

## **Exploring Service Quality and its Effect on Tourist Satisfaction Using Importance Performance Analysis (IPA) in Three Selected Hotels in Hawassa, Ethiopia**

<sup>1</sup>Shemsu Hassen Hussen (Mr), <sup>2</sup>Markos Mekuria Dolebo (PhD)

<sup>1</sup>Regional Culture and Tourism Bureau Senior Expert, Hawassa, Ethiopia

<sup>2</sup>Department of Educational Planning and Management, College of Education, Hawassa University, Ethiopia  
Corresponding Author: Shemsu Hassen Hussen (Mr).

---

**Abstract:** The purpose of this paper was to explore the service quality and its effect on tourist satisfaction in three selected hotels in Hawassa, Ethiopia from tourists' perspective by using Importance-Performance Analysis (IPA) technique. Convenience sampling technique was employed to approach the respondents. A total of 284 tourists from the selected hotels were approached for the data collection. The finding of the study revealed that six hotel attributes were deemed important by the tourists who stayed in the selected hotels. However, the performance of the hotels against the six attributes was low. As a result, tourists were not satisfied on these attributes. These attributes include bath room amenities, convenient opening hours, and value for money, prompt service, communication skill of staffs, high speed internet and twenty four hour cold and hot water service. The finding also identified eleven hotel attributes which were rated as important by study participants. The performance of the hotels against these attributes was also good. Hence, tourists were satisfied on Spaciousness of rooms, comfort of bed, mattress, and pillow, food presentation, neat and clean staff, cleanliness of hotel, appropriate location, swimming pool, friendliness of staff, comfortable furnishings, safety and security at hotel and steam and sauna. Only two attributes were rated as low importance by tourists but all hotels under study performed well. Three attributes were not consumed by tourist though they were available in all hotels under study. These three attributes were rated as low importance and includes meeting facilities, laundry and parking facilities. In addition, three attributes were identified as important by respondents though they were not available in the hotels. These attributes include in room temperature control, traditional clubs, and Ethiopian cultural restaurant. Generally from all the findings, it is concluded that the service quality attributes have positive effect on tourist satisfaction in the hotels under investigation.

**Key words:** Service quality, importance-performance analysis, tourists, satisfaction

---

Date of Submission: 29-04-2019

Date of acceptance: 13-05-2019

---

### **I. INTRODUCTION**

In recent years the trend of world markets has changed noticeably from agricultural to service markets (Rao & Padma, 2013). For the last few decades, hence, the tourism industry has been identified as a key driver in the growth of the service industry, which in turn, is one of the three main industrial components of a developed and developing economy (Kotler & Keller, 2006).

In the increasingly competitive market, one of the most important trends for a service organization is to maintain an ongoing relationship with their customers in order to protect their long term interest. Considering this competitive environment, there is a need for service providers to plan strategies that will differentiate them from others. This can be achieved through the delivery of superior service quality. Providing a satisfactory service quality is extremely important to capture and retain customers. In other words, customer satisfaction is the key factor in determining how successful the organization will be in customer relationship and is considered one of the prime variables to sustain competitive business in the tourism industry because it affects the choice of destination, consumption of products and services (Kozak & Rimmington, 2000).

Over the years the attention of practitioners and academicians working on quality has significantly concentrated on measuring the quality in the manufacturing sector. However, the demand for better customer service has considerably increased the need for managing service quality (Wu, Liao, Hung, & Ho, 2012). As a result, the number of research studies on quality in the service context has started to increase in several parts of the world (Gummesson, 1991) and this has raised the awareness of business people in the service sector such as the hotel industry about the importance of improving their services to satisfy their customers. In the context of

the hotel industry, service quality in terms of both customers' expectation and customers' perception could lead to customer loyalty, enhanced image, reduced costs and increased business performance (Choi & Chu, 2001). For this reason, one of the most important factors affecting hotel business performance is the improvement of service quality, which is important for creating financial benefit leading to a long-term competitive advantage for the hotel (Zhang & Law, 2011).

Several studies have identified potential difficulties regarding the conceptual foundation and empirical measures of service quality. In fact, the quality of services cannot be measured objectively in the same way as the quality of manufactured goods (Crick & Spencer, 2011). Since service quality is an elusive concept, there is still a debate on how best to conceptualize it and how service quality can be measured in different contexts?

There is still a need to develop service quality measures that are country/industry-specific (Crick & Spencer, 2011). This is because service quality constructs that are developed particularly for one culture/industry may not be applicable in a different setting (Hsieh & Tsai, 2009; Salazar, 2010). In the context of the hotel industry, other attributes, such as imprecise standards, short distribution channels, reliability and consistency, face-to-face interaction, and fluctuating demand, have been identified as a challenge for the task of defining and measuring service quality (Akibaba, 2005). In addition, the demand for different hotel types in different countries is usually clustered around peak periods such as holiday seasons, which makes it difficult to provide consistent service quality measures.

Thus, the investigators delimited the scope of the study to explore the service quality and its effect on tourist satisfaction focusing on three purposely selected international hotels for their similar standard in Hawassa city, Ethiopia which is situated 275 Kms from Addis Ababa, capital of Ethiopia, by employing Importance- Performance Analysis techniques.

## **II. STATEMENT OF THE PROBLEM**

Service quality has been recognized as an important issue in the hotel industry (Davidson, 2003; Tamagni & Zanfardini, 2005). As stated by Sit, Ooi, Lin, and Chong (2009), to cultivate highly satisfied and loyal customers, organizations throughout the world are striving to produce products and services of superior quality. Identifying the effect of service quality on customer post-purchasing behaviors such as customer satisfaction and behavioral intention is crucial for managers to identify and improve service quality to meet demand of customers (Min & Min, 2005). In general, the behavior of customer can be linked to the level of service quality. Therefore it helps to provide higher levels of overall satisfaction and upgrade their hotel experience (Gunderson, Heide & Olsson, 1996). These higher satisfaction levels can, in turn, generate numerous benefits for service providers, such as customer loyalty and positive word of mouth.

