



Empirical Investigation Of The Influence Of Service Quality And Physical Attributes On Customer Delight And Loyalty In Indian Five-Star Hotels

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ABSTRACT

In the changing scenario of the Indian hotel industry, the pursuit of customer delight and customer loyalty stands as a very important factor for sustainable success, particularly in the case of India five-star hotel. The quintessence of this industry lies not merely in offering lodging but leave a long-lasting impression on the customer even after they check-out the establishment, that movement create a impression on guests 'mind and heart' influencing on the future choice and shaping the perceptions. Service quality and physical attributes these are identified two central elements of the hotel industry in creating the immersive experience for the customers. This research main focus on bridge this gap by conducting an empirical investigation to examine the impact of service quality and physical attribute on the customer delight and customer loyalty in the Indian five-star hotel industry. By structuring a comprehensive research framework, qualitative and quantitative methods, this study provides rich insights into the mechanisms influencing customer delight and loyalty in this unique setting. The finding of this research contributing for both academic literature and hotel management practices within the hospitality sector. Through analysis of intricate relationship between service qualities, physical attributes, customer delight and customer loyalty, this study endeavors to equip managers with actionable insights to boost the customer experience, enhance loyalty and take the competitive advantage in the Indian hospitality industry.

Keywords: Customer Delight, Hospitality industry, Loyalty, Service quality.

1. Introduction

Hospitality industry is the key player in the economic development and integral part of overall service sector. The selection of Indian hotel industry as the focused in the research due to growth and potential of the Indian hotels, in the recent years the domestic and international tourists expends, rise in the disposal incomes, and government also promote tourism and hospitality infrastructure. This sector growth trajectory positions the hospitality industry as a vibrant and substantial potential for further growth and development. The Indian hotel industry represents unique market with diversified characteristics, cultural landscape, rich historical hospitality and varied tourist preferences. The industry encompasses a wide range of hotel categories, from budget hotel to five-star luxury hotel that provide a diversified market segments. This diversification offers rich context for research, allowing for exploration of guest attitude, perception and behaviour across the different segment of the hotel industry.

Indian hotel industry operates under the highly competitive environment, with domestic and international hotel chains vying for market capturing and loyalty. This competitive dynamic environment drives the hotel for continuous innovation and offerings to attract and retain customers, making it to evaluate different factors on customer satisfaction, delight and loyalty.

Indian hotel industry also have many emerging trends and challenges including technological advancement, changing consumer's preference and the impact of global pandemic such as COVID-19. It's become a big challenge for the hotels to understand these trends and challenges shaping customer experiences is crucial for hotels to adapt and thrive in an evolving landscape. This Research focuses on the Indian five-star hotels contribution to the broader body of knowledge to the hospitality industry and tourism sector studies. Overall,

the selection of the Indian hotel industry for the research offers a rich and broader ground for exploring, contributing into the guest satisfaction, delight and loyalty within the context of rapidly evolving and competitive market.

2. Literature Review

2.1 Service Quality (SQ) and Customer Delight (CD)

Service quality has been determined one of the important factor in influencing the customer satisfaction and loyalty in the hotel industry (Parasuraman et al., 1985). In the context of luxury hotels, service quality encompasses various dimensions as reliability, responsiveness, assurance, empathy & tangibility (Parasuraman et al., 1988). These dimensions play an important role in shaping customer satisfaction through perception and experiences.(Abdullah, 2022) Service quality has a positive influence over the customer satisfaction in the restaurants in the five-star hotels.(Baquero, 2023) Customer satisfaction achieve only with the good hotel facilities. (Jasrotia & Kaur, 2024) Customer relationship management drive by technology also plays an important role in developing the customer satisfaction.(Osman & Sentosa, 2013) Customer satisfaction highly influenced the customer loyalty and customer loyalty relationship management.(Tefera, 2020) Customer satisfaction and customer loyalty directly affected by the customer service quality improve in service quality that improves the customer satisfaction and long term effect on the loyalty.

Several studies have focus on the important of service quality in generating customer delight and boosting loyalty. For instant, KIM and Cha (2002) found a strong bond between the service quality and customer satisfaction in luxury hotels. In the same way Han and Ryu (2009) identified service quality as a key determinant of customer delight, leading to retaining customer and word of mouth (WOM).

