The previous studies delve into how diverse strategies for handling client anxieties can sway contentment levels. In contrast, this research concentrates on the of various service excellence facets on client satisfaction.

**2.5.7 Empathy and Customer Satisfaction**

This section examines the long-term impact of empathy and responsiveness, utilizing 24 quarters of patient satisfaction data and financial records from 25 medical units in a large healthcare institution. The results showed that diminishing empathy and responsiveness enables organizations to trim expenditures, leading to productivity gains. Yet, this approach has a lasting detrimental effect on client satisfaction, ultimately undermining profitability in the end. This inquiry was conducted in the healthcare domain, while the present study took place at three-star hotels.

Bahadur, (Aziz, and Zulfiqar 2018) explored the indirect impact of employee compassion on client loyalty and its consequences intervening factors such as client emotional commitment, perceived service quality, and client satisfaction. The study concentrated on employee-client interactions and gathered data through an online survey of 360 active telecommunication service users in Anhui, China. The findings revealed that environmental education had a favorable and indirect impact on client loyalty and positive behaviors, like sharing positive word-of-mouth and expressing intentions to make repeat purchases.

the economic landscape, China stands as a thr, advanced nation, whereas the focus of this study rests on Lagos, Nigeria, a developing economy, presenting a stark contrast in their respective stages of economic progress..

**2.6 Summary of Knowledge Gaps**

The existing research has revealed gaps in our understanding of the topic. studies have primarily focused on one or two aspects of service quality and their connection to customer satisfaction (Omar, 2015; Lee et al., 2016; Pandey & Devasagayam, 2010; Rachman, 2017; Bahadur et al., 2018). However, the findings have been inconsistent, with some studies suggesting that three out of five dimensions have the most significant impact, while others found a positive relationship with just a single dimension (Olakutan & Ojo, 2016; Omar, 2015). This indicates that the relationship between service quality an satisfaction requires further investigation.

The hotel industry has unique service offerings and customer profiles, which suggests the need for more researched to other sectors like e-commerce, hoteling, telecommunications, transportation, and healthcare. Previous studies have mainly focused on these other industries, leaving a knowledge gap in the hotel industry. This study to address this gap by investigating the influence of specific service quality dimensions, such as Service Quality, Perceived Quality, and Service Encounter, on satisfaction at three-star hotels in Lagos State, Nigeria.

## 2.7 Conceptual Framework

This highlights the relationship between dependent and independent variables.

**Figure 2.1 Conceptual Framework**

**Independent Variables Dependent Variable**

Service Encounters

Perceived Quality

Service Quality

Service Delivery on customer satisfaction

**Source: Author (2024)**

**2.7.1 Servqual Framework**

The The model developed by Parasuraman, Zeithaml, and Berry serves as a useful tool for identifying service quality deficiencies and guiding the research. The SERVQUAL model suggests that customers evaluate a Hotel's service quality by comparing their expectations to their actual experience. This assessment is quantified by measuring customer expectations and perceptions, with the quality gap (Q) calculated as the difference between perception (P) and expectation (E), or P-E=Q. Summing all the quality gaps provides an overall rating that indicates the relative importance of different service quality dimensions in shaping customers' overall impressions.

SERVQUAL is a standardized tool used across various industries to evaluate service quality. The SERVQUAL questionnaire consists of two sections: one measuring expected service and the other measuring perceived service. It includes 22 Likert-type items covering five dimensions: reliability, responsiveness, assurance, empathy, and tangibles. Customers rate both their expectations of excellent service and their perceptions of the actual service delivered using a 5-point scale. This allows for the identification of any discrepancies between what customers expect and what they experience. SERVQUAL score represents the average of the calculated differences between the anticipated and the experienced levels of service quality. This metric captures the divergence between customers' expectations and their actual perceptions, allowing organizations to identify areas for improvement and enhance the overall service experience.

**2.7.2 Service Failure**

Disruptions in service delivery can leave customers dissatisfied when the experience falls short of their expectations. Due to the complex and variable nature of services, various factors, both human and non-human, can lead to service failures that require corrective action, such as refunds, exchanges, repairs, or apologies. Inconsistencies in service performance, a common challenge in the service industry, are a significant contributor to these breakdowns. While service failures are unavoidable, proactive management efforts to ensure reliable and high-quality service can help minimize their occurrence. Customers often assess the quality of a service based on its dependability and accuracy, emphasizing the importance of delivering on promised service standards.

Consistent service delivery is essential for a firm's credibility. While friendly staff and apologies can be appreciated, they cannot make up for unreliable service. Even if customers receive an apology, the memory of the service failure remains. If a pattern of service lapses emerges, customers will conclude that the firm is not dependable, regardless of staff amiability or apologetic attitudes. Consequently, service providers must prioritize enhancing service reliability.