Now-a-days, internationally, the demand for better quality product and services in the hotels is increasing than ever before. On the other hand the quality service becomes one of the challenges for tourism industry especially to the hotel sub sector. It is known that Ethiopia is full of varied historical, cultural and natural attractions; however, with such huge, distinct and tremendous wealth of cultural and historic tourism potential resources, the country is not earning a required level of benefits out of its tourism development activities. For instance, the 2013 records of Ethiopian Culture and Tourism Ministry shows that the contribution of tourism to the nation GDP is at minimum level when it is compared to its tourism resources and the achievement made by neighboring countries like Kenya and Tanzania. In Ethiopian service sector 36% customers were dissatisfied with employees' interaction skills and 47% of the customers were also disappointed with service delivery system. Moreover, 52% and 61% of the customers were not pleased with the service recovery process and complaint handling procedure, respectively. In sum, 49% of the customers expressed overall dissatisfaction on the services provided by Ethiopian service sector (Rajasekhara & Awgichew cited in Belay, 2012).

At country level, the degree of hurdle is different, in private or public hotels. Nowadays hotel business has much serious problem and delivery of quality service to customer. Similarly, in Hawassa city hotels service has been conducted according to need and interest of the owners against the interest of customers and the level of service rendered by the hotels. Thus, the investigators are motivated to explore the impact of service quality on tourist satisfaction in selected hotels in Hawassa using Importance Performance Analysis technique.

Recognizing this fact; the study has attempted to address the following research questions:

1. What hotel attributes are of high importance and high performance as perceived by tourists?
2. What hotels attributes are of high importance and low performance as perceived by tourists?
3. What are the attributes of hotels which were rated as low importance by tourists and the performance of the hotels was also low?
4. Which attributes of hotels were rated as low importance by tourists but the performance of the hotels was high?
5. What are the attributes which were perceived important by tourists but not available in hotels?

### III. PURPOSE AND SIGNIFICANCE OF THE STUDY

The main purpose of the study was to explore the relationship between service quality and tourist satisfaction in selected hotels in Hawassa using Importance -Performance Analysis technique. The finding of this study has the following importance both to existing and upcoming investors in hotel industry as the research was intended to examine attributes of hotels which had significant effect on tourists satisfaction so that hotel managers can work on these attributes.

- It is important for policy makers and experts at various levels to make use of the research findings so as to improve the conditions both for the investors and their tourists.
- It will help the hoteliers identify the gaps in their services in order to take the necessary corrective measures to remain competent in the hotel industry and this facilitates the appropriate condition for the customers to get satisfied in the services they are looking for.
- It will be important for tourists to get quality and improved services and get satisfaction.

### IV. LITERATURE REVIEW

For decades, customer satisfaction has been one of the key global constructs predicting customers' behavioral intentions and actual behavior (Oliver, 1999). Customer satisfaction has a positive effect on attitude change in the post purchase period (Westbrook & Oliver, 1991), and these positive attitudes do enhance repurchase intentions (Yi, 1990).

Customer repeat purchase and word-of-mouth publicity are closely related to satisfaction with an initial purchase, and satisfied customers help the company by providing word-of-mouth advertising at no cost. In addition, customer satisfaction culminates in a loyalty state (Oliver, 1999). Therefore, customer satisfaction, which translates into the more practical consideration of whether or not customers will return to a company or recommend it to others, is essential to the success of the business.

However, some studies suggest that satisfying customers may not be sufficient to create customer loyalty (Cronin & Taylor, 1992). According to Reichheld's (1993) study of auto owners, although 85% to 90% of customers were satisfied with the chosen brand, only 40 percent of customers repurchased the brand. Likewise, Bowen and Chen (2001) noted that customers must be extremely satisfied to show brand loyalty.

Although the link between service quality and its outcome is neither straightforward nor simple, several investigators offer some evidence that delivery of high service quality positively influences behavioral intentions (Qu & Sit, 2007). For example, Boulding, Kolra, Staelin and Zeithaml (1993) found strong links between service quality and behavioral intentions, including positive word of mouth and recommending the company to others. Parasuraman, Zeithaml, and Berry (1994) also reported a positive and significant relationship between customer perceptions of service quality and the willingness to recommend the company.

Although some previous studies showed that customers are willing to pay more for better service, the other investigators claimed that the nature and extent of the impact of service quality on customer behavioral intentions is still not clear (Zeithaml, Berry & Parasuraman, 1996).

Furthermore, service is not the only factor that a company sells to customers; additional conceptual and empirical research addressing these issues can improve our understanding of the behavioral consequences of quality features.

Previous research offers evidence that perceived quality and/or customer satisfaction affects intentions to behave in positive ways (Oliver, 1999). Several prominent debates have focused on which construct is more predictive of consumer future intentions. For example, Cronin and Taylor (1992) maintained that perceived service quality influences satisfaction, and that satisfaction, in turn, positively affects purchase intention. In their study, satisfaction appeared to have a more consistent effect on purchase intentions than did perceived quality (Cronin & Taylor, 1992).

Moreover, the correlation between quality performance and behavioral intentions was lower than between satisfaction and behavioral intentions, and satisfaction acted as a mediator for the quality-behavioral intentions linkage (Dabholkar, Sheperd & Thorpe, 2000). On the other hand, Parasuraman *et al.* (1994) defended their SERVQUAL scale by claiming that perceived service quality is the stronger predictor of behavioral intentions than satisfaction. In a study of bank customers, Bansal and Taylor (1997) found that customer satisfaction had no impact on behavioral intentions, whereas service quality did significantly influence behavioral intentions. Despite the abundance of the literature about quality, satisfaction, and behavioral intentions, relationships among these constructs remain hotly debated.

Several studies noted the mediating role of satisfaction as a key variable for post purchase responses (Westbrook & Oliver, 1991). However, Taylor and Baker (1994) stated that customer satisfaction could be a moderating variable in the relationship between service qualities and repurchase intentions. Given these findings, relationships among quality, satisfaction, and repurchase intentions may vary depending on products and services.

In sum, the existing literature suggests that customer satisfaction is an important antecedent for behavioral intention and actual behavior; however, the extent to which the level of satisfaction carries over to influence post purchase attitudes and behaviors in a specific setting such as a hotel remains unclear.

Aigbedo and Parameswaran (2004) conducted Importance-performance analysis for improving quality of campus food service at a university in the mid-western part of the USA. The sample of the study was 298 and collected the data from students that used the central cafeteria. Twenty attributes were used to rate the importance and performance of the food service from both respondents and management perspective. The results of the analysis for respondents suggested that the firm was not performing well enough on two attributes (maintain speed during busy times) and (Seems to have customer's best interest at heart) in spite of the very high value the customers place on them. The result indicated that these were areas on which the company needs to concentrate.