2.2 Physical Attributes (PH) and Customer Delight (CD):

In the addition to service quality, the physical appearance of establishment of hotels plays an important role in evaluating the perceptions and experiences. Tangible aspects of the hotel environment include facilities, ambiance, cleanliness, and aesthetics (Bitner, 1992). These attributes contributes to the overall satisfaction and delight of customers. Lee and Hsu (2013) found that physical environment factors have direct and positive influence on customer satisfaction and loyalty in luxury hotels. Mattila and Wirtz (2011) highlighted the importance of hotel interior and exterior ambiance and design in increasing the overall hotel experience and customer loyalty.

2.3 The Interaction Effect:

While both service quality and physical attributes independently influence customer behaviour, perception and attitude, their combined effect on customer delight and loyalty is particular interest. Cronin and Taylor (1992) proposed the 'SERVERF' model which integrates service quality and performance to customer satisfaction and perception. In the same way, Zeithaml et al. (2002) emphasized the importance of aligning service quality and physical environment to develop a cohesive and satisfying customer experience.

In the context of Indian five-star hotels, very little empirical research has been conducted to investigate the impact of service quality and physical attributes on customer delight and loyalty. Therefore, this study aims to fill this gap by empirically examining the relationship between these factors and their implication for customer delight and loyalty in the Indian Hospitality context.

3. Research Problem

In the context of the Indian hotel industry, to retain the loyal customer has become a paramount strategic objective, in the competitive and saturated market. Hotel's professional recognizing that mere satisfaction is not insufficient to foster the loyalty among the customers, now hotels are more focusing on customer delight to know the impact of customer delight on loyalty.

In hotel industry is struggling to determine the primary drivers of customer loyalty. The researchers and practitioners have divergence of opinions whether they should prioritize customer delighting or simply focus on the basic expectations of the customers. Consequently, hotels are bounded to reassess their policies and strategies for fostering customer loyalty and identify the factors that really contribute to it. In India hotel similarity in offerings also a big challenge for achieving a sustainable competitive advantage. While it has long been acknowledged that satisfied customer retain, but growing evidence suggest that satisfaction alone may not be sufficient in cultivating loyalty among customers.

In some researches like theme parks and hospitality, has been explored the concept of customer delight and its impact on loyalty. However, there is a notable gap in understanding how customer delight influence loyalty and how basic attributes like service quality and physical attributes impacts customer delight and loyalty in Indian hotel industry. Therefore, there is an opportunity for further investigation within context to uncover the role of service quality and physical attributes as a driver of customer delight and loyalty.

