MANAGERIAL GUIDELINES TO INCREASE SERVICE CAPACITY IN THE TOURISM ACCOMMODATION SECTOR IN A DEVELOPING COUNTRY

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Abstract

**Purpose:** The research aimed 1) to study tourists’ expectations and satisfaction regarding accommodation services in a developing country, i.e., Thailand 2) to propose managerial guidelines to increase service capacity in the tourism accommodation sector in a remote area in a developing country that depends on the tourism industry for a large share of the national income.

**Methodology:** A questionnaire was developed and distributed to 400 tourists to explore their expectations and satisfaction level in terms of the accommodation services they have experienced in a remote area. Mean, standard deviation, T-Test and F-Test were used to analyse the collected data. In-depth interviews were conducted with managers and staff in charge of managing and providing services in the accommodation.

**Main Findings:** The study showed that tourists have low expectations, but high levels of satisfaction towards the five aspects of service quality in the tourism accommodation sector in a remote area.

**Implications/Applications:** Thus, guidelines were developed to increase service capacity for accommodations, located in a remote area in Thailand and to enhance tourists’ experience to achieve the highest satisfaction levels. Five measures are described below. First, emphasize accountability and trustworthiness. For tourists’ benefits, legal measures should be set to control and manage accommodations that cannot correctly comply with the agreements or terms and conditions of advertisements or promotions. Second, focus on responding to tourists’ demands and their curiosity, staff should always accurately serve their needs. Also, inform and provide short and clear explanations to tourists when any changes occur after finalizing agreements with the tourist. Moreover, the service procedure should be convenient, fast, and simple. Third, increase tourists’ confidence towards accommodation services and staff by pursuing the following manners: honesty, well-mannered, gentle and friendly services with service-minded attitude. Fourth, because sympathy is another key success, encourage staff to show concern, kindness, and willingness to help and treat tourists equally. Finally, highlight the tangible assets such as providing a clean and attractive environment, both inside and outside of the accommodation. Increasing the accommodation’s sense of visibility through both offline and online advertisement and media is important.

**Keywords:** Service, Accommodation, Tourism.

INTRODUCTION

The accommodation business is one of the most important sectors in the tourism industry as it acts as one part of tourism components (Chang, Wu, Hsu, & Yang, 2017; Goeldner & Ritchie, 2012; Sinh, Nga, Linh, & Tuan, 2016). The accommodation sector can help generate income for the country that depends on the tourism industry (Archer, 1995). The revenue generated by this industry is increasing rapidly every year and it is evident in many developing countries (Kruij, et al., 2012; United Nations (UN), 2013; Chou, 2013). Take Thailand as an example. In 2015, Thailand generated 2,230,000 trillion baht and the following year, the revenue from tourism industry increased by 6% resulting in more investments and increased level of development of the country (Ministry of Tourism & Sports 2016). According to Sharpley (2000), the accommodation sector plays a vital role in directing the overall picture of the tourism industry. Especially tourists traveling abroad or outside their hometown need to find a place to stay during their holiday (Rizio & Gios, 2015). Yet, some accommodations not only offer a place to stay but also act as a tourist attraction and some also offer activities for tourists (Cooper et al., 1993; Luangsa-Art, 2016; Nasser, 2017; Sukiman, et al., 2013).

According to the Ministry of Tourism & Sports (2016), the accommodation business in Thailand can add value of 337,343 baht or 19.1% to the whole service sector. Therefore, providing quality service is the main requirement for the accommodation business as it can be the key to success and help increase competitive advantage for the business (Trot et al., 1964; Presbury, 2005). Tourists are willing to pay more for higher quality services that may result in repeat visits and increased loyalty to their brand (McConnell, 1968). Zeithaml, Parasuraman, and Malhotra (2000) affirmed that service quality needs to be good value for money because at present tourists tend to have power to negotiate because they have wide selection of services to choose from. Therefore, the quality of service provided is very important as it can make or break the tourists’ impression (Parasuraman, 1998, Na Ayuthaya, Tuntivivat, & Prasertsin, 2016).