Furthermore, the respondents suggested in quadrant four that the firm was doing more than necessary with respect to three attributes; (Has a visually attractive dining area), (Has a decor in keeping with its image and price range), and (Seems to give employees support so that they can do their job well). While Quadrant two, comprising of eight attributes, suggested areas where the firm was doing just well and needs to keep up the good work; quadrant three, comprising of seven attributes, is a region of low priority.

The second part of the research measured the perception of management against the 20 attributes that was also used for respondents. Result of the analysis indicated three implications. First, quadrant four had no attributes, suggesting that management did not think it was doing more than necessary on any attribute even though customers thought otherwise. Second, quadrant one had far more attributes for the management grid (8 attributes) as compared to that for the respondents' grid (two attributes). Third, quadrant had much fewer attributes for the management grid (two attributes) as compared to the respondents' grid (seven attributes). Also, it was found that for this quadrant, the respondents and management agreed that items (makes extra effort to handle special requests) and (makes you feel special) were issues of low priority.

Jin, Qi and Chiang (2008) conducted a Cross-Sector Evaluation of Service Quality in the Tourism Industry of Hong Kong using Importance- Performance Analysis. A survey was conducted from 3 December 2004 to January 2005 at the following five locations; Hong Kong International Airport, Macau Ferry Terminal, China Ferry Terminal, KCR Hung Hom Stations, and the avenue of stars. A total of 361 valid samples were obtained. Six hotel service factors fell into quadrant I: 'safety and security,' 'qualified language and communication skills,' 'proper attitude,' and 'pleasant, clean and comfortable international tourists room.' The service attribute of 'promptness and professionalism in handling complaints' was deemed to be a very important service area by customers; however, the performance of this service was obviously unsatisfactory. Two service attributes, 'provision of professional business center service' and 'provision of free transfer to and from the airport, train stations, or ferry terminals,' were regarded as having both low importance and low performance. In addition, the attribute of 'appearance and tidiness of staff' fell into quadrant two, indicating that hotels may be making too much effort in this area, which was perceived by visitors to be of moderately low importance.

Mohsin and Lockyer (2010) conducted an exploratory study on customer perceptions of service quality in luxury hotels in New Delhi, India using IPA aiming to assess the service quality perception of customers of luxury hotels, the results indicate significant difference between expectations of the international tourists and actual experiences, thus highlighting managerial implications.

Wilkins (2010) examined satisfaction of hotel international tourists using Importance –Performance Analysis. The data were collected from four and five star hotels in Queensland, Australia, with both business and leisure properties participating. Respondents were asked to rate importance and performance using a scale from 1 to 10 on 29 hotel attributes. Fourteen attributes fell in quadrant one (high importance and high performance quadrant), only one attribute (Staff remembering your requirements) was found in Quadrant three (High importance-low performance quadrant). In Quadrant Three (low importance-low performance quadrant) nine attributes were identified. In Quadrant Four (low importance-high performance quadrant) five attributes were found.

Tzeng and Chang (2011) attempted to identify both the importance and performance of restaurant service quality in the Taiwan food service industry using IPA model. Four items fell in quadrant one, Quadrant two included 'Clean and neat staff,' 'Certification audit quality,' 'Staffs instill confidence in customers,' and 'Staff give customers personal attention.' Four attributes fell in quadrant three, in quadrant four two items were identified 'adequate supply of healthy food', and 'Accurate service.'

Ma, Qu and Njite (2011) investigated U.S. Customer Perceptions toward Chinese Restaurant Service Quality by employing An Importance and Performance Analysis. The target population for this study was customers who visited a Chinese restaurant in the Midwestern United States. A convenient sampling method was used for the survey, and customers who visited this restaurant during the months of June to August, 2008, for dinner were approached to participate in the survey. Eight attributes fell into the "keep up the good work" area. Attributes in this area are perceived as important and performing well by customers, so managers need to

keep up the good work. These attributes include Restaurant is clean, Variety in choices of food, Food quality is consistent, Food tastes good, The meal is a good value for money, Bill is calculated correctly, Has proper level of service, and Restaurant reputation is good. Eight attributes fell into the “low priority” area. Three attributes fell into the “possible overkill” area. Three attributes fell into the “concentrate here” area. Attributes in this area are perceived as not important but are performing well so managers need to pay special attention and make a good effort to improve the performance of the aspects fell into this area.

## **V. RESEARCH METHODOLOGY**

### **5.1 The research design**

Descriptive type of research was employed to satisfy the purpose of the study that is aimed at finding out attributes of hotels that tourists perceive to be important and examining the performance of the hotels under study against these attributes. Particularly, cross-sectional survey design (also known as one-shot) is best suited to those studies that focused at exploring the prevalence of a phenomenon, situation, problem and attitude or issue, by taking across-section of the population at one time. Thus, taking this idea into account, the investigators have employed cross-sectional survey design, one of the types of descriptive research.

For better understanding of level of tourist satisfactions in tourist standard level hotels, the research used mixed methods of both quantitative and qualitative approaches.

#### **5.2 Sample and sampling techniques**

The investigators' target groups were domestic and international tourists who stayed at least one night in selected hotels in Hawassa city. Thus, owing to this fact, a non-random sampling technique was applied. The findings from reviews of studies conducted in almost all service quality researches indicated that convenient sampling technique is an appropriate tool to be employed (Qu & Sit, 2007). These writers suggested that on service quality studies in hotel industry applied convenient sampling to solicit tourists as respondents and purposive sampling techniques for hotel general managers with whom to make semi-structured interviews and observe the settings of the study. As discussed in the previous section the three hotels were purposively drawn as tourist standard level hotels based on the criteria of the maximum number of customers they serve monthly. Accordingly, the total number of tourists (6,540) is served by three hotels such as South Star International (3390), Central Hawassa hotel (2160) and Gezahgn and Elfesh hotel (990).

#### **5.3 Instrumentation**

The questionnaire was the main instrument for data generation and it was designed having three sections. The first section aims at generating information on demographic profile and travelling characteristics of study participants and in the second section of the questionnaire, attributes of hotel are listed so that the respondents could rate both the importance and performance of the hotels under study against these attributes on a 5 point Likert type scale. Section three consists of lists of facilities which are not found in the hotels so that the respondents could rate the importance on five point Likert type scale. For the importance part, the scale was taken as 1=Very unimportant, 2= unimportant, 3=neutral,4= important,5= very important and to rate the performance, a scale was taken as 1=very poor performance,2=poor performance,3=neutral,4=good performance,5= very good performance.