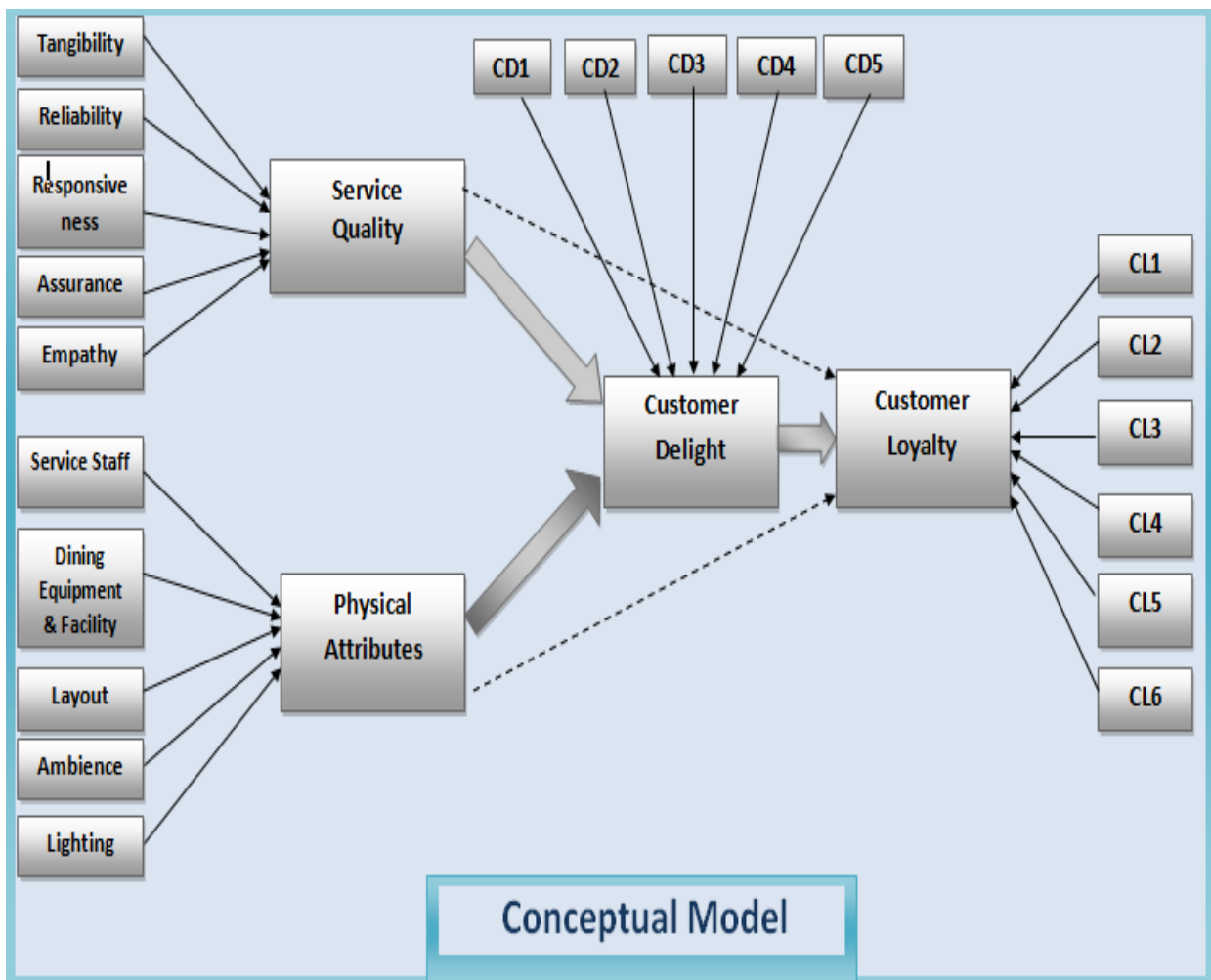
4. Research Objectives

- To examine the factors through which hotels delight their customers.
- To examine the relationship between service quality and customer delight.
- To examine the relationship between physical attributes and customer delight.
- To examine the moderating effect of customer delight between service quality and customer loyalty.

5. Hypothesis Formulation

The following hypotheses are constructed based on the literature review presented above;

- H1: Service quality has a direct positive effect on customer delight
 H2: Physical attributes has a direct positive effect on customer delight
 H3: Service quality has a direct positive effect on customer delight
 H4: Physical attributes has a direct positive effect on customer delight
 H5: Increase in Customer delight increase in Customer loyalty



6. Research Methodology

This study is on empirical research and main data analysis section. The empirical study deals with the service quality and physical attributes impact on the customer delight and customer loyalty, moderating effect of customer delight between the service quality and customer loyalty. For this study major eight cities namely; Delhi, Gurugram, Chandigarh, Kolkata, Mumbai, Bangalore, Jaipur and Chennai are selected these geographically cover all part of the India as well as these cities having the international airport and top 5 busiest airport from these cities.

6.1 Data Collection

In the category of hotel five-star hotels are selected for the sample and more than 135 five-star hotels are selected randomly from these cities. The respondent targeted for this study were those aged 18 years or more and stayed in any five-star hotel across these cities, the study adopted a survey method to collect the data from

the Indian five-star hotel. to achive this permission obtain from the hotels to collect the data from their visitors with a establishment assurance that an anotomity and cofidentiality will be maintain at all the time. Using a questionnaire data was collected through online and by visiting the hotels and respondent rate was 29% and the excersed yield 500 respondents. The key dimensions of the questinaire consist of questions plotted on Likert scale five points 1 “Strongly Disagree” to 5 “Strongly Agree”. and having four sections on SQ, PH, CD, CL. Statical analysis perform by using the ‘SPSS 26’ software and relationship between the SQ, PH, CD and CL was analysed through research model.