In the hospitality industry, service delivery breakdowns can manifest in various ways. For instance, a guest (Mr. Patrick) may be warmly welcomed and presented with a menu, but while he peruses it, the server may attend to another guest (Miss Tabby) who is ready to order. If Mr. Patrick is in a hurry and his order is not taken promptly, he may become impatient and dissatisfied with the delay - a service delivery failure. Such instances are human-controlled and can be quickly rectd through management policies, training, and employee responsiveness. Nonetheless, naturally occurring events can also lead to service delivery failures, which involve minimal or no human intervention, often resulting from natural disasters.

Nature's unexpected intrusion can disrupt the tranquility of a dining experience, as seen in cases where wind blows debris onto the tables while guests are enjoying their meals. Although this occurrence is beyond human control, proactive measures like wind barriers and collection devices should be implemented in areas prone to such disturbances. In such situations, staff members would promptly relocate the patrons and offer sincere apologies, this incident would still be categorized as a service failure (Zemke & Bell, 2013).

**2.7.3 Service Encounters**

In order to have the idea of the ServicePivotal Interaction there is a need for Hotels managers to Understand Consumer Responses, because Interactions between customers and businesses are fundamental in comprehending how consumers react to service failures and recovery. Each encounter, whether via phone, email, or in-person, constitutes a service experience that collectively shapes the customer-Hotel relationship. Consequently, effectively managing and monitoring these interactions is crucial for customer satisfaction (Bitner, 2010). Customers have specific expectations for each service encounter, and their satisfaction hinges on how well these expectations are met. These expectations are influenced by factors such as prior experiences, advertising, word-of-mouth, and personal needs (Michel, 2001).

To understand how consumers will respond to compensation and their willingness to return, it is essential to first grasp their expectations leading up to the service failure and their preconceived notions of effective recovery strategies. Research indicates that when a service failure is handled appropriately by the Hotel, consumers are more likely to be satisfied with the outcome, as the primary cause of dissatisfaction is not the failure itself, but the failure to respond effectively (Bitner et al., 2010).Customers who voice their discontent to the service provider will determine their post-recovery satisfaction based on their perception of fairness. This can result in either positive outcomes, like a desire to repurchase or recommend the service, or negative behaviors (Blodgett et al., 2011; Kim et al., 2010). The customer's assessment of how fairly they were treated during the recovery process will shape their future interactions and loyalty towards the service provider (Kim et al., 2010).

Chapter 2

**CHAPTER THREE**

**RESEARCH DESIGN AND METHODOLOGY**

**3.0 Introduction**

This section outlines the research approach and methods employed in the study. Participant responses were obtained, and data was collected through a survey questionnaire. The chapter is divided into six parts: research approach, target audience, design, data collection tools, ethical considerations, and data analysis methods. Generally, this specifically refers to the broad guidelines for inquiry that form the foundation of a study's underlying theoretical and philosophical presumptions.

**3.1 Research Philosophy and approach**

The foundation of this investigation lies in the philosophical approach to research. Saunders, Lewis, and Thornhill (2009) define research philosophy as the way in which knowledge is developed and understood. For this study, we adopted a positivist stance, which Bell, Bryman, and Harley (2019) describe as an objectivist-based epistemological position. Saunders, Lewis, and Thornhill (2009) assert that reliable knowledge can only be derived from observable phenomena. Sekaran and Bougie (2016) argue that positivist philosophy enables researchers to uncover truths, forecast outcomes, and exert control over these realities. The positivist method, as outlined by Saunders, Lewis, and Thornhill (2009), involves operating within a tangible social reality and generating generalizations akin to natural laws, much like those found in the scientific and physical disciplines. In a positivist framework, data collection often involves survey techniques or observation of occurrences (Bell, Bryman, and Harley, 2019). Additionally, positivist research aims to maintain impartiality towards values while keeping the researcher separate from the facts (Saunders, Lewis, and Thornhill, 2009). Sekaran and Bougie (2016) further explain that positivism employs a logical research methodology, focusing on theories that can be experimentally tested within predefined research frameworks.

The current study follows a deductive approach, building on the well-established concept of source trustworthiness proposed by Ohanian (Saunders, Lewis, and Thornhill, 2009). Explanatory research aims to examine the causal relationships between variables (Saunders, Lewis, and Thornhill, 2009), aligning with the study's objective to explore how service delivery of three-star hotels affects customer satisfaction in Lagos State, Nigeria. Additionally, the research seeks to investigate the service quality of the hotels under consideration. Given the study's focus on clarifying the connections between variables like service quality, service delivery, and customer satisfaction, an explanatory research design is deemed appropriate.

**3.2 Quantitative Research: A Deductive Perspective**

A deductive approach is inherently linked to a quantitative research methodology (Greener, 2008). Quantitative research is characterized by an objectivist perspective on social reality, a deductive reasoning process, the collection of numerical data, and the application of a natural science approach (Bryman and Bell, 2015). Quantitative research emphasizes the use of statistical methods to uncover relationships between different factors. This approach aims to analyze numerical data systematically, seeking to identify patterns and trends that can provide insights into the topic under investigation (Dudovskiy, 2019).