The reliability of the measures was examined through the calculation of Cronbach's alpha coefficients, one of the most widely used methods to test reliability of questionnaires. Reliability test is intended to measure the items of the variables in the questionnaire and the internal stability and consistency of a question, through coefficient of Cronbach's alpha. Cronbach's alpha for the importance scale was 0.82, and for the performance scale was 0.76. Since a value of 0.70 or higher is considered acceptable in social science (Nunnally and Bernstein, 1994; Santos, 1999), the scale used for this study had high internal consistency.

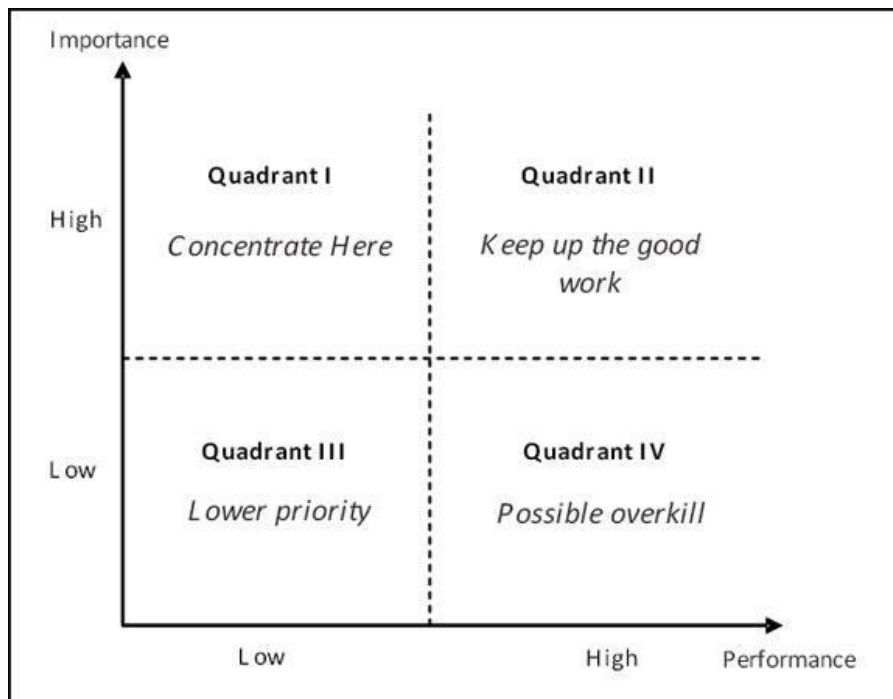
The questionnaires were distributed by the investigator himself face to face for tourists in the selected hotels at check-in time. Whereas, the questionnaires filled by the tourists were collected in the check-out time. In order to collect the data and monitor the progress of the distributed questionnaires by visiting the hotels every three days and making a phone call to receptionists every day.

Questionnaires were distributed to 284 tourists who stayed in the selected hotels for the period of data collection (April 1- 30, 2016). The distribution was based on the number of tourists who stayed in each hotel. Therefore, out of the total distributed questionnaires, 97 were from South Star International hotel, 96 from Central Hawassa, and 91 questionnaires were distributed in Gezahegn and Elfesh hotel. Out of the total questionnaires distributed, 21 were not returned and 8 questionnaires were incomplete. As a result, only 255 questionnaires (83 in South Star International, 82 in Central Hawassa and 90 in Gezahegn and Elfesh) were considered for analysis. In addition, a semi-structured interview was conducted with hotel managers to substantiate quantitative data, since it provides reliable, comparable qualitative data (Cohen, 2006).

**5.4 Methods of Data Analysis**

A paired-sample t-test was performed to test if significant differences exist between the importance and performance of the selected hotels. In relation to the descriptive statistics such as frequency, mean, and standard deviation were used to achieve the objectives of the study. The ratings of tourists’ perceived importance and performance level of the 3 hotel service attributes were calculated and used for Importance Performance Analysis (IPA). The cross-hairs (vertical and horizontal lines) were calculated to separate the hotel attributes into four identifiable quadrants. The data were then presented on a grid, where each service attribute was plotted according to its perceived importance and performance level. The two-dimensional grid displayed the importance of attributes on the vertical axis from high (top) to low (bottom), and the performance of attributes on the horizontal axis from high (right) to low (left). As described by Martilla and James (1997) the implications of the four quadrants are presented as following:

Quadrant I: Attributes are perceived to be very important to tourists, but performance levels are fairly low. This sends a direct message that improvement efforts should concentrate here. Quadrant II: Attributes are perceived to be very important to tourists, and at the same time, the organization seems to have high levels of performance on these activities. The message here is “To Keep up the Good Work”. Quadrant III: Attributes are with low importance and low performance. Although performance levels may be low in this cell, managers should not be overly concerned since the attribute in this cell is not perceived to be very important. Limited resources should be expended on this low priority cell. Quadrant IV: This cell contains attributes of low importance, but relatively high performance. Tourists are satisfied with the performance of the organizations, but managers should consider present efforts on the attributes of this cell as being over utilized.



**Table 1:** Importance-Performance Analysis Frameworks

Source: *Importance-Performance Analysis framework adapted from Martilla and James (1977).*

**VI. RESULTS AND DISCUSSIONS**

In this research the service quality (performance and importance) and its effect on tourist satisfaction in three selected hotels in Hawassa was assessed. This section presents the results and discussions of the data collected from the research participants.

Most of the tourists are between 36 and 55 years old accounts for 68.6 percent whereas 20 percent tourist is from 26 to 35, 8.2 percent is between 18 to 25 years old and 3.2 percent is above 55 years old.

