



A COMPARATIVE STUDY OF NATIONAL AND FOREIGN CUSTOMERS OF THREE- STAR HOTELS ON SERVICE QUALITY PARAMETERS

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1.1 ABSTRACT:

Background: There is a lot of talk among customers about the three-star Hotels which generally match up the upper middle-class segment of the country. The background of this paper talks about the service quality parameters in the opinion of national and foreign customers, their relatable differences on selected fronts.

Key objective: The core objective of the study was to compare the perception of customers on service quality parameters in the three-star hotels.

Idea behind the study: The main idea of this study is to understand how customers staying in three-star hotels feel about different parts of the service they receive. It aims to compare their opinions and see which aspects of service quality they find most important in real-life situations. By looking at these views from different angles, the study hopes to highlight what truly matters to guests during their stay..

Research Methodology: The study was conducted utilizing a sample of 112 customers (59 Indians and 53 Foreigners) from Udaipur city. This favorite tourist destination makes the three-star hotels being hunted for ever, usually meant to improve or preserve standards in a given field. The research is based on primary data

and uses a method called Purposive sampling for data collection. Fifteen Likert statements were framed to find the opinions of the respondents on the service quality parameters.

Findings: The results showed that the null hypothesis was rejected and concluded that there is a significant difference in the perception of respondents, both national and foreign, on the service quality parameters. The respondents' perception stood out as uncommon, and thus, the null hypothesis was rejected.

Keywords: *National and Foreign customers, Three-star hotels, Service quality parameters.*

1.2 INTRODUCTION:

Organisations' ability to successfully manage and develop their human capital is crucial in today's knowledge-based economy. The goal of human resource accounting (HRA) is to give employees' contributions a monetary value by acknowledging them as valued assets rather than merely expenses. Despite the fact that employee performance, motivation, and talents have a big impact on a company's future, traditional accounting frequently ignores this value. The significance of HRA is growing as more knowledge and skills are needed by businesses, particularly service-driven ones like banking.

Human capital is one of the most important resources in banking since personnel are vital to service delivery, innovation, and strategic decision-making. However, human capital cannot be owned or readily quantified, in contrast to financial or mechanical assets. By providing a framework for evaluating, documenting, and analysing the value that workers contribute to the company, HRA fills this vacuum and facilitates better informed management choices and open reporting.

Fundamentally, HRA sees human resources as valuable assets that increase in value based on management. Training, development, and hiring are viewed as investments rather than costs. HRA offers insights that may direct resource allocation and strategic decisions for banks, where trust and experience are crucial. It improves performance management systems and helps match long-term objectives with employee growth.

Since their approval greatly influences how successfully HRA can be implemented, it is crucial to comprehend how banking professionals perceive it. Their perception is shaped by their knowledge, training, organisational culture, and conviction that employee data and performance are related. Employee engagement, retention, and organisational outcomes all improve when managers and decision-makers understand the strategic importance of human resources.

Additionally, HRA improves financial reporting transparency and provides stakeholders, regulators, and investors with a more accurate understanding of a company's actual value. It emphasizes non-monetary metrics that show potential for long-term growth. The absence of consistent standards, the challenge of quantifying intangible qualities like leadership, and opposition from traditional accounting systems are some of the obstacles that HRA still faces. These difficulties are particularly apparent in the banking industry, where financial figures sometimes overshadow human considerations.

All things considered, HRA represents a change in how businesses perceive their employees. Adopting HRA can enhance decision-making, boost competitiveness, and more effectively match human investments with organisational objectives in a people-driven sector like banking, where human capital drives performance. The degree to which this method is successfully embraced throughout the banking industry will depend on how banking professionals feel about its applicability as it acquires traction.