**3.2.1 Justification for using Quantitative research**

Quantitative research has numerous benefits, making it an invaluable tool for scholars. First of all, it makes use of statistical data analysis, which conserves resources and time (Bryman, 2001). By emphasizing numerical data and figures, quantitative research improves the study's scientific rigor (Bryman, 2001). Researchers can expedite the process of interpreting results by employing statistical software such as SPSS to evaluate data in an effective manner (Gorard, 2001; Connolly, 2007).

The scientific foundation of quantitative research makes generalization easier. Larger groups can benefit from extrapolating findings from interactions with one group (Williams and May, 1998). For example, examining how students are taught to solve problems in a particular classroom might reveal larger social trends and patterns (Shank and Brown, 2007; Cohen and Morrison, 2011). Replicability is another important advantage of quantitative research. The utilization of hypothesis testing guarantees well-defined protocols and goals, facilitating the uniform replication of research (Lichtman, 2013). According to Shank and Brown (2007), this quality raises the legitimacy of study findings and encourages trust in their dependability.

**3.2 Resaerch Design**

The overall blueprint and organization of the investigation, crafted to address the research queries, is known as the research design. This study will adopt a descriptive research design, as stated by (Mugenda & Mugenda, 2003). Descriptive research design portrays and reports the current state of affairs, presenting the facts as they stand; consequently, if another individual replicates the study now, the circumst theances would be discovered as described.

**3.3 Target Population**

The target population is the complete group of individuals, events, or objects with common characteristics that conform to a specific specification. The population represents the full set of cases from which a sample is drawn (Mugenda & Mugenda, 2003). This research targets a population of 120 guests, including males and females of different age groups and income levels most especially who are customers of three star hotels in Lagos State Nigeria.

**3.4 Sample Design**

A representative sample is a crucial component of statistical research, as it allows the investigator to gain valuable insights about the broader population. The proposed sample size of 70% is deemed adequate for this descriptive study, corroborated by previous research (Gay, 2008). To ensure an unbiased and representative sample, the researchers will employ a stratified random sampling approach, which will provide each member of the population an equal opportunity to participate.

**3.5 Data Collection Instruments and Procedure**

**3.5.1 Questionnaire**

The primary data collection method will be questionnaires, an effective tool for systematically gathering information in an organized manner (Kothari, 2008). The questionnaires will include a combination of open-ended and closed-ended questions, enabling respondents to provide detailed explanations and freely express their perspectives. The individuals offered their unique standpoints on the matter, conveying their distinct opinions in a similar manner while maintaining the essence of the original ideas.

**3.5.2 Validity and Reliability of Research Instruments**

The validity of research refers to whether it measures what it aims to investigate. Reliability, on the hand, is about the consistency of the measurements across repeated tests under the same conditions. To establish this, a pilot study was conducted to identify the target population and the unit of analysis. Draft questions will then be pre-tested to eliminate ambiguity and achieve a high level of precision. Any questions that fail to provide the necessary data was excluded. All units of analysis was thoroughly examined, and the population was considered.

**3.5.3 Administration of the Questionnaire**

The researcher will seek permission from the management by explaining the purpose of the study to access relevant information from the organization's employees. The target audience and the unit of investigation were carefully determined. Draft inquiries were then pre-tested to eliminate ambiguity and achieve a high level of accuracy. Any questions that failed to provide the necessary data were excluded. All units of analysis were thoroughly examined, and the population was considered.

**3.5.4 Addressing Ethical Consideration**

Researchers must address ethical concerns pertinent to their topic (Costley et al., 2010). (Dooly et al. 2017) emphasized the importance of protecting participants' anonymity and privacy during data collection. In this research, all participants received participant information and an agreement form to read and fill if they consent to participate (Appendix 1 and 2). Participants was briefed before the interview and informed of their right to withdraw at any time.

Respondents was given assurance that participation is entirely optional and that there will be no repercussions if they decide to withdraw their agreement at any point. To mitigate any ethical difficulties, participants will have to agree to these agreements before the research can begin (Bryman and Bell, 2015). To protect participant confidentiality, the researcher will handle all gathered information anonymously. Only the researcher will have access to the participant's personal information, and their names will not be linked to their answers. With this precaution, participants' privacy will be safeguarded, and their data will be kept private for the duration of the study. This study aimed to preserve the integrity of the research while giving participants' rights and well-being top priority by abiding by certain ethical principles and standards.

**3.6 Data Analysis Methods**

According to (Gay 2008), data analysis procedures involve packaging collected information, organizing, and structuring its main components to communicate the findings effectively. After the fieldwork, all questionnaires was checked for reliability and verification before analysis. Editing, coding, and tabulation was performed. Data was analyzed using both qualitative and quantitative techniques. The qualitative method involved content analysis and evaluation of textual material, while the quantitative method involved using diagrams such as tables and figures.The statistical program SPSS was used to analyse the gathered data and identify any causal links between the variables (Saunders, Lewis, and Thornhill, 2009). The frequency counts and percentage where used to analyse the demographic information of the respondents.