Ministry of Tourism & Sports (2016) revealed that most tourists tend to mainly visit only big cities and avoid visiting remote areas in Thailand as they are uncertain about the tourism facilities, amenities, safety and especially accommodation. However, Thailand is well-known for tourist destinations but most tourists are only familiar with popular cities like Bangkok, Phuket, and Chiang-Mai which results in lower numbers of tourists wanting to visit and stay in places outside
these big cities (Sawatsuk, Darmawijaya, Ratchusanti, & Phaokrueng, 2018). Factors Determining the Sustainable Success of Community-Based Tourism: Evidence of Good Corporate Governance of Mae Kam Pong Homestay, Thailand. International Journal of Business and Economic Affairs, 3(1), 13-20. That said, service quality plays an important role to attract and increase tourists’ confidence when deciding to stay overnight in accommodation in a remote area (Baker & Crompton, 2000). Therefore, having deep understanding of the problems and issues related to managing accommodations in remote areas is required to propose managerial guidelines to increase accommodation service capacity. This study implemented a conceptual model of service quality proposed by Parasuraman. The focus was on five service dimensions, i.e., 1) tangibles 2) reliability 3) responsiveness 4) assurance and 5) empathy.

RESEARCH OBJECTIVES

1. To explore tourists expectations towards service quality in accommodations in remote areas
2. To assess tourist perceptions towards service quality in accommodations in remote areas
3. To examine tourist satisfaction towards service quality in accommodations in remote areas
4. To propose managerial guidelines to increase service capacity and its quality in accommodations in remote areas.

LITERATURE REVIEW

Because the tourism and hospitality industry is growing continuously and rapidly, the study of this industry is increasingly essential as it can provide the foundation of deep understanding on the related topic. Although tourism is one of the enormous and fast-growing sectors, components of tourism also play a vital role, especially the accommodation sector as it has significantly generated revenue within the area (Cooper et al., 1993; Archer, 1995). The accommodation sector can be classified in 18 commonly well-known types, i.e., hotel, resort, B&B, home exchange, apartment rental, hostel, pension, motel, lodge, yurt, inn, dorm room, capsule, bungalow, villa, extended stay, resort and guest house (UNWTO, 2016). Each type has its own characteristics and offers different kinds of experience to tourists.

In addition, the major role of accommodations in tourism destinations is not only to provide a place to stay but it also involves service quality (Mill & Morrison, 2002). Service quality in the accommodation sector can help differentiate one business from another as the quality depends on the service capability of each business. Many types of accommodations foresee the importance of enhancing service quality to meet higher standards (Min et. al., 2002). As a result, the measurement of service quality is significant. One of the most commonly used instruments is called SERVQUAL, which was designed to be used to test and measure the level of service quality (Parasuraman et al., 1991, El-Den, Adikhari, & Adikhari, 2017). Parasuraman, Zeithaml, and Berry were the scholars who developed this instrument to find service quality gaps by comparing tourists’ expectations of the service quality they perceived with what they actually experienced. This instrument tests and measures five dimensions, i.e., assurance, empathy, reliability, responsiveness, and tangibility. Taylor and Baker (1994) pointed out that when the service meets the desired conditions of tourists or exceeds their expectations then tourists tend to believe that they received good service quality. However, when the service quality they received is perceived lower than their expectations, then they tend to define that as poor service quality (Cronin and Taylor, 1994). Therefore, the five dimensions from SERVQUAL can be used to measure the gaps from tourists’ expectations and their perceptions of the service they received based on the five dimensions.

Moreover, Smith and Huston (1983) supported that when the result from service quality measurement shows a high expectation of service and low perceived service (ES >PS), then tourists are more likely to be dissatisfied with the service they received. On the other hand, when tourists perceived the service quality as what they had expected (ES=PS), then they will be satisfied with the service offered. However, when the service they perceived exceeds their expectation (ES < PS) it will result in a high level of satisfaction.

That said, the five dimensions of SERVQUAL are interconnected and can be measured to find the gaps in service quality in the accommodation sector. Therefore, service providers in the accommodation sector need to measure the perceived service quality and identify gaps to enhance service quality to exceed tourists’ expectation.

METHOD

The research aimed to study tourists’ expectations and satisfaction levels concerning accommodation services in remote areas in Thailand. A total of 400 sets of questionnaires were distributed to both Thai and international tourists staying at accommodations in remote areas in Thailand. The researcher selected six remote areas from six different regions in Thailand to represent the overall picture of tourists’ expectations and their satisfaction levels of the tourism accommodation in remote areas in Thailand. The sample size of this study totaled 384 determine by Taro Yamane’s table with 95% reliability. The researcher rounded up the number to 400 to guarantee a high number of returned questionnaires from the respondents. The questionnaire consisted of three parts: demographic profiles comprised the first part, followed by questions with Five-point Likert scales about tourist’s expectations and their perceptions in terms of the five dimensions of SERVQUAL in the accommodation sector. The third part was contained open-ended questions for respondents to freely give additional comments and suggestions regarding the topic being studied. The researcher carried out an accidental sampling method to save time when collecting data. The data was collected by self-administered questionnaire to clarify any unclear statements or questions from respondents.
Content validity and reliability of the questionnaires were tested. The result of Alpha Coefficient was 0.87, which is acceptable to distribute this set of questionnaires to collect data. Descriptive statistics were compiled to summarize responses and make inferences about the survey data. Analyses using T-Test and F-Test were conducted to explore possible similarities and differences in tourists’ perceptions towards their expectations and level of satisfaction towards service quality in the tourism accommodation sector, given differences in personal characteristics and their demographic profiles such as nationality, age, sex and purpose of visit.

