## PERCEIVED SERVICE QUALITY OF HOTELS THROUGH THE PRISM OF CONSUMER SOCIO-ECONOMIC FEATURES IN UMUAHIA, ABIA STATE.

### I.B. ANYANWU, PhD.

#### HOSPITALITY MANAGEMENT AND TOURISM

### MICHAEL OKPARA UNIVERSITY OF AGRICULTURE, UMUDIKE.

&

#### OGBOAGHA, C.O.

## HOSPITALITY MANAGETMENT AND TOURISM AKANU IBIAM FEDERAL POLYTECHNIC UNWANA AFIKP

#### Abstract

This study was carried out to determine the influence of consumer socio-economic features on perceived service quality in hotels in Umuahia, Abia State. The study was a survey. Five research objectives and five research hypotheses guided the study. The study population was an infinite one and comprised all consumers of registered hotels in Umuahia metropolis. Population sample was estimated using Cochran (1977) formular for determining sample size for infinite population and it gave a sample size of 280. Structured questionnaire was used to collect data having been subjected to Crombach Alpha reliability test and a reliability coefficient of 0.78 was obtained. Convenient sampling technique was used in administering the questionnaire and the data generated was analyzed using regression analysis on SPSS version 25. Findings revealed among others that consumer socio-economic features such as income, education, and gender have positive and significant relationship with consumer service quality perception in hotel operations in the study area. Thus, it is concluded that consumer socio-economic features influence consumer service quality perception in hotel operations in the study area. In view of the findings of this study, it is recommended among others that management of hotels in the study area should develop a holistic strategic plan that focuses on total quality management (TQM) at all levels of operation, and should give serious consideration regarding consumer socio-economic features during periods of service planning, and marketing development.

Key: Hotels; Service Quality; Consumer; Socio-economic features.

#### Introduction

#### Background of the Study

The hotel Industry, a service provider, plays important role in the growth and development of world economy. Apart from its contribution to GDP, it also serves as a source of employment for a lot of people. Lovelock and Wirtz (2010) report that most new employments are provided by the service industry and this serves as the strongest growth area for marketing. For example, in 2010, the service industry contributed 51.4% to GDP in Nigeria. This was followed by Agriculture and Manufacturing which contributed 29.9% and 18.6%, respectively (United States Central Intelligence Agency Report, 2012). The hotel is maybe one of the oldest industries in the world. The history of hotels is connected closely to civilizations of mankind. According to some documents, the first inn appeared in the sixth century B.C when some couples provided large halls for travelers to drink and the entire service was done by owners. To other documents, since early biblical times, the Greeks developed thermal baths in villages for rest. Later, the Romans built mansions to provide accommodation for the government business. The first thermal baths in England, Switzerland and the Middle East were developed by the Romans. In the middle ages, religious built inns to cater for their colleagues on the move. At the beginning, inns did not offer meals.

Travelling became popular and the impact of the industrial revolution in England spread widely that led to the change from social or governmental travel to business travel. The need for quick and clean service all the time emerged. The birth of hotel industry took place in Europe. At the beginning of the fifteenth century, in France, the first time, there was a law requirement that hotels keep a register. During this period, the first guide books for travelers were also published.

A consumer is said to be a person or organization that uses economic services or commodities (Wikipedia, 2010). A consumer is an individual who buys products or services for personal use and not for manufacture or resale. A consumer is someone who can make the decision whether or not to purchase an item at the store, and someone who can be influenced by marketing and advertisements. Consumer is the foundation of every business. What consumer sees, thinks, prefers, and buys is of great importance to marketers to fine tune their marketing offers and achieve high level of consumer acceptance and satisfaction. This is true of hotel operation. Consumers play an important role in hotel operations by making the hotel industry understand the kind of services that could be rendered and how to improve overall operations.

Socio-economic characteristics are major determinants of consumer behaviour and they play notable roles in shaping customer needs, (Aksoy, Atilgan & Akinci, 2003). In fact, differences in the socio-economic needs of the consumer can lead to variances in the perception of service quality (Bekko 2000). The socioeconomic characteristics of consumers include age, income, education, social status, culture, among others. These socio-economic features can individually or collectively shape human thoughts, imaginations, views and perceptions. Thus, one's perception concerning an issue may be influenced by his socio-economic characteristics.

Service quality can be defined as the extent to which the service fulfils the needs or expectations of the consumers. It is the overall impression of consumers as regards the weakness or excellence of the service delivered or received. Service quality is a multidimensional construct and scholars have advanced different service quality models to simplify the understanding of the concept. These service quality models have different dimensions used for evaluating customer perceptions and expectations regarding service guality in the hospitality operations. Perceptions of quality by those who provide services and those who consume them have been defined as the outcome of comparison between expectations of a service and what is perceived to be received (Czepiel et al. 1985; Parasuraman et al 1985).

Delivering quality service is one of the major challenges facing hospitality sector. It is an essential condition for success in the emerging keenly competitive and global hospitality markets. Quality is the key to achieving customer satisfaction. Quality is a dynamic state associated with products, services, people and meets environments that or exceeds expectations. Quality is also rapidly embracing the nature or degree of impact an organization has on its stakeholders, environment and society. The key to ensuring good service quality is meeting or exceeding what customers expect from the service. It is clear that judgments of high or low service quality depends on how customers perceive the actual service performance in the context of what is expected. Service quality as perceived by customers can be defined as the extent of discrepancy between customer's expectations or desires and their perceptions. Service delivery is concerned with where, when and how the service product is delivered to the customer.