Chapter 3

**CHAPTER FOUR**

**DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS**

**4.1 Introduction**

This chapter explains the analysis done on the data, which was collected by the researcher. It represented thepresentation of findings and summary of data analysis that have been collected

**4.2 Presentation of Findings**

**4.2.1 Response Rate**

**Table 4.1 Response Rate**

|  |  |  |
| --- | --- | --- |
| **Category** | **Frequency** | **Percentage** |
| Response | 150 | 82 |
| Non response | 33 | 18 |
| **Total** | **183** | **100** |

**Source: Author (2024)**

**Figure 4.1 Response Rate**

**Source: Author (2024)**

Table 4.1 and figure 4.1 indicate the response rate from the respondents who were given the questionnaires 82% responded while 18% did not respond. This indicated that the organization greatest percentage of the customers responded to online questionnaires given.

**4.2.2 Gender Response**

**Table 4.2 Gender Response**

|  |  |  |
| --- | --- | --- |
| **Category** | **Frequency** | **Percentage** |
| Male | 111 | 74 |
| Female | 39 | 26 |
| **Total** | **150** | **100** |

**Source: Author (2024)**

**Figure 4.2 Gender Response**

**Source: Author (2024)**

Table4.2 and figure 4.2 indicated the response on the gender where it was found that organization has more male than female customers, with male represented by 74% while ladies were represented by 26%. This indicated that majority of the respondents were male.

**4.2.3 Age Bracket**

**Table 4.3 Age Bracket**

|  |  |  |
| --- | --- | --- |
| **Category** | **Frequency** | **Percentage** |
| Below 19 years | 24 | 16 |
| 20 – 29 years | 51 | 34 |
| 30 – 39 years | 45 | 30 |
| Above 40 years | 30 | 20 |
| **Total** | **150** | **100** |

**Source: Author (2024)**

**Figure 4.3 Age Bracket**

**Source: Author (2024)**

Table 4.3 and figure 4.3 indicated the age bracket of the respondents were below 19 years was represented by16%, 20 – 29 years was represented by 34%, 30 – 39 years indicated 39% while above 40 years is represented by 20%. This indicated that majority of the respondents were in the age bracket of 20 – 29 years.

**4.2.4 Nationality**

**Table 4.4 Nationality**

|  |  |  |
| --- | --- | --- |
| **Category** | **Frequency** | **Percentage** |
| Kenyan | 21 | 14 |
| Rest of Africa | 63 | 42 |
| Europe | 30 | 20 |
| Asia | 36 | 24 |
| **Total** | **150** | **100** |

**Source: Author (2024)**

**Figure 4.4 Highest**

**Source: Author (2024)**

Table 4.4 and figure 4.4 indicated the response on the nationalities that responded, were majority of those who responded were from the rest of Africa with a represented of 42%, Kenyan was represented by 14%, Europe 20% while Asia was represented by 24%. This indicated that majority of the respondents are from the rest of Africa

**4.2.5 Purpose of Visit**

**Table 4.5 Purpose of Visit**

|  |  |  |
| --- | --- | --- |
| **Category** | **Frequency** | **Percentage** |
| Business | 36 | 24 |
| Conference | 63 | 42 |
| Leisure | 24 | 16 |
| Transit | 27 | 18 |
| **Total** | **150** | **100** |

**Source: Author (2024)**

**Figure 4.5 Purpose of Visit**

**Source: Author (2024)**

Table 4.5 and figure 4.5 indicated the purpose of visit of the respondents where majority of respondent’s conference purposes with a representation of 42%, business 24%, leisure 16% and transit was represented by 18%. From the findings it indicated that majority are mostly coming in for conference purposes.

**4.2.6 Number of times you eat out in a month**

**Table 4.6 Number of times you eat out in a month**

|  |  |  |
| --- | --- | --- |
| **Category** | **Frequency** | **Percentage** |
| Below 5 times | 33 | 22 |
| 6 – 10 times | 57 | 38 |
| 11 – 15 times | 36 | 24 |
| More than 15 times | 24 | 16 |
| **Total** | **150** | **100** |

**Source: Author (2024)**

**Figure 4.6 Number of times you eat out in a month**

**Source: Author (2024)**

Table 4.6 and figure 4.6 indicated the number of times the guest ate out in a month where the findings shows that 22% of the respondentswere below 5 times, 38% indicated were 6 – 10 times, 11 – 15 times was represented by 24%, while more than 15 times was represented by 16%.

**4.2.7 Rating of the services provided**

**Table 4.7 Rating of the services provided**

|  |  |  |
| --- | --- | --- |
| **Category** | **Frequency** | **Percentage** |
| Excellent | 39 | 26 |
| Very good | 75 | 50 |
| Good | 24 | 16 |
| Poor | 16 | 8 |
| **Total** | **150** | **100** |

**Source: Author (2024)**

**Figure 4.7 Rating of the services provided**

**Source: Author (2024)**

Table 4.7 and figure 4.7 indicated the rating of the services provided where 26% of the respondents indicated excellent, very good was represented by 50%, good 16% while 8% of the respondents indicate poor. From the findings service deliverywas rated very good.