1.3 REVIEW OF LITERATURE:

(Matthew, 2025)¹ The research concludes that service quality is a multifaceted construct that significantly impacts customer loyalty in the hospitality industry. Key dimensions such as reliability, responsiveness, empathy, cleanliness, and technological integration are essential for enhancing guest satisfaction and encouraging repeat visits. - The study emphasises that hotels must prioritise these dimensions of service quality to build lasting relationships with their guests, which is crucial for securing long-term success in a competitive market.

(Abdul Rahman bin *et al.*, 2024)² The study concludes that research on hotel service quality has significantly expanded since 1987, with a notable increase in publications, particularly from 2020 onwards, highlighting emerging themes such as the effects of artificial intelligence and the impact of global crises like COVID-19 on service quality in the hotel industry. - It emphasises the importance of understanding the trajectory of hotel service quality research for both academics and practitioners, as it plays a critical role in enhancing customer satisfaction, loyalty, and operational success while also identifying key trends such as technological advancements and the integration of sustainability in service quality.

(Magnús Haukur *et al.*, 2024)³ The study concludes that both service quality and reputation independently contribute to the performance of hospitality organisations, specifically in terms of customer satisfaction and loyalty. The research indicates that these factors collectively explain a significant amount of variability in performance outcomes. - The analysis identified a strong correlation between the independent factors of tangible service, performed service, and reputation, with tangible service showing the strongest unique connection to performance. This suggests that enhancing tangible service quality can lead to improved overall performance in the hospitality sector.

(Ninh Van *et al.*, 2024)⁴ The study concludes that service quality is a crucial factor in enhancing competitive advantages and operational efficiency within the hotel industry, significantly influencing both competitive advantage and overall business performance. This relationship leads to positive outcomes such as improved tourist experiences and economic growth. - The findings highlight the importance of integrating service quality, competitive advantage, and innovation to drive business performance, suggesting that these elements have direct implications for pricing strategies and service quality management in the hotel sector.

(Suresh *et al.*, 2024)⁵ The research identified 12 main service quality factors in restaurants, categorised into process-related factors, people-related factors, physical environment factors, and performance-related factors.

- The study developed a model based on these service quality factors to understand their impact on customer satisfaction in the restaurant industry.

(Theodosia *et al.*, 2024)⁶ The research findings reveal a positive correlation between five service quality dimensions (empathy, reliability, responsiveness, assurance, and tangibility) and customer satisfaction. - The analysis of respondent feedback indicates that the service quality dimension in 5-Star Hotels in Central Jakarta exerts the most significant impact on customer satisfaction, which is empathy.

(Hamed *et al.*, 2023)⁷ The study identifies and prioritises 22 influence sub-criteria affecting service quality (SERVQUAL) in the hotel industry, with the "delivery of service promise" sub-criterion being ranked first, highlighting its critical importance during the COVID-19 pandemic. - Among the five-star hotels evaluated, A1 hotels were determined to be the best-performing hotel, providing insights for hotel managers to focus on the most significant factors influencing service quality to enhance their operational strengths.

(Mani Ram *et al.*, 2023)⁸ The study found that both service quality and price fairness have a positive impact on customer satisfaction in the hotel industry. - The research highlights the importance of hotels focusing on delivering excellent service and ensuring fairness in pricing to enhance overall customer satisfaction and potentially foster customer loyalty.

1.4 RESEARCH METHODOLOGY:

1.4.1 RESEARCH OBJECTIVE

The primary objective of the survey was to compare the perception of customers on service quality parameters in the three-star hotels.

1.4.2 RESEARCH DESIGN

The study is exploratory in nature due to the absence of any pre-existing data or earlier studies utilized for statistical analysis by the researcher.

1.4.3 SAMPLING TECHNIQUE

The sampling method employed in the thesis was Judgmental Non-Probability Sampling.

1.4.4 DATA

The study was conducted utilizing a sample of 112 customers (59 locals and 53 Foreigners) from Udaipur city. The study is Primary data-based and involves purposive sampling as the methodology utilized for data sampling. A set of fifteen Likert statements was drafted to determine the respondents' views of the service quality parameters.