Sixty structured in-depth interviews were conducted with the supply side, namely managers and staff in charge of managing and providing services in the tourism accommodation sector in a selected remote area. The questions were constructed based on the directions towards service improvement in the tourism accommodation sector and their perceptions of the service quality they provided. Content analysis was used to help establish the context and categorize the answers in groups to ensure that all items asked received equal attention to analyzing.

RESULTS

More than one-half of the respondents, 56%, were female aged between 20 and 30 years. Most respondents held an undergraduate degree. A total of 13 nationalities comprised the study sample. Most respondents were from Asian countries (48%); followed by European countries (29%) and the rest were from the USA (18%) and Oceania (5%).

Summary of tourists’ expectations towards service quality in tourism accommodation in a remote area

The result from the descriptive statistics on the expectations of tourists towards service quality in tourism accommodation showed that their expectations were mostly ranked at a high level as shown in Table 1.

| Expectations towards Service Quality | X | S.D. | Level of Expectation |
|-------------------------------------|---|------|---------------------|
| 1. Tangibles- Appearance of services through physical facilities, equipment, personnel and communication materials | 3.51 | 0.62 | High |
| 2. Reliability: Ability to perform the promised service dependably and accurately | 3.50 | 0.56 | Medium |
| 3. Responsiveness: Willingness to help customers and provide prompt service | 3.50 | 0.56 | Medium |
| 4. Assurance: Knowledge and courtesy of employees and their ability to convey trust and confidence | 3.77 | 0.65 | High |
| 5. Empathy: Expression of concern and care, sincere attention, individualized consideration provided to customers | 3.64 | 0.59 | High |
| Total | 3.58 | 0.46 | High |

Summary of tourists’ perceptions towards service quality in tourism accommodation in a remote area

The findings show that tourist’s perceived high service quality after they stayed in the tourism accommodation in a remote area. The details are shown in Table 2.

| Perceptions towards Perceived Service Quality | X | S.D. | Level of Perceptions |
|---------------------------------------------|---|------|---------------------|
| 1. Tangibles- Appearance of services through physical facilities, equipment, personnel and communication materials | 4.11 | 0.52 | High |
| 2. Reliability: Ability to perform the promised service dependably and accurately | 4.05 | 0.52 | High |
| 3. Responsiveness: Willingness to help customers and provide prompt service | 4.07 | 0.55 | High |
| 4. Assurance: Knowledge and courtesy of employees and their ability to convey trust and confidence | 4.24 | 0.55 | High |
| 5. Empathy: Expression of concern and care, sincere attention, individualized consideration provided to customers. | 4.09 | 0.53 | High |
| Total | 4.11 | 0.42 | |

Summary of tourists’ satisfaction towards service quality in tourism accommodation in a remote area

Table 3 revealed the results on the level of satisfaction towards service quality they received in tourism accommodation in a remote area where they stayed by comparing tourists’ perceptions and their expectations.
Table 3: Level of Satisfaction towards Service Quality in the Tourism Accommodation Sector in a Remote Area

| Items                                                                 | Perceived | Expectation | t        | sig       | Level of Satisfaction |
|----------------------------------------------------------------------|-----------|-------------|----------|-----------|-----------------------|
| 1. Tangibles- Appearance of services through physical facilities, equipment, personnel and communication materials | 4.11      | 3.51        | -17.672  | 0.000     | High                  |
| 2. Reliability: Ability to perform the promised service dependably and accurately | 4.05      | 3.50        | -17.826  | 0.000     | High                  |
| 3. Responsiveness: Willingness to help customers and provide prompt service | 4.07      | 3.50        | -16.379  | 0.000     | High                  |
| 4. Assurance: Knowledge and courtesy of employees and their ability to convey trust and confidence | 4.24      | 3.77        | -12.872  | 0.000     | High                  |
| 5. Empathy: Expression of concern and care, sincere attention, individualized consideration provided to customers | 4.09      | 3.64        | -12.623  | 0.000     | High                  |
| Total                                                               | 4.11      | 3.58        | -21.243  | 0.000     | High                  |

As reflected from the findings, to enhance the service capacity in the tourism accommodation sector in a remote area in a developing country development should focus not only on accommodation managers but all employees from all departments both front desk and behind the scene service areas should pay serious attention in providing genuine service quality in all five dimensions with real service minded staff to all types of tourists, despite their appearances and nationalities. Cases were observed where employees had double standards in providing service between international and Thai tourists. They tended to believe that international tourists were more likely to provide better tips when compared with Thai tourists.