**4.3 Section B (Factors that influencing customers’ satisfaction in Lagos state three star hotels)**

**Table 4.2.2 Dimension of service delivery**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Items/Questions | SA | A | U | SD | D | Total |
| Q(1)The employees are professional | 68  (45.3) | 11  (7.3) | 24  (16) | 43  (28.7) | 4  (2.7) | 150  (100%) |
| Q(2)They give personal attention | 30  (20) | 48  (32) | 26  (17.3) | 32  (21.3) | 14  (9.3) | 150  (100%) |
| Q(3)The Service attentiveness is high | 64  (42.7) | 23  (15.3) | 40  (26.7) | 14  (9.3) | 9  (9) | 150  (100%) |
| Q(4)Staff are well behaved | 48  (32) | 20  (13.3) | 41  (27.3) | 31  (20.7) | 10  (6.7) | 150  (100%) |
| Q(5) There is timeliness of service | 44  (29.3) | 11  (7.3) | 63  (42) | 22  (14.7) | 10  (6.7) | 150  (100%) |
| Q(6) Staff are always willing to help | 28  (18.7) | 36  (24) | 51  (34) | 13  (8.7) | 12  (8) | 150  (100%) |
| Q(7)Staff are friendly and courteous | 38  (25.3) | 26  (17.3) | 40  (26.7) | 52  (34.7) | 14  (9.3) | 150  (100%) |

**4.3 Section (Customers expectation of service quality inLagos state three star hotels)**

**Table 4.2.2 Dimesion of service Quality**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Items/Questions | | SA | | A | | U | | SD | | D | Total | |
| Q(8)  Hotel physical appearance and cleanliness is well kept | 58  (38.7) | | 43  (28.7) | | 26  (17.3) | | 17  (11.3) | | 5  (3.3) | | | 150  (100%) |
| Q(9)  The staff show sincere interest of solving a problem | 20  (13.3) | | 35  (23.3) | | 74  (49.3) | | 11  (7.3) | | 10  (6.7) | | | 150  (100%) |
| Q(10)  They offer prompt services and respond quickly | 41  (27.3) | | 57  (38) | | 28  (18.7) | | 15  (10) | | 9  (6) | | | 150  (100%) |
| Q(11)  The staff are constantly courteous with you | 37  (24.7) | | 55  (36.7) | | 28  (18.7) | | 17  (11.3) | | 19  (8.7) | | | 150  (100%) |
| Q(12)  The hotel staff gives you individual attention | 56  (37.3) | | 34  (22.7) | | 31  (20.7) | | 12  (98) | | 17  (11.3) | | | 150  (100%) |
| Q(13) The staff are always willing to help you | 32  (21.3) | | 34  (22.7) | | 48  (32) | | 13  (8.7) | | 23  (15.3) | | | 150  (100%) |
| Q(14)  The hotel has your interests at heart | 40  (26.7) | | 43  (22.7) | | 29  (19.3) | | 16  (10.7) | | 22  (14.7) | | | 150  (100%) |

This critically examined service delivery and service quality and customers’ satisfaction in three stars’ hotel in Lagos state Nigeria. In fact, many hotels subscribe to the fact that high customer satisfaction will lead to greater customer loyalty, which in turn, leads to future revenue for the hotel business. It therefore, follows that many hotels that tend to resort to having superior services quality could be market leaders in terms of long-term customer loyalty and retention.

From the analysis gathered from the respondents’ responses, 45.3% strongly agreed, 7.3% agreed, 16% disagreed, 28.7% strongly disagreed while 2.7% of the customers (respondents) that the employees are professional. It suggests that high level of proffesionality of the staff to an extent create some elements of satisfaction to them. It was observed from the respondents’ response that they give personal attention. This was ascertained by the 20%, 32%, 17.3%, 21.3% and 9.3% of the respondents who strongly agreed, agreed, strongly disagree, disagreed as well as undecided about the question raised. 64 hotel customers representing 42.7% and 23 customers representing 15.3% said the staffs of the three-star Hotels where they receive services are friendly and courteous to them during service delivering.

From this very analysis, the proportion of the three star customers who submitted positively to it outweighs those who do not positively submit to it. This again enhances the comfort and satisfaction the hotel customers derive from the services the hotels offered them. In response to the item five (4) in the questionnaire, it can be observed that majority (48 representing 32%) of the three-star customers said the staffs are well behaved. This intuitively tends to affect the satisfaction they receive from the bank services delivering in a positive way. One of the factors observed from the customers’ response not really much enhancing the satisfaction they derive from the three-star hotel services deliveryis that there is timeliness of service. This was seen from the respondents’ response who strongly disagreed, with 42%, being the highest response rate and is undecided.