1.4.5 SAMPLE AREA

The sample area for research was Udaipur city. An attempt was made to rationally collect the data from the two chosen sets of customers.

1.5 LIKERT STATEMENTS:

The variables under study were presented to the respondents through a set of 15 Likert statements, which have been mentioned below:

1. The people who worked at the hotel cared about the little things that I thought were important.
2. The people who worked at the hotel cared about the little things that I thought were important.
3. The people who worked at the hotel answered my questions with confidence and truth.
4. The general atmosphere of the hotel makes it a nice place to stay.
5. The digital equipment of the hotel (Wi-Fi, TV, etc) is modern and works well.
6. Housekeeping and repair work were done quickly by the hotel.
7. The way the hotel staff treated me made me feel welcome and important.
8. The hotel pays close attention to details when guests make special requests.
9. If there was an emergency, the hotel workers helped right away.
10. The staff quickly helped me with special requests, like getting a wake-up call.
11. The eating area of the hotel is clean and well-organized.
12. The hotel makes sure that both public and private places have enough light.
13. The parking lots are easy to get to and are kept in good shape.
14. When guests asked for extra blankets, toiletries, or other things, the hotel responded quickly.
15. The hotel staff made sure everything went smoothly and comfortably by being very professional.

1.6 HYPOTHESIS

H₀₁: There is no significant difference in the perception of respondents (both national and foreign) on the service quality parameters.

To test the hypothesis mentioned above, the mean score was calculated from the primary data collected, and a further independent sample t-test was applied, and the results so derived have been published below

1.6.1 Descriptive Statistics

Table 0.1: Descriptive Statistics

	Hotel Customers	n	Mean	Std. Deviation	Std. Mean	Error
Mean Score	Indian	59	3.41	1.26	0.16	
	Foreigners	53	3.94	0.87	0.12	

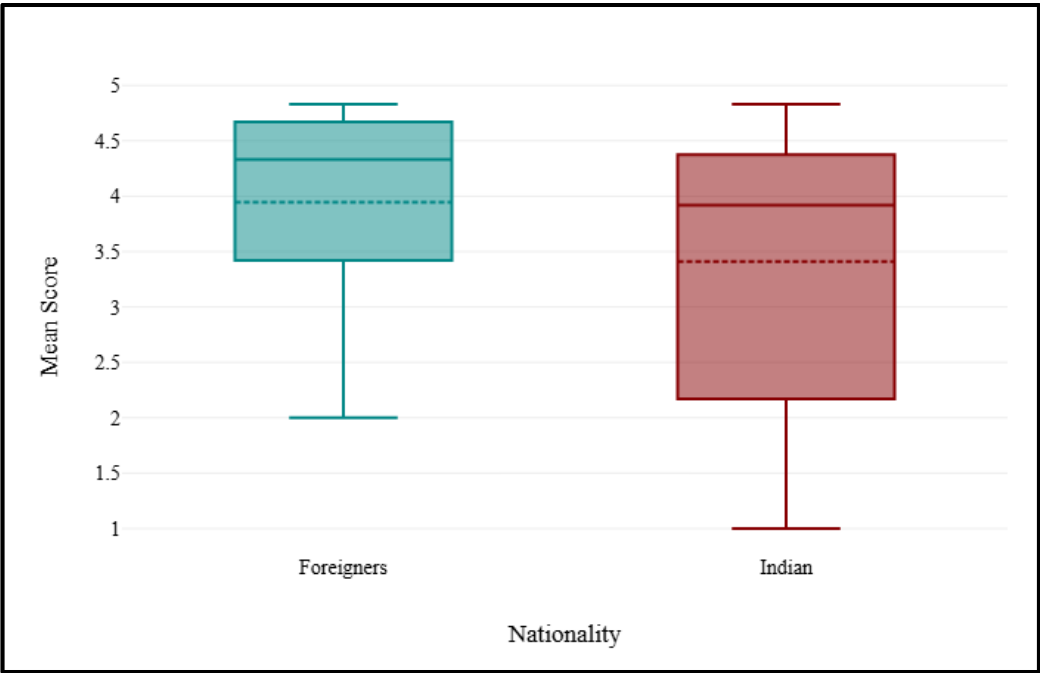


Figure 0.1: Descriptive Statistics

As depicted in the above table and figure, the mean score of hotel customers Indian (3.41 ± 1.26) was less than that of Public Bankers (3.94 ± 0.87).

