# The Myanmar JOURNAL

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We hope that this journal will continue to promote understanding of the current status and potential capabilities of Myanmar and South Korea and promote in-depth international exchange and cooperation.

We would like to express our deepest gratitude to the editorial board and YUE and KOMYRA for their valuable support in The Myanmar Journal publication.

August 30, 2021

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# INFORMATION  ABOUT
# The  Myanmar  Journal

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# Customer Satisfaction on Service Quality of Nan Myaing Motel

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**ABSTRACT** : The objectives of the study are to identify the service quality of Nan Myaing Motel and to analyze the relationship between service quality and customer satisfaction of Nan Myaing Motel in Mandalay. This study is selected 180 customers of Nan Myaing Motel by using convenience sampling method. The primary data are collected by using structured questionnaires with five point Likert scale. The secondary data are acquired from the relevant text books, previous research papers, international research journals and related websites. Data collection period was in January, 2020. Descriptive statistics are used to describe the profile of the respondents. Correlation and multiple regression analysis are applied to analyze the relationship between service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) and customer satisfaction of Nan Myaing Motel in Mandalay. According to the correlation result, reliability, responsiveness and empathy are moderately correlated with the customer satisfaction while assurance and tangibility are strongly correlated with the customer satisfaction.According to the results of multiple regression analysis; tangibility, responsiveness, assurance and empathy are positively and significantly effect on customer satisfaction. However, reliability is negative and not significant effect on customer satisfaction. It is suggested that reliability dimension need to be performed by Nan Myaing Motel in present and future to satisfy customer.

**Key words** : *Tangibility, Reliability, Responsiveness, Assurance and Empathy*

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## I. Introduction

Recent growth of hotel industry has increased the need for service providers to understand customers' view of quality of service offered. They can effectively optimize their returns from the service and stay ahead of competitors. Recent years have shown a growing interest in customer satisfaction. Customers all over the world have become more quality conscious, hence there has been an increased customer demand for higher quality service. Service operations worldwide are affected by this new wave of quality awareness and emphasis (Lee, 2004). Therefore service-based companies like the motels are compelled to provide excellent services to their customers in order to have sustainable competitive advantage.Also in hotel industry for competitive advantages building companies are forced to find out strategies and instruments to differentiate from their competitors (Wang et al. 2013). A lot of hotels concentrate on the quality aspect and want to deliver a high quality. SERVQUAL evaluate service quality as the difference among customers experience of received service and customer expectations for the offered service (Parasuraman et al., 1988).

According to Mathews (2007), the main difficulty facing most industries is the ability to continue satisfying their customers while at the same time making huge profits. Competition puts pressure on many hotel services providers to provide quality services. Grönroos (2001) offers a comprehensive definition of services where service is an activity or series of activities of a more or less intangible nature than normal. The survival of hospitality industry in the current competitive environment where most hotels have quite similar luxurious physical facilities much depends on delivery of service quality aiming to result in customer delight (Manhas and Junior, 2011).Motel and hotel are mode of accommodation which provides services, and rooms to stay. Measuring service quality is difficult because the service has the nature of intangible. Five dimensions (reliability, responsiveness, assurance, empathy and tangibility) are used to measure the service quality of Nan Myaing Motel.

### 1. Objectives of the Study

The objectives of the study are:
(1) To identify the services provided by Nan Myaing Motel.
(2) To analyze the effects of service quality on customer satisfaction of Nan Myaing Motel.

### 2. Scopes andMethods of the Study

This study only focuses on service quality of Nan Myaing Motel in Mandalay. Descriptive research method was used. Data were gathered through both primary and secondary data source. Primary data were collected with structured questionnaires and Five-Point Likert Scale was applied in this study. The survey was based on 180 customers of Nan Myaing Motel. Customers were selected by using convenience sampling method. Secondary data were gathered from relevant text books, previous research papers, Internet website and other sources. Descriptive analysis was used to describe the profile of the respondents. Multiple regression analysis was used to analyze the effects of service quality dimensions on customer satisfaction. Data collection period was in January, 2020.

## II. Theoretical Background

According to Zeithamal, Parsuraman and Berry (1985), five principal dimensions of service quality namely tangibility, reliability, responsiveness, assurance and empathy are used to measure the service quality.

### 1. Tangibility

The tangible service quality dimension refers to the appearance of the physical surroundings and facilities, equipment, personnel and the way of communication. Tangibility of motels are interior design, the appearance and condition of equipment and uniform of the staff, well-designed forms that are easy to read and interpret.