In response to question eight in the questionnaire, 38.7% strongly agreed, 28.7% agreed, 17% were undecided, 11.3% strongly disagreed while 3.3% disagreed that Hotel physical appearance and cleanliness is well kept. The implication of this is the image and integrity of the three-star hotels is very much intact, thus affecting the satisfaction they derive from the services. 24.7% strongly agree, 36.7% agreed, 18.7% were undecided, 11.3% strongly disagreed while 8.7% disagreed by their response that the staff are constantly courteous with you.

Anyway, this response is positive in the direction of the respondents’ (Hotel customers’) view point about this component of the services the hotels offered to the customers, 26.7% and 22.7% strongly agreed and The hotel has your interests at hearton the services offered. This affects their satisfaction and consequently the tendency to continue the patronage with three star hotels.The above findings deduced from the respondents’ response tend to clearly define what determines three-star hotel customers’ responses wish was carried out within Lagos state Nigeria.

**4.6SECTION E: Testing of Hypothesis**

**4.6.1 Test of Hypothesis One**

Ho: There is no relationship between service delivery and customer satisfaction in the Nigerian three star hotels.

H1: There is a relationship between service delivery and customer satisfaction in the Nigerian three star hotels.

**COMPUTATION OF CHI-SQUARE VALUE**

Data for the hypothesis is obtained from the average of the responses from dimension of service delivery and dimension of service encounter as shown in table below:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Question | SA | A | U | SD | D | Total |
| Dimension of service delivery | 41 | 57 | 28 | 15 | 9 | 150 |
| Dimension of service encounter | 46 | 72 | 18 | 10 | 4 | 150 |
| Total | 87 | 129 | 46 | 25 | 13 | 300 |

Source: field survey, 2014

**Row 1 =** 150x87 = 43.5

300

150x129 = 64.5

300

150x46 =23

300

150x25 =12.5

300

150x13 =6.5

300

**Row 2**

150x87 =43.5

300

150x129 =64.5

300

150x46 =23

300

150x25 =12.5

300

150x13 =6.5

300

The decision criteria here is to determine the chi-square value (X2) from the computation of row 1 and 2

**Contingency table**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Observed frequency  O | Expected frequency  E | O-E | (O-E)2 | (O-E)2  E |
| 41 | 43.5 | -2.5 | 6.2 | 0.14 |
| 57 | 64.50 | -7.5 | 56.2 | 0.9 |
| 28 | 23 | 5 | 25 | 1.09 |
| 15 | 12.5 | 2.5 | 6.2 | 0.5 |
| 9 | 6.5 | 2.5 | 6.2 | 0.9 |
| 46 | 43.58 | -25 | 6.3 | 0.1 |
| 72 | 64.5 | -75 | 56.3 | 0.9 |
| 18 | 23 | 5 | 25 | 1.09 |
| 10 | 12.5 | 2.5 | 6.3 | 0.5 |
| 4 | 6.2 | 2.5 | 6.3 | 0.9 |
|  |  |  |  | 7.1 |

X2 = 7.1

Computation of degree of freedom

Df = (R-1) (C-1). R represents the number of rows in the chi- square table above minus one; while C represents the number of columns in the chi- square table minus one.

(2-1) (5-1)

1 x 4 = 4

At 5% significant level for the degree of freedom, the critical value of chi-square is 9.488

**Decision Rule and Interpretation**

Since the calculated chi-square value of 7.1 is less than the chi-square critical value of 9.488, we simply reject the null hypothesis (Ho) and accept the alternative hypothesis that there is a relationship between service delivery and customer satisfaction in the Nigerian hospitality management sector.

**4.5.2 The joint effect of banking delivery and customer satisfaction on financial performance of money deposit banks**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Model Summary** | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .929a | .863 | .861 | 1.23384 |
| a. Predictors: (Constant), SUMCUSTOMERSATISFACTN, SUMBANKSERVICE | | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **ANOVAa** | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 1409.715 | 2 | 704.857 | 463.006 | .000b |
| Residual | 223.785 | 147 | 1.522 |  |  |
| Total | 1633.500 | 149 |  |  |  |
| a. Dependent Variable: SUMFINANCIALPERFORMANCE | | | | | | |
| b. Predictors: (Constant), SUMCUSTOMERSATISFACTN, SUMBANKSERVICE | | | | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Coefficientsa** | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| B | Std. Error | Beta |
| 1 | (Constant) | -22.339 | .880 |  | -25.381 | .000 |
| SUMBANKSERVICE | .380 | .097 | .483 | 3.928 | .000 |
| SUMCUSTOMERSATISFACTN | .354 | .096 | .453 | 3.684 | .000 |
| a. Dependent Variable: SUMFINANCIALPERFORMANCE | | | | | | |

**4.7 Effects of Bank service delivery and customer satisfaction on financial performance**

The results of the regression model of the effect of three star hotels service delivery and customer satisfaction on financial performanceare shown in Table.

The result of the linear regression model was chosen as the lead equation because it best explains the relationship between the dependent and independent variables. The value of the coefficient of determination (R2) implies that 86.3% of the variation in the dependent variable were explained by the variables included in the regression model, while the remaining 13.7% was as a result of error in estimation, omission of important explanatory variables and error in data collection. This alsoindicates that the combination of the independent variables (hotel service delivery and customer satisfaction) reliably predicts financial performance (F = 463.006, p = 0.000).