1.6.2 Levene test of Variance

Table 0.2: Levene's Test (Mean)

Test	F	df1	df2	p
Levene's Test (Mean)	14.83	1	110	0.001

Levene's Test (Mean) revealed no equality of variance between the two groups.

1.6.3 Independent Sample t-test

Table 0.3: Independent Sample t-test

		t	df	p
Mean Score	Equal variances	-2.59	110	.011
	Unequal variances	-2.64	103.5	.01

A two-tailed t-test for independent samples (equal variances not assumed) showed that the difference between *Indians* and *Foreigners* with respect to the dependent variable, Mean Score of service Quality, was statistically significant, $t(103.5) = -2.64, p = .01$

Thus, the null hypothesis was rejected and concluded that ***there is a significant difference in the perception of respondents both national and foreign) on the service quality parameters.***

1.7 FINDINGS:

The findings illustrated that both domestic and international consumers' satisfaction is significantly impacted by service quality metrics. Customer satisfaction at three-star hotels is significantly impacted by service quality metrics. According to the survey, factors like certainty, empathy, and responsiveness are critical in determining how satisfied customers are. Customer loyalty and satisfaction are closely related to the total quality of service, which includes these aspects. According to a study on the relationship between service quality and customer loyalty, hotels that respond to guests' demands and requests in a timely and effective manner typically have higher satisfaction ratings. Trust and happiness are increased when guests have faith in the hotel's personnel and services due to their expertise and proficiency. According to research on the effect of service quality on customer satisfaction in boutique hotels, a staff that is sympathetic, understanding, and sensitive to the demands of the patrons can greatly improve the whole experience.

Hypothesis Results: The result from the hypothesis revealed that there is a significant difference in the perception of respondents both national and foreign) on the service quality parameters.

1.8 SUGGESTIONS:

To improve the working of three-star hotels, it is important to focus on improving the guest experience, developing a strong web presence, and providing distinctive value propositions in order to boost three-star hotel performance for both domestic and international clients. The following suggestions have been enclosed for the same:

1. Ensuring Personalized Service: The best personalized service can be provided by making guests feel appreciated and welcomed through customized welcomes, check-in procedures, and suggestions based on their

preferences and needs. Ensuring the availability of basic facilities that are widely sought by tourists, such as free Wi-Fi, cozy accommodations, and dependable services.

2. **Trained Local Expertise:** To make insightful recommendations, staff members should be knowledgeable with the area's sights, events, and food options. Particularly for foreign visitors who could have varying schedules, think about providing flexibility with regard to check-in and check-out timings. ensuring that employees have the tools necessary to interact with visitors of different ethnicities.

3. **Handling issues Promptly:** Creating practical plans for promptly and effectively addressing visitor issues. Providing extras like concierge services, help with luggage, or even local SIM cards for tourists from other countries. ensuring that the hotel website is search engine optimized, aesthetically pleasing, and easy to use.

4. **Online Reviews:** Keeping an eye on and reacting to reviews online, addressing criticism and highlighting praise.

5. **Special Occasion Celebrations:** Make guests feel special by recognizing birthdays, anniversaries, or other significant occasions. Respondents can gain trust by using social media platforms to engage with potential guests, share updates, and advertise special offers. Providing a wide variety of eating options, including regional specialties, to accommodate a range of palates can provide patrons with the best possible experience.

Three-star hotels can improve bookings and favorable ratings by concentrating on these areas and making the stay more appealing and memorable for international guests.

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