Table 2: Importance-Performance Analysis (IPA) for the Three Hotels (Gezahegn & Elfnessh, South Star & Central Hawassa)

No.	Hotel Attributes	Gezahegn & Elfesh		South Star		Central Hawassa	
		Importance	Perform	Importance	Perform	Importance	Perform
		Mean	Mean	Mean	Mean	Mean	Mean
1	Spaciousness of rooms	4.77	4.34	4.81	4.58	4.85	4.44
2	Comfort of bed, mattress, and pillow	4.64	4.70	4.88	4.86	4.82	4.46
3	Quietness of rooms	4.69	4.56	4.75	2.24	4.66	2.93
4	Bath room amenities	4.73	3.02	4.78	4.12	4.68	3.88
5	In room mini bar	2.84	4.30	3.95	4.70	2.66	4.45
6	Convenient opening hours	4.77	2.81	4.80	3.35	4.62	3.09
7	Value for money	4.64	3.83	4.82	2.78	4.62	3.05
8	Taste of the food	4.67	4.59	4.89	4.42	4.59	2.84
9	Large food portion	3.40	4.63	3.92	4.73	3.80	4.38
10	Variety of food	4.67	2.41	4.75	3.59	4.54	3.98
11	Food presentation	4.67	4.57	4.93	4.89	4.59	4.02
12	Variety of drinks	4.67	3.57	4.96	4.93	4.59	4.43
13	Cleanliness of hotel	4.77	4.57	4.93	4.93	4.78	4.60
14	Attractiveness of surrounding environment	4.69	4.61	4.78	3.53	4.59	3.99
15	Hotel ambience	4.54	4.71	4.90	3.14	4.65	3.95
16	Comfortable furnishings	4.61	4.27	4.89	4.80	4.63	4.29
17	Proximity to attractions	4.49	3.91	4.88	3.59	4.61	4.40
18	Prompt service	4.63	3.58	4.90	2.95	4.63	2.88
19	Neat and clean staff	4.59	4.18	4.90	4.46	4.76	4.44
20	Communication skill of staff	4.68	3.90	4.93	3.96	4.68	3.33
21	Friendliness of staff	4.60	4.54	4.84	4.82	4.68	4.49
22	High speed internet	4.62	3.39	4.87	3.06	4.78	3.66
23	Safety and security at hotel	4.70	4.41	4.95	4.90	4.76	4.49
24	24 hour hot and cold water	4.60	3.96	5.00	3.35	4.77	3.50
25	Electronic Card payment	4.67	3.84	4.86	4.82	4.51	4.43
26	Appropriate location	4.82	4.39	4.81	3.54	4.56	4.45
27	24 hours room service	4.68	3.69	3.20	2.08	4.81	3.54
28	Swimming pool	4.69	4.60	4.83	4.93	4.54	4.51
29	Steam and Sauna	4.73	4.16	4.86	4.88	4.54	4.51
30	Play ground	3.39	4.33	4.83	4.88	3.62	3.17
31	Child care facilities	4.06	3.29	-	-	5.00	5.00
32	Foreign exchange service	3.50	1.81	-	-	3.93	4.46
	Grand Mean	4.48	3.99	4.46	4.15	4.52	4.01

Source: survey data, 2016, Hawassa

As observed in table 2, the grand mean score for Gezehagn and Elfesh hotel, the overall level of importance is 4.48 with SD=0.484 and performance is 3.99 with SD=0.709. These grand means were points where Y-axis (importance) and X- axis (performance) had intersected and divided the graph into four quadrants. On Y-axis (importance line), attributes that scored above the grand means were valued as important and attributes that scored below the grand mean were rated as low importance. Accordingly, as illustrated in table 2, twenty seven attributes scored a mean above the grand mean (4.48) which implied that these attributes were believe to be important.

On the X- axis (performance line), attributes that scored above the grand means (3.99) were considered as good performance and points below the grand means (3.99) were assessed as poor performance Martilla and James (1977). Five attributes scored mean below the grand mean which implied that they were rated as low importance.

The analysis of grand mean indicated that although most of the service attributes were believed to be important by tourists, the performance of Gezahegn and Elfness Hotel against these attributes did not meet their expectations.

As indicated in table 2 above for South Star, the Grand mean score of the overall level of importance was 4.46 and the grand mean score of the overall level of performance was 4.15. These grand means were points where Y-axis (importance) and X- axis (performance) had intersected and divided the graph into four quadrants. On vertical line (y-axis), attributes that scored above the grand means were valued as important and attributes that scored below the grand mean were rated as low importance. Accordingly, Twenty seven attributes scored a mean above the grand mean (4.46) which implied these attributes were supposed important.

On X-axis (performance line), attributes that scored above the grand means (4.15) were esteemed as good performance and points below the grand means (4.15) were assessed as poor performance. Three attributes scored mean below the grand mean which implied that they were rated as low importance.

As depicted in table 2 for Central hotel, the Grand mean score of the overall level of importance is 4.52 and the grand mean score of the overall level of performance is 4.01. These grand mean points where Y-axis (importance) and X- axis (performance) had intersected and divided the graph into four quadrants. On vertical line (y-axis), attributes that scored above the grand means were valued as important and attributes that scored below the grand mean were rated as low importance. Accordingly, twenty six attributes scored a mean above the grand mean (4.52) which implied these attributes were supposed important.

On X- axis (performance line), attributes that scored above the grand means (4.01) were esteemed as good performance and points below the grand means (4.01) were assessed as poor performance. Thirteen attributes scored mean below the grand mean which implied that they were rated as low performance.

**A Paired Sample t-test IPA Analysis of the Hotels**

A paired-sample t-test was performed to analyze if significant difference exist between tourists perception toward importance and performance on each service quality attribute. The result for the three hotels is summarized in table 3.

**Table 3:** A paired sample t-test of the difference between performance and importance of service quality attributes of the three hotels.

No.	Hotel Attributes	Gezahegn & Elfness		South Star		Central Hawassa	
		Mean	Sig. (2-tailed)	Mean	Sig. (2-tailed)	Mean	Sig. (2-tailed)
Pair 1	Spaciousness of rooms - Spaciousness of rooms	.427	.000*	.229	.000*	.415	.000*
Pair 2	Comfort of bed, mattress, and pillow - Comfort of bed, mattress, and pillow	-.056	.538	.024	.620	.354	.000*
Pair 3	Quietness of rooms - Quietness of rooms	.133	.007*	2.506	.000*	1.732	.000*
Pair 4	Bath room amenities - Bath room amenities	1.711	.000*	.663	.000*	.805	.000*
Pair 5	In room mini bar - In room mini bar	-1.456	.000*	-.747	.000*	-1.793	.000*
Pair 6	Convenient opening hours - Convenient opening hours	1.956	.000*	1.446	.000*	1.537	.000*
Pair 7	Value for money - Value for money	.811	.000*	2.036	.000*	1.573	.000*
Pair 8	Taste of the food - Taste of the food	.078	.052	.470	.000*	1.744	.000*
Pair 9	Large food portion - Large food portion	-1.233	.000*	-.819	.000*	-.573	.000*
Pair 10	Variety of food - Variety of food	2.256	.000*	1.157	.000*	.415	.000*