The results show that three star hotels service delivery(β = 0.380, p = 0.000), indicating that for each unit increase in hotel service delivery, increases by 0.380 units, holding customer satisfaction constant and that hotels service delivery positively and significantly affected the level of satisfaction customers will derive from the three star hotels. The regression analysis shows that both hotelsquality service delivery significantly have effect on customers satisfaction.

**4.3 Summary of Data Analysis**

**4.3.1 General Information**

The findings indicated the response rate from the respondents who were given the questionnaires where 83% responded while 17% did not respond. This indicated that the organization greatest percentage of the employees responded to questionnaires given. On the other hand, the response on the gender showed that organization has more male than female customers, with male represented by 74% while ladies were represented by 26%. Majority of respondents had been in the company for between 6 - 10 years and they are represented by 34% of the total population this indicate that respondents had been in the company long enough and would be able to provide the required information based on their experience in the company while 16% represented below 5 years, 11 – 15 years indicated 30% while 20% indicated more than 15 years and on the service failure the response from the secondary level was 14% while that of college was represented by 42%. Majority of the respondents were from the university level with a representation of 44%. This indicated that the organization has well qualified employees to discharge their duties appropriately. Finally the age bracket of the respondents between the ages of 26 – 32 years was represented by 42%, 19 - 25 years 24%, 33 – 39 years 16% and above 39 years was represented by 18%. From the findings it indicated that majority are in the age bracket of 26 – 32 years.

**4.3.3 Service Encounters**

The analysis shows that effects of service encounters on service delivery and service recovery in three-star hotels where 94% of the respondents agreed it does affect while 6% disagreed that service encounters does not affect service delivery and service recovery in three-starhotels. This indicated that there should be proper service encounters policies in place to facilitate proper management

**4.3.4 Customer Satisfaction**

The effects of customer satisfaction on service delivery and service recovery in three star hotel showed that 74% of the respondents indicated that yes it does affect service delivery and service recovery in three star hotels while 26% of them indicated that it does not affect the implementation in anyway.

**4.3.5 Management Practices**

The findings shows the effects of management practices on service delivery and service recovery in three star hotels where there was an agreement that management practicesdoes affect with 54% representation while 46% indicated it does not affect service delivery and service recovery in three star hotels. This showed that management practices does affect the organization as indicated by the respondents.

**Chapter 4**

**CHAPTER FIVE**

**SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

**5.1 Introduction**

This chapter consisted of summary of major findings, answers to research questions, conclusion and recommendation of the study.

**5.2 Summary of Findings**

**5.2.1 To what extent does service failure affect service delivery and service recovery in three-starhotels?**

From the findings the extent to which service failure affect service delivery and service recovery in three star hotels where 26% of the respondents indicated that very large extent, large extent was represented by 50%, small extent 16% while 10% of the respondents indicate very small extent. This indicated that majority of the respondent showed that service failure affects the organization at large extent.

**5.2.2 What is the effect of service encounters on service delivery and service recovery in three star hotels?**

The analysis shows the rating of service encounters on the service delivery and service recovery in three star hotelswhere 38% indicated very high, 34% high, moderate was represented by 22% while 6% indicated low and this showed that service encounters affect service delivery and service recovery in three star hotels. This indicated that majority of the respondent showed that working condition affects the organization very highly.

**5.2.3 To what extent does customer satisfaction affect service delivery and service recovery in three star hotels?**

The findings indicated the extent to which customer satisfaction affect service delivery and service recovery in three star hotels where 40% indicated very large extent, 34% large extent, 16% small extent and very small extent was represented by 10%. This showed that customer satisfaction does affect service delivery and service recovery in three star hotels

**5.2.4 How does the management practices affect service delivery and service recovery in three star hotels?**

From the findings it showed the rating of management practices on service delivery and service recovery in three star hotelswhere 38% indicated very high, 34% high, moderate was represented by 22% while 6% indicated low and this showed that management practices affect service delivery and service recovery in three star hotels. This indicated that majority of the respondent showed that working condition affects the organization very highly ?

**5.3 Conclusion**

Based on the findings we conclude that service failure recovery has not been given adequate attention in the hotels, hotel workers are not adequately trained and empowered to handle service recovery. These suggest that majority of the hotels are not cognizance of the realities and implications of not resolving customers complaints as quickly as they occur. Service delivery failures can put restaurants out of business, if attention is not paid to the problem. In a restaurant, the customer experience process failure if the employee is inattentive and outcome failure if the chosen menu item is not available. Knowing that failures will always occur, it is imperative that restaurant make provisions for recovery of these unfavorable instances. If customers are pleased with the service recovery, they may have intention to revisit or refer services to family and friends.