DISCUSSION

This study’s findings indicated that tourists had high expectations towards service quality in the accommodation sector in a remote area as described below. The first was assurance, in terms of knowledge and courtesy as employees and their ability to convey trust and confidence followed by empathy, which focused on expressing concern and care, sincere attention and individualized consideration provided to customers. The third was tangibles, i.e., the appearance of services through physical facilities, equipment, personnel and communication materials. The lowest expectations they had towards service quality in the accommodation sector were fourth, reliability, i.e., the ability to perform the promised service dependably and accurately and fifth, responsiveness, willingness to help customers and provide prompt service.

Despite the tourists’ expectations towards service quality, the results illustrated what they actually perceived after experiencing the service given at the accommodation in a remote area. Assurance was high in terms of knowledge and courtesy of employees and their ability to convey trust and confidence, which was the same as what they expected. However, they perceived the service quality in terms of tangibles or the appearance of services through physical facilities, equipment, personnel and communication materials as being more obvious to them. Then they revealed a high level of empathy or the expression of concern and care, sincere attention and individualized consideration provided to customers. Last was a high level of responsiveness which was indicated by the level of willingness to help customers and provide prompt service and a sense of reliability including the ability to perform the promised service dependably and accurately, respectively.

The interview’s results with the selected accommodation managers also confirmed the findings from tourists that they put great effort into managing their accommodation especially by focusing on providing high-quality service as indicated by the following. First, in terms of assurance and reliability, all key informants mentioned about having certain sets of service standards and honesty, and then they strictly followed it throughout by all staff. For example, they paid serious attention to keeping promises with tourists such as promotions, hot deals, discounts, etc. They also provided staff service training to all their staff every year to increase credibility and sense of reliability of the place by staff service performance. Second, in terms of responsiveness, most of the key informants mentioned the importance of paying attention to giving fast, correct and clear information to tourists when they have inquiries or concerns. They also made routines less complicated with clear and solid systems to reduce or alleviate tourists’ confusion when they stayed in their accommodation. Third, regarding the sense of empathy, the key informants mentioned their value in terms of equity, willingness, and fairness towards providing services to all types of customers. They also focused on the importance of understanding differences people have. Staff was trained not to judge customers but rather to understand them. Finally, in terms of tangible appearance, cleanliness was very important. Some accommodations visited were not new, yet the managers stated that they endeavored to make every room and every corner as clean as possible. Housekeepers played a very important role here in keeping the place clean and tidy as it helped with tourist’s first impression when arriving at the accommodation. The cleanliness not only reflected on the place and facilities but also on staff personal appearances such as uniforms and staff behavior and manners regarding both direct and indirect contact with tourists at the accommodation.
CONCLUSION

Overall, the findings from this study strongly suggest that managerial guidelines to increase service capacity in the accommodation sector in a remote area should mainly focus on enhancing accommodation staff at all levels to understand and accept differences among people. More importantly, the standards of service quality need to be set and communicated to all staff, not only those who have direct contact with tourists but also communicate the service standards to those working behind the scenes or having none or only indirect contact with tourists. That way, tourists will receive the same standards of service quality throughout their experience during their stay. Lastly, staff training is also vital to remind, maintain and improve the quality of service provided. In addition, the findings from this study also demonstrated that although accommodations in remote areas receive less attention and are not often selected by tourists on their holiday or promoted by the tourism authority, but when tourists actually experienced the quality of service provided, the results showed a high level of satisfaction towards service quality in accommodations in a remote area. Kotler (1997) affirmed that level of satisfaction results from the comparison people make between their expectations and their perceived performance towards certain issues. Therefore, when the expectation towards service quality is more than what they perceived than they often have low satisfaction levels, but when what they perceived as more than what they have expected, it often results in high levels of satisfaction. To sum up, apart from the managerial guidelines to improve service capacity for accommodation, the findings from this study also indicated that distance and nature of the area do not affect the quality of service provided in the accommodation sector. Therefore, for tourism policymakers and planners, taking this point into consideration is important to manage and promote the tourism accommodation sector more equally, by expanding the tourism components, including accommodations in a wider area, not only concentrated in big cities.

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