Pair 11	Food presentation - Food presentation	.100	.129	.036	.083	.561	.000*
Pair 12	Variety of drinks - Variety of drinks	1.100	.000*	.036	.083	.159	.052
Pair 13	Cleanliness of hotel - Cleanliness of hotel	.200	.000*	.036	.083	.183	.006*
Pair 14	Attractiveness of surrounding environment - Attractiveness of surrounding environment	.078	.052	1.253	.000*	.598	.000*
Pair 15	Hotel ambience - Hotel ambience	-.167	.025*	1.759	.000*	.695	.000*
Pair 16	Comfortable furnishings - Comfortable furnishings	.344	.000*	.096	.004*	.341	.000*
Pair 17	Proximity to attractions - Proximity to attractions	.578	.000*	1.289	.000*	.012	.829
Pair 18	Prompt service - Prompt service	1.056	.000*	1.952	.000*	1.756	.000*
Pair 19	Neat and clean staff - Neat and clean staff	.411	.000*	.446	.000*	.317	.000*
Pair 20	Communication skill of staff - Communication skill of staff	.778	.000*	.964	.000*	1.354	.000*
Pair 21	Friendliness of staff - Friendliness of staff	.056	.096	.024	.418	.195	.000*
Pair 22	High speed internet - High speed internet	1.233	.000*	1.807	.000*	1.122	.000*
Pair 23	Safety and security at hotel - Safety and security at hotel	.289	.000*	.048	.045*	.268	.000*
Pair 24	24 hour hot and cold water - 24 hour hot and cold water	.544	.000*	1.651	.000*	1.268	.000*
Pair 25	Electronic Card payment - Electronic Card payment	.822	.000*	.036	.181	.085	.180
Pair 26	Appropriate location - Appropriate location	.433	.000*	1.265	.000*	.110	.129
Pair 27	24 hours room service - 24 hours room service	.989	.000*	1.120	.004*	-.37805	.000*
Pair 28	Swimming pool - Swimming pool	.089	.171	-.096	.073	.024	.159
Pair 29	Steam and Sauna - Steam and Sauna	.578	.000*	-.024	.320	.024	.159
Pair 30	Play ground - Play ground	-.944	.000*	-.048	.045*	.450	.145
Pair 31	Child care facilities	.682	.000*			.63415	.000*
Pair 32	Foreign exchange service - Foreign exchange service	1.689	.000*			-.537	.000*

\* Significant at  $p < .05$

For Gezehegn and Elfneesh hotel, significant differences were found on Twenty six attributes. Four items' Performance was significantly higher than their importance. The four items were in room mini bar, large food portion, hotel ambience and play ground. This result reveals that the tourists visited the hotel were satisfied by the performance of the hotel by four items. Therefore, the hotel needs not to spend more on these items. Twenty two items' performance was significantly lower than their importance. This result indicated that most of the items that are important to the tourists were not fulfilled the satisfaction of the tourists by the hotel. Therefore, the hotels should improve the performance of these items to the satisfaction of the tourists and thereby increase their income.

The result for South Star Hotel indicates that, significant differences were found on twenty two attributes. For three items 'the performance was significantly higher than their importance. The three items were in room mini bar, large food portion and steam and sauna. This result reveals that the tourists visited the hotel

were satisfied by the performance of the above three items. Therefore, the hotel need not spend more on these items.

For Central Hawassa hotel, twenty one items' performance was significantly lower than their performance. The twenty one items were Spaciousness of rooms, Comfort of bed, mattress, and pillow, Quietness of rooms, Bath room amenities, Convenient opening hours, Value for money, Taste of the food, Variety of food, Food presentation, Cleanliness of hotel, Attractiveness of surrounding environment, Hotel ambience, Comfortable furnishings, Prompt service, Neat and clean staff, Communication skill of staff, Friendliness of staff, High speed internet, Safety and security at hotel, 24 hour hot and cold water, 24 hours room service. This result indicated that most of the items that are important to the tourists were not fulfilled the satisfaction of the tourists by the hotel. Thus, the hotels should improve the performance of these items to the satisfaction of the tourists and thereby increase their income.

**Table 4:** Analysis of attributes which were not found in the three hotels and their mean importance

No.	Attributes	Gezahegn & Elfinesh		South Star		Central Hawassa	
		Mean importance	SD	Mean importance	SD	Mean importance	SD
1	Souvenir shop	4.52	0.62	4.23	0.56	-	-
2	In room temperature	4.45	0.65	4.16	0.63	4.82	0.39
3	Gymnasium	4.02	0.56	4.65	0.63	-	-
4	Traditional clubs	4.82	0.38	4.34	0.43	4.38	0.57
5	Ethiopian cultural restaurant	4.90	0.30	3.89	0.78	4.68	0.47
6	secretarial service/business center	2.13	0.81	-	-	2.04	0.52
6	Foreign exchange service	-	-	1.97	0.65	-	-
7	Play ground	-	-	2.17	0.86	2.46	0.74
8	Child care facilities	-	-	2.44	0.57	-	-

*Source: survey data, 2016*

Among six attributes which were not available in Gezahegn and Elfinesh Hotel, five attributes were assessed as important by tourist. One attribute, Secretarial service /business center was rated as low importance.

Among eight attributes which were not available in South Star International Hotel, five attributes were considered important by tourist.

This implies, South Star International Hotel should introduce these facilities and services so as to increase the overall satisfaction of tourists. Of the eight attributes, foreign exchange service, play ground and children care facilities were rated as low importance. As indicated in travelling characterizes of tourists, the largest percentage of tourists travelled with their friends, alone, and boy/girlfriend. In regard to foreign exchange service, 76.5 percent are domestic tourists who do not want to foreign exchange. As a result, tourists placed low importance for children facilities. In addition, tourists also placed low importance to foreign exchange service and play ground.

Among five attributes which were not available in Central Hawassa hotel, three attributes were valued as important by tourist. This implies that Central Hawassa Hotel should introduce these facilities and services so as to increase the overall satisfaction of tourists. Two attributes, Play ground and Secretarial service /business center were rated as low importance.