6.2 Data Analysis

SPSS 26 used for the analysis for this study, under the analysis process impact and relationship between the variables were analyzed.

7. Results

7.1 Reliability

The reliability of the various variables was assessed by using the Cronbach’s alpha. SQ ‘Excellent’ PH ‘Excellent’ CD ‘Acceptable’ and CL ‘Acceptable’.

Variable	Cronbach’s Alpha	Number of Items
Service Quality	0.909	22
Physical Attributes	0.908	21
Customer Delight	0.717	5
Customer Loyalty	0.778	6

7.2 Correlation Analysis

Pearson correlation coefficients were analyzed to assess the relationships between the variables. As shown in the correlation matrix the variables having strong positive relationship between CD and CL (0.860**), CD and SQ (0.911**), CD and PH (0.911**), SQ and PH (0.998**), SQ and CD (0.911**), SQ and CL (0.829**), and PH and CL (0.831**). Correlation were significant at the 0.01 level(2-tailed) and indicating strong association.

Correlations					
	CD	CL	SQ	PH	
CD		1			
CL		.860**	1		
SQ		.911**	.831**	1	
PH		.911**	.829**	.998**	1

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

7.3 Hypothesis Testing

Hypotheses were tested using regression analysis to analyze the direct effect of service quality (SQ), Physical Attribute (PH) on Customer Delight (CD) and Customer Loyalty (CL).

H1: Results indicates that PH had significant and positive effect on customer delight ($p < 0.001$), Adjusted $R^2 = .830$ and path coefficient = .490 (H1 Accepted).

H2: Results indicates that SQ had significant and positive effect on customer delight ($p < 0.001$), Adjusted $R^2 = .830$ and path coefficient = .422 (H2 Accepted).

H3: Customer Delight (CD) had significant and positive influence on customer loyalty (CL) ($p < 0.001$), Adjusted $R^2 = .738$ and path coefficient = .609 (H3 Accepted).

H4: Physical attributes direct effect on customer loyalty was not significant (Path Coefficient = -.289) (H4 Rejected)

H5: Results indicates that SQ had significant and positive effect on customer loyalty ($p < 0.001$), Adjusted $R^2 = .686$ and path coefficient = .564 (H5 Accepted).

Hypothesis Testing	R	Adjusted R Square	Beta	Path Coefficient	St. Error of Estimates	t	p	Accepted Rejected
SQ → CD (H1)	.911 ^a	.830	.979	.490	.16442	49.304	.000	Accepted
PH → CD (H2)	.911 ^a	.830	.966	.422	.16427	49.358	.000	Accepted
CD → CL (H3)	.860 ^a	.738	.918	.609	.20961	33.286	.000	Accepted
PH → CL (H4)	.831 ^a	.689	.904	-.289	.22846	33.029	.364	Rejected
SQ → CL	.829 ^a	.686	.884	.564	.22968	37.546	.000	Accepted

(H5)

Overall, the data analysis revealed direct and positive relationship between the service quality (SQ), Physical Attribute (PH) on Customer Delight (CD) and Customer Loyalty (CL) in the Indian five-star hotels. The finding support the hypothesis formulated by analyzing the previous researches and provides insights into the factors effecting customer delight and loyalty in hotel industry.

8. Discussion

The results support the notion that service quality and physical attributes both play an important role in influencing the customer delight and customer loyalty in Indian five –star hotels. Moreover, the significant positive effect of customer delight on the customer loyalty indicates that satisfied and delighted customers express more loyalty towards the hotels. Furthermore service quality was found to directly impact customer loyalty, but physical attributes did not show the direct effect it would affect customer loyalty through the customer delight.

9. Implications:

These finding have huge implications for hotel mangers within the Indian five star hotels. This study investigates the role of service quality improvement and maintaining the physical appearance of the establishment boost the customer delight and loyalty. Additionally, recognize the significant role of customer delight fostering the customer loyalty.

Moreover, the results suggest that only focusing on the basic expectation may not be sufficient for fostering loyalty; instead, hotel should aim to exceed customer expectations and create a memorable and unforgettable experience that delight the customers.

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