Achieving excellent quality service should be the concern of any serious service organization in the light of stiff competition that has defined the service market. Hotels produce and market strikingly similar goods and services. Scholars in the service sector have opined that the only way to differentiate hotel goods and services and indeed other offerings of service organizations is through service quality. Nowadays emphasis has gone from the technical aspect of the product to include the functional aspect. All these are considered during service guality evaluation by the consumers. Managers of hotels should show serious concern particularly as it relates to service delivery, as paying lip service to it could be costly. Service quality is what the consumers say it is, and it is through consumers that the worth of a service could be determined. This present study is aimed at determining how consumer socio-economic characteristics can influence service quality perception. This has become imperative in view of the need for managers and operators of hotels to understand the factors that influence consumer service quality evaluation and perception.

Understanding consumer socio-economic characteristics is seen to be imperative in marketing activities. Hotels all over the world increasingly face stiff competition particularly in wooing customers. Consumers on the other hand have become abundantly sophisticated such that promotional messages and sales campaigns by hotels seem not to influence their purchase behavior. Research findings have shown that consumer behavior is unpredictable and is significantly predicated on socio-economic characteristics. Thus, consumer socio-economic characteristics help in shaping and understanding why consumers behave the way they do. Researchers argue that service quality remains what the customers say it is. This by

implication means that no matter how well a service is delivered, if it does not meet customer expectation it remains poor. Scholars maintain that consumer perception of service quality is influenced by socio-economic characteristics. Similarly, consumer socio-economic variables may vary from one country to another and from one economy to another. In other words the variables that shape consumer service quality perception in developed economies may differ from the variables that shape same in developing economies such as Nigeria perhaps due to environmental features and other factors. Thus research findings from the former may not apply to the latter. But to the best knowledge of this researcher, there is dearth of empirical evidence to support the relationship between consumer socio-economic characteristics and service quality perception in hotel operations in Nigeria. This is the gap this present study attempts to close.

#### **Objectives the Study**

The main objective of this study is to determine the influence of consumer socio-economic characteristics on service quality perception in hotel operation. Specifically, the study sought to determine;

- 1. Effect of income on consumer perception of service quality in hotel industry
- Influence of education on consumer perception of service quality in hotel operation.
- Effect of Age on consumer perception of service quality in hotel operation.
- Impact of social status on consumer perception of service quality in hotel operations.
- 5. Influence of gender on consumer perception of service quality in hotel operation.

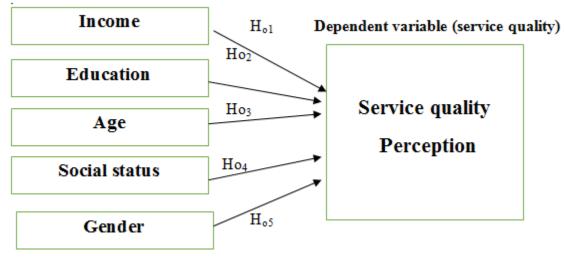
#### **Research Hypotheses**

The following hypothesis was formulated for the study;

- **Ho**<sub>1</sub>: There is no significant relationship between consumer's level income and consumer perception of service quality in hotel operation.
- **Ho<sub>2</sub>:** There is no positive relationship between consumer's level of education and consumer perception of service quality in hotel operation.

### Independent variables Consumer Socio-Economic Characteristics

- **Ho3:** There is no significant relationship between consumer's social status and consumer perception of service quality operation.
- **Ho4:** There is no significant relationship between consumer's age and consumer perception of service quality in hotel operation.
- **Ho**<sub>5</sub>: There is no significant relationship between gender and consumer perception of service quality in hotel operation.



# Fig. 1.1 Research Model Source: Researcher's Desk, 2019

# Review of Related Literature Service Quality

The nature of service is defined as being an activity which involves a product or a good and is provided as a solution to meet a customer's demand and that quality is the result of being satisfied or not after having evaluated if a service as well as the service delivery meets the expectations of a customer. Nevertheless, this is deemed to be perception of the person receiving the service and the quality then depends if the service meets the needs, wants and expectations of that specific customers. Within this story, service quality is seen as the total assessment of how well a service provided meets the expectations of the customer. (Parasuraman,

Zeithaml & Berry, 1985; 1988). Service quality for businesses is no different than it is for the customer. However, the use is different. Service quality is used more as an instrument of measurement of performance relating to the expectations of customers. For customers, service quality is the difference between what is wanted, needed or expected and the actual service. This in turn results in customer satisfaction or not and it is this satisfaction or not which determines service quality for business as perceived from the customer. The fact that customers are getting satisfied or not by the services provided determines how well business is performing as perceived by the customer and this information is used to improve services, identify problems and better assess customer satisfaction.

In the service industry, definitions of service quality tend to focus on meeting customers' needs and requirements and how well the service delivered meets their expectations (Lewis and Booms 1983, in Garga and Abdu 2016). In order to deliver and maintain service quality, an organization must first identify what it is that constitutes quality to those whom it serves (Gronross 1984). Gronross (1984) classified service quality into two categories: technical quality