**Table 5:** Analysis of attributes which were not consumed by tourists but rated as low importance

S.N	Attributes	Mean importance	SD
1	Laundry service	2.45	0.71
2	Parking lot	2.68	0.94
3	Meeting facility	2.36	0.63

Source: survey data, 2016

As indicated in the table 5, three attributes were not experienced by tourists though the attributes were available at all hotels under study and they placed low importance on these attributes.

## VII. CONCLUSION AND RECOMMENDATIONS

### 7.1 Conclusion

Through the Importance-Performance Analysis (IPA) it is concluded that among the attributes which were used to assess the service quality of selected hotels in Hawassa, some attributes had been found on which the three hotels under study shared commonly.

As the importance- performance analysis grid for each hotel illustrated, eight attributes were found in quadrant one. This includes bath room amenities, convenient opening hours, value for money; prompt service, communication skill of staff, high speed internet, variety of food and twenty four hour cold and hot water service. These hotels performed poorly on these attributes though they had been rated as highly important by tourists. As a result, tourists were not satisfied on these attributes.

In all hotels under study, eleven hotel attributes had been found in quadrant two of the importance performance analysis matrix. The attributes that fell in this quadrant include Spaciousness of rooms, Comfort of bed, mattress, and pillow, Food presentation, Cleanliness of hotel, Comfortable furnishings, Neat and clean staff, Friendliness of staff, Safety and security at hotel, appropriate location, Swimming pool and steam and Sauna. These attributes were rated as highly important by tourists who stayed in these hotels and the hotels also showed high performance on this attributes. There is no common attributes found in quadrant three of the importance-performance analysis grid of each hotel.

In the fourth quadrant of importance- performance analysis grid, two attributes had been found that all three hotels share commonly. These include in room mini bar and large food portion. The tourists placed low importance on this attribute, but the hotels performed well on this attribute.

Three attributes were not consumed by tourist though they were available in all hotels under study. These three attributes were rated as low importance and includes meeting facilities, Laundry service and Parking facilities. On the other hand, three attributes were identified as important by tourists though they were not available in all hotels under study. These attributes include room temperature control, Traditional clubs, and Ethiopian cultural restaurant.

As to the responses of the general managers of the three hotels under study, to the questions on issues like ways of assessing their own performance and other measures -such as facilitating bank and city tour services- they perform to satisfy their customers, particularly, the tourists, all of them admitted the importance of getting feedback from their clients on the basis of ‘the guest is always right.’ It was also revealed that South Star International and Gezahegn and Elfnehs respectively are doing well in these regard whereas Central Hawassa Hotel seems to be relatively at the bottom in both cases.

In relation to the questions on the gaps in their provision of day to day services, the general managers- excluding the general manager of Gezahegn and Elfnehs Hotel- agreed with the tourists’ response of the questionnaire which disclosed that there are inconveniences in keeping the room and the compound quiet due to their location in the congested city center areas. Besides, all of the general managers admitted that they fail to provide air conditioners, Ethiopian cultural restaurant, and traditional clubs. Moreover, they complained unanimously that they usually face down in internet connection due to power interruption and other technical factors.

All the managers unanimously confirmed that the attributes which are present in their hotels but not needed and used by the tourists are: parking lots, laundry service and meeting facilities. While some tourist come for short period of time, and some come for business purpose, and some come for visiting relatives, laundry facilities are not frequently needed and used by tourists. They do not also use parking lots since some come by public transport and some come with their drivers which they cannot afford the cost of the hotels. Regarding the need for meeting facilities, most of the local tourists are government officials who come for meetings they use different public auditoriums in the city. Because of these and other reasons these three attributes were not needed and used by the tourists.

Among the three hotels under study, only Gezahegn and Elfnehs hotel performed high for attributes ‘‘Attractiveness of surrounding environment’’ and ‘‘Hotel ambience’’.

The three hotels under study have their own mechanisms of motivating and retaining their workers through training and providing incentives for improving service quality in their hotels.

## **7.2 Recommendations**

Based on the conclusion, the following recommendations are forwarded for the three hotels under study.

- In room temperature control, traditional clubs, and Ethiopian cultural restaurant, should be fulfilled since these attributes were rated as important but they are not found in the three Hotels under study.
- The hotels should have a reliable water reserve system so as to ensure the provision of 24 hours water services especially during dry seasons. Moreover, the hotels should devise other options to reduce excessive dependence on pipe water by recycling used water and establishing big water reservoir.
- The bath room amenities should be improved by adding the necessary items such as shampoo, conditioner, tooth paste, different sized towel, hair dryer, and other supporting items which are needed by tourists.
- The hotels should have variety of food types (dishes) by hiring professional staff that are skilled and experienced both in local and international dish cooking.
- The hotels should work harder to improve the capacity of internet by setting up a fast, secure and reliable broad band and wireless connections.
- The hotels should provide quick service to tourists by employing responsive workers and strengthening management system.
- When hiring staffs, the hotels should consider educational background and communication skills of applicants.
- The hotels should make regular assessment of their services and give relevant training and education opportunity to their staff..
- Hotels should up date themselves in terms of current technology and organize their facilities in such a way that tourists could be attracted and satisfied so that they could be retained as a result the income of the hotel will also be increased.

Finally, the hotels need to have stringent policies which make them to follow needs of tourists that make sure that they are satisfied by their services. Some dissatisfied tourists can pronounce ones organization/hotel negatively so that the town's income in general and the hotel in particular can be affected.

Furthermore, the Regional Culture and Tourism Bureau should work with hotels to provide quality services to tourists and what service they need more by giving awareness training as Hawassa is becoming one of the promising towns in the country for tourist destination