**5.4 Recommendation**

Service recovery is important for the restaurant industry especially in the Nigerian three star hotels. From the empirical findings, it concluded that the service recovery strategy is influential in determining future behavioral intention. Verbal recovery strategy is the most important strategy that must be adopted by the, and no cost in nature, therefore, must be used frequently during failure incidents. Secondly, it concluded that, in offering service recovery, the restaurateurs must ensure the customers satisfy with the recovery strategy because satisfaction is a powerful force for influencing service quality intention. The different perceptions, especially among the restaurant customers of those attributes have significant impact and implications for Nigerian three star hotels operators. For future works, it recommended having several new dimensions like recovery speed and brand loyalty as part of the overall service recovery strategy framework. The empirical findings mention previously based on several limitations. The limitation that applies to this study is the difficulty to identify restaurants that have critical failure incidents as well as to get identical restaurants with similar failure incidents. Apart from that, the strategies that apply based on the overall feedback biased to the verbal action. It strategy is slightly simple relatively to the fast food and upscale restaurant.

Chapter 5

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**APPENDIX I**

**CUSTOMERS’ QUESTIONNAIRE**

Dear respondent,

**RE: COLLLECTION OF DATA**

I am a MSC student in the Department of Tourism Management andManagement University. As part of the requirement for the award of the degree, I am expected to undertake a research study on **THE INFLUENCE OF SERVICE DELIVERY ON CUSTOMER SATISFACTION IN SELECTED THREE STAR HOTELS LAGOS NIGERIA**.I am therefore, seeking your assistance to fill thequestionnaires attached. The attached questionnaire will take about ten minutes to complete. Kindly answer all the questions. The research results willbe used for academic purposes only and will be treated with utmost confidentiality. Only summary results will be made public. No one, except the institution will have access to these records.

Should you require the summary, kindly indicate so at the end of the questionnaire. A self-addressed envelope is provided for your reply. Your co-operation will be appreciated. Your response shall be accorded all the confidentiality it deserves and will only be used for academic purposes.

Yours sincerely,

Zainab Bukola Ogundele

**APPENDEX II**

**QUESTIONNAIRE**

Dear respondent, please provide answers to the following questions by ticking (√) against the most suitable alternative or giving narrative responses in the spaces provided. **SECTION A: GENERAL INFORMATION**

1. **Gender**

Male Female

1. **Age Bracket**

Below 19 years 20 – 29 years

30 – 39 years Above 40 years

1. **Nationality**

Kenyan Rest of Africa

Europe Asia

1. **Purpose of visit**

Business conference

Leisure Transit

1. **How would you rate the services provided**?

Excellent Very good

Good Poor

**SECTION B: factors influencing customer satisfaction**

This part concerns how you feel about aspects of service delivery, quality, encounters and perceived service levels at the hotel. Please tick (√) in the appropriate box to show the extent to which you believe the hotel has features described by the statement. A “1” means you strongly disagree while a “5” means that you strongly agree.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Dimension of service delivery** | **Strongly disagree** | **Disagree** | **Normal** | **Agree** | **Strongly agree** |
| 1. The employees are professional |  |  |  |  |  |
| 1. They give personal attention |  |  |  |  |  |
| 1. The Service attentiveness is high |  |  |  |  |  |
| 1. Staff are well behaved |  |  |  |  |  |
| 1. There is timeliness of service |  |  |  |  |  |
| 1. Staff are always willing to help |  |  |  |  |  |
| 1. Staff are friendly and courteous |  |  |  |  |  |
| **Dimension of perceived service** |  |  |  |  |  |
| 1. The hotelis ambient and clean |  |  |  |  |  |
| 1. The appearance of employees is catching |  |  |  |  |  |
| 1. There overall service is outstanding |  |  |  |  |  |
| 1. You are likely to visit this hotel again |  |  |  |  |  |
| 1. You would recommend the place to friends |  |  |  |  |  |
| 1. Improvement needed to the current service |  |  |  |  |  |
| 1. High safety and security attention |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Dimension of service quality** | Strongly disagree | Disagree | Normal | Agree | Strongly agree |
| 1. Hotel physical appearance and cleanliness is well kept |  |  |  |  |  |
| 1. The staff show sincere interest of solving a problem |  |  |  |  |  |
| 1. They offer prompt services and respond quickly |  |  |  |  |  |
| 1. The staff are constantly courteous with you |  |  |  |  |  |
| 1. The hotel staff gives you individual attention |  |  |  |  |  |
| 1. The staff are always willing to help you |  |  |  |  |  |
| 1. The hotel has your interests at heart |  |  |  |  |  |
| **Dimension of service encounter** |  |  |  |  |  |
| 1. Quick response to service failure |  |  |  |  |  |
| 1. Professionalism in handling a complain |  |  |  |  |  |
| 1. Staff responsiveness to problem solving |  |  |  |  |  |
| 1. Management participation in service delivery failure. |  |  |  |  |  |
| 1. The compensation given meets your needs |  |  |  |  |  |
| 1. Problem resolution time |  |  |  |  |  |
| 1. Safety and security |  |  |  |  |  |

**Thank you for the co-operation**