### 2. Reliability

Reliability is defined as the dependability, consistency, and accuracy with which the service is performed by the provider.It is important because every customer want to know if their supplier is reliable and fulfill the set requirements with satisfaction. Reliability of motel includes ability to perform the promised service dependably and accurately, providing error-free invoices and statements, and making repairs correctly at the first time.

### 3. Responsiveness

Zeithaml et al., (2006) defined responsiveness as the willingness to help customers and provide prompt service. It is concerned with dealing with the customer's requests, questions and complaints promptly and attentively. This is also a very

important dimension because every customer feels more valued if they get the best possible quality in the service.

## 4. Assurance

Assurance includes the knowledge and courtesy of employees and their ability to inspire trust and confidence. Zeithaml et al., (2006) defined assurance as "the employee's knowledge and courtesy and service provider's ability to inspire trust and confidence".

## 5.  Empathy

Empathy dimension refers to how the company cares and gives individualized attention to their customers, to make the customers feeling extra valued and special. If the customer feels they get individualized and quality attention there is a very great chance that will return to the company and do business there again. Empathy replaces access communication, and understanding the customer in the original ten dimensions for evaluating service quality

Figure1. Conceptual Framework
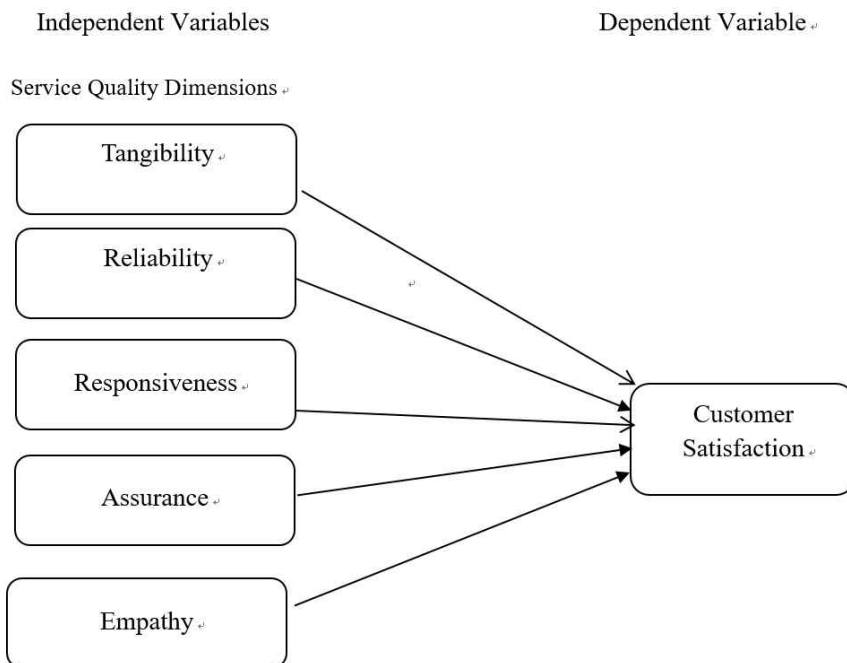


Source: Own Compilation Based on Previous Studies

According to the conceptual framework, customer satisfaction is used as dependent variable and customer perception on service quality dimensions are used as independent variables.


## III. Research Design

In this study, five-point Likert scale was used to collect primary data. After conducting the survey, the collected data were processed and analyzed by using SPSS version 23. Correlation analysis was used to analyze the relationship between services package and customer satisfaction. Multiple regression analysis was used to analyze the effects of customer satisfaction on services package.

### 1. Respondents' Demographic Profile

The demographic profiles of respondents are shown in Table 1.
In Table 1, gender of respondents who enjoyed service with Nan Myaing Motel is presented.

Table 1. Gender of Respondents

| Sr. No. | Gender | No. of Respondents | Percentage |
|---------|--------|--------------------|------------|
| 1 | Male | 60 | 33.33 |
| 2 | Female | 120 | 66.67 |
| | Total | 180 | 100.00 |

Source: Survey data, (January, 2020)

In the analysis of the gender of respondents, it is seen that the majority of respondents are female amounting to 60 male respondents and 120 female respondents in this study. Therefore, most of the respondents are female.

There are four age groups of respondents are shown in Table 2,

Table 2. Age of Respondents

| Sr. No. | Age group (years) | No. of Respondents | Percentage |
|---------|-------------------|--------------------|------------|
| 1 | Under 25 | 6 | 3.33 |
| 2 | 26-35 | 66 | 36.67 |
| 3 | 36-45 | 55 | 30.56 |
| 5 | Above 45 | 53 | 29.44 |
| | Total | 180 | 100.00 |

Source: Survey data, (January, 2020)

According to the results in Table 2, the majority of respondents whose age level is 26-35 years, accounting for 36.67%. The second largest age levels is 36-45 and it accounts for 30.56%. Therefore, middle aged people are found as the most customer group. Respondents' age above 45 is the third 29.44% and respondents' age under 25 is the lowest age group and it accounts for 3.33%.

The marital status of respondents is shown in Table 3.

Table 3. Marital Status of Respondents

| Sr. No. | Marital status | No. of Respondents | Percentage |
|---------|----------------|--------------------|------------|
| 1 | Single | 90 | 50.00 |
| 2 | Married | 90 | 50.00 |
| | Total | 180 | 100.00 |

Source: Survey data, (January, 2020)

In marital status of respondents, there are (90) single respondents and (90) married respondents in this study. Therefore, marital status of each respondents group is accounted for (50.00%) respectively in Table 3.

The education level of respondents is shown in Table 4.

Table 4. Education Level of Respondents

| Sr. No. | Education Level | No. of Respondents | Percentage |
|---------|-----------------|--------------------|------------|
| 1 | High School | 19 | 10.56 |
| 2 | Bachelor | 130 | 72.22 |
| 3 | Master | 26 | 14.44 |
| 4 | Ph.D | 5 | 2.78 |
| | Total | 180 | 100.00 |

Source: Survey data, (January, 2020)

According to the Table 4, it is found that the majority of 130 respondents is Bachelor level and it contributes 72.22%.The second largest respondents group is Master level and it contributes 14.44%. The remaining is respondents from High School and Ph.D which are accounted for 10.56% and 2.78%. Therefore, it is found that the education level of respondents is mostly dominated by Bachelor level.

The occupations of respondents are stated in Table 5.

Table 5. Occupation of Respondents

| Sr. No. | Occupation | No. of Respondents | Percentage |
|---------|-----------|--------------------|------------|
| 1 | Student | 5 | 2.78 |
| 2 | Civil Servants | 105 | 58.33 |
| 3 | Company Staff | 43 | 23.89 |
| 4 | Business Owner | 27 | 15.00 |
|  | Total | 180 | 100.00 |

Source: Survey data, (January, 2020)

In the study, it is found that there are 57 respondents who are from Company staff, 6 respondents who are in other group and 74 respondents are Civil Servants, 21 respondents who have own business and the rest 5 respondent is Student. Therefore, nearly half of respondents are seen as employed Civil Servant, accounting for 45.41%.

The monthly income of respondents are stated in Table 6.

Table 6. Monthly Income of Respondents

| Sr. No. | Monthly Income (Kyats) | No. of Respondents | Percentage |
|---------|------------------------|--------------------|------------|
| 1 | 100,000 and below | 3 | 1.67 |
| 2 | 100,001- 300,000 | 97 | 53.89 |
| 3 | 300,001 – 500,000 | 44 | 24.44 |
| 4 | 500,001 – 700,000 | 17 | 9.44 |
| 5 | Above 700,000 | 19 | 10.56 |
|  | Total | 180 | 100.00 |

Source: Survey data, (January, 2020)

According to Table 6, 53.89 percentage of respondents are between Kyats 100,001- 300,000, 24.44 percentage of respondents are between Kyats 300,001 – 500,000, 300,001 – 500,000 percentage of respondents are above Kyats 700,000, 9.44 percentage of respondents are between Kyats 500,001 – 700,000, 1.67percentage of respondents are Kyats 100,000 and below. Therefore, it is found that respondents with monthly income between Kyats 100,001- 300,000 are more than any other group.

**Reliabilities Analysis of Variables**

According to Best (1977),when the alpha value is between 0.89 and 0.95, it is

considered very good reliability, when alpha value is 0.7 and 0.89 is considered good reliability and when the alpha value is between 0.6 and 0.7, it is considered as fair reliability and the alpha value is below 0.6 will be considered as poor quality.

Table 7. Reliability Analysis

| Sr. No. | Variables | No. of Items | Cronbach's Alpha |
|---|---|---|---|
| 1 | Reliability | 7 | 0.810 |
| 2 | Responsiveness | 7 | 0.861 |
| 3 | Assurance | 7 | 0.866 |
| 4 | Tangibility | 7 | 0.858 |
| 5 | Empathy | 7 | 0.882 |
| 6 | Customer Satisfaction | 10 | 0.886 |

Source: Survey data, (January, 2020)

According to Table 7, the Alpha values of all variables (reliability, responsiveness, assurance, tangibility, empathy and customer satisfaction have above 0.7. Thus, the Alpha values of all variables are good reliability and acceptable level.

Table 8. Correlation Results between Service Quality Dimensions and Customer Satisfaction

| Sr. No. | Description | Pearson Correlation Coefficient | p-value |
|---|---|---|---|
| 1 | Reliability | 0.495** | 0.000 |
| 2 | Responsiveness | 0.651** | 0.000 |
| 3 | Assurance | 0.706** | 0.000 |
| 4 | Tangibility | 0.758** | 0.000 |
| 5 | Empathy | 0.569** | 0.000 |

** Correlation is significant at the 0.01 level (2-tailed).
Source: Survey data, (January, 2020)

Correlation of all variables used in this study is shown in Table 8, which indicates the correlation value of Reliability, Responsiveness, Assurance, Tangibility and Empathy with the value of 49.5%, 65.1%, 70.6%, 75.8% and 56.9% respectively. Through studying the relationship between service quality and customer satisfaction, Reliability, Responsiveness and Empathy are moderately correlated with the customer satisfaction while Assurance and Tangibility are strongly correlated with the customer satisfaction because the value of r is above 0.7.

Table 9, Multiple Regression Analysis of Customer Satisfaction on Service Quality
Dimensions

|  | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
|  | B | Std. Error | Beta | | |
| (Constant) | .639 | .195 | | 3.279 | .001 |
| Reliability | -.016 | .057 | -.016 | -.279 | .780 |
| Responsiveness | .162 | .063 | .189 | 2.586 | .011 |
| Assurance | .160 | .075 | .177 | 2.134 | .034 |
| Tangibility | .423 | .057 | .468 | 7.390 | .000 |
| Empathy | .103 | .052 | .119 | 2.002 | .047 |
| R | .814 | | | | |
| R2 | .662 | | | | |
| Adjusted R2 | .652 | | | | |

Source: Survey data (January, 2020)
P < 0.01 (Significant at 99%)

According to the regression analysis, responsiveness, assurance, tangibility and empathy were positively related to customer satisfaction. According to Table 9, p value of tangibility 0.000 and responsiveness 0.011 are significant at 0.01 levels. Also, p value of assurance 0.034 and empathy 0.047 are significant at 0.05 levels. One additional unit of tangibility can increase 0.423 times in the customer satisfaction. Increase in 0.162 times in the customer satisfaction can occur in one additional unit of responsiveness. One additional unit of assurance can cause increasing 0.160 times in the customer satisfaction. Increase in 0.103 times in the customer satisfaction can occur in one additional unit of empathy.

## IV. Findings and Discussions

Demographic characteristics were firstly analyzed with collected data. In the analysis, it was found that both single and married equally participated in this research. With regard to gender, male comprised less than female. The largest number of respondents is aged between 26 to 35 years. In education level, Bachelors level involve more, who come to motel. The largest number of respondents is company staffs in occupation level. According to the regression analysis, most dimensions have a significant influence on customer satisfaction of Nan Myaing Motel. Among these five dimensions, four main dimensions of tangibility, responsiveness, assurance and empathy have a significant influence on the customer

satisfaction and the other dimension, reliability has no significant influence on it.

## 1. Suggestions and Recommendations

Based on the findings, key determinants of influence of the customer satisfaction on service quality are tangibility, responsiveness, assurance and empathy in orderly. Therefore, Nan Myaing Motelshould put greater emphasis on tangibility and train the motel staffs to take care and attention to all of the motel facilities, equipment personnel and communication materials.In addition, prompt and quick response to customer requests, handling customer complaints, customized service can provide customer satisfaction on service quality of Nan Myaing Motel. Also, this should consider providing quality training programs to motel staffs to become courtesy, responsible, trustworthy, skillful and experienced staffs. Empathy factor is also important for customer satisfaction of Nan Myaing Motel because motel staff's kindness, patience, sincerity, personal care and valuable advice to guests can bring satisfied service.Generally, Nan Myaing Motel's service quality is evaluated positively by respondents and the level of customer satisfaction is good.

## 2. Needs for Further Study

Some future research can be enlarged by means of continuous interviewing of customers or study at other cooperative motels in different regions.  Further studies should concentrate on a larger sample size and all types of motels in Mandalay. The service quality of Nan Myaing Motel can be analyzed by using other models and techniques.

# Acknowledgements

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