## **REFERENCES**

- [1]. Aigbedo, H., & Parameswaran, R. 2004. Importance-performance analysis for improving quality of campus food service. *International Journal of Quality & Reliability Management*. 21 (8), 876-896.
- [2]. Akibaba, A. 2006. Measuring service quality in the hotel industry: a study in a business hotel in Turkey. *Hospitality Management*, 170-192.
- [3]. Bansal, H. S., & Taylor, S. 1997. Investigating the relationship between service quality, satisfaction and switching intentions. In E. J. Wilson & J. C. Hair (Eds.), *Developments in marketing science* (pp. 304-313). Coral Gables, FL: Academy of Marketing Science.
- [4]. Boulding, W., Kalra, A., Staelin, R., & Zeithaml, V. A. 1993. A dynamic process model of service quality: From expectations to behavioral intentions. *Journal of Marketing Research*, 30(1), 7-27.
- [5]. Bowen, J., & Chen, S. 2001. The relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management*, 13(5), 213-217.
- [6]. Choi, T., Y. & Chu, R. 2001. "Determinants of hotel guests' satisfaction and repeat patronage in the Hong Kong hotel industry" *International Journal of Hospitality Management*, vol. 20 pp. 277-297.
- [7]. Crick, A.P., & Spencer, A. 2011. Hospitality quality: new directions and new challenges. *International Journal of Contemporary Management*, 23, 214-230.
- [8]. Cronin, J. J., & Taylor, S. A. 1992. Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56(3), 55-68.
- [9]. Dabholkar, P. A., Shepherd, C. D., & Thorpe, D. I. 2000. A comprehensive framework for service quality: An investigation of critical conceptual and measurement issues through a longitudinal study. *Journal of Retailing*, 76(2), 139-173.
- [10]. Davidson, M. C. 2003. An integrated approach to service quality in hotels. *Journal of Quality Assurance in Hospitality & Tourism*, 4(1/2), 71-85.
- [11]. Parasuraman, A., Zeithaml, V. A., & Berry, L. 1994. Reassessment of expectations as a comparison standard in measuring service quality: Implications for future research. *Journal of Marketing*, 58(1), 11-12
- [12]. Gummesson, E. 1991. Service quality: a holistic view. In Brown, S.W., Gummesson, E.,

- [13]. Edvardsson, B., & Gustavson, B. (Eds.), *Service quality*. Lexinton Books, Lexington.
- [14]. Gundersen, M. G., Heide, M., & Olsson, U. H. 1996. Hotel international tourists satisfaction among business travelers:
- [15]. What are the important factors? *Cornell Hotel and Restaurant Administration Quarterly*, 37(2), 72–81.
- [16]. Jin,X., Qi,S., & Chia-Hao Chiang. 2008. A Cross-Sector Evaluation of Service Quality in the Tourism Industry of Hong Kong: Importance vs. Performance. *Journal of China Tourism Research*, 4:3-4, 319-335
- [17]. Kotler, P. & Keller, K. L. 2009. *Marketing management* (13th ed). New Jersey: Pearson Education Inc, Upper Saddle River.
- [18]. Kozak, M. & Rimmington, M. 2000. "Tourist Satisfaction with Mallorca, Spain,as an Off-season Holiday Destination". *Journal of Travel Research*, 38(3): 260-269.
- [19]. Belay, Mehariw. 2012. Assessing service quality of hotels in Gondar (unpublished thesis)
- [20]. Min, H., & Min, H. 2005. The comparative evaluation of hotel service quality from a managerial perspective. *Journal of Hospitality & Leisure Marketing*, 13(3/4), 53–77.
- [21]. Mohsin,A. & Lockyer,T. 2010. Customer perceptions of service quality in luxury hotels in New Delhi, India: an exploratory study. *International Journal of Contemporary Hospitality Management Vol. 22 No. 2, 2010 pp.160-173.*
- [22]. Oliver, R. L. 1999. Whence consumer loyalty? *Journal of Marketing*, 63(4), 33-44.
- [23]. Parasuraman, A., Zeithaml, V. A., & Berry,L. 1994. Reassessment of expectations as a comparison standard in measuring service quality: Implications for future research. *Journal of Marketing*, 58(1), 111-124.
- [24]. Qu,H. & Sit,C.Y. 2007. Hotel Service Quality in Hong Kong. *International Journal of Hospitality & Tourism Administration*, 8:3, 49-72
- [25]. Rao, P. Srinivas & Padma C. S. 2013. Impact of Service Quality on Customer Satisfaction in Hotel Industry, *IOSR Journal of Humanities and Social Science*, 18(5), 39-44.
- [26]. Raymond & Choi. 2000. An importance-performance analysis of hotel selection factors in the Hong Kong hotel industry: a comparison of business and leisure travelers. *Tourism Management*, 21, 363-377.
- [27]. Reichheld, F. F. 1993. Loyalty and the renaissance of marketing. *Journal of Marketing Management*, 2(4), 10-21.
- [28]. Tamagni, L., & Zanfardini, M. 2005. Perceived quality of hotels in Neuquen Province,
- [29]. Argentina. *Journal of Hospitality & Leisure Marketing*, 13(3/4), 79–102.
- [30]. Taylor, S. A., & Baker, T. L. 1994. An assessment of the relationship between service quality and customer satisfaction in the formation of consumers' purchase intentions. *Journal of Retailing*, 70(2), 163-178.
- [31]. Tzeng, G.H.,& Chang,H.F. 2011. Applying Importance-Performance Analysis as a Service Quality Measure in Food Service Industry. *Journal of Technology Management & Innovation*.6 (3),107-114.
- [32]. Westbrook, R. A., & Oliver, R. L. 1991. The dimensions of consumption emotion patterns and consumer satisfaction. *Journal of Consumer Research*, 18(1), 84-91.
- [33]. Wilkins, H. 2010. Using Importance-Performance Analysis to Appreciate Satisfaction in Hotels. *Journal of Hospitality Marketing & Management*, 19:8, 866-888
- [34]. Wu, C.H., Liao, H., Hung, K., & Ho, Y. 2012. Service guarantees in the hotel industry: Their effects on consumer risk and service quality perceptions. *International Journal of Hospitality Management*, 31(3), 757-763.
- [35]. Yi, Y. 1990. A critical review of consumer satisfaction. In V. A. Zeithaml (Ed.), *Review of marketing* (pp. 68-123). Chicago: American Marketing Association.
- [36]. Zeithaml, V. A., Berry, L. L., & Parasuraman, A. 1996. The behavioral consequences of service quality. *Journal of Marketing*, 60(2), 31-46.
- [37]. Zhang, Z., Ye, Q., & Law, R. 2011. Determinants of hotel room price: An exploration of travelers' hierarchy of accommodation needs. *International Journal of Contemporary Hospitality Management*, 23(7), 972-981.

Shemsu Hassen Hussen (Mr).. "Exploring Service Quality and its Effect on Tourist Satisfaction Using Importance Performance Analysis (IPA) in Three Selected Hotels in Hawassa, Ethiopia." *IOSR Journal of Humanities and Social Science (IOSR-JHSS)*. vol. 24 no. 05, 2019, pp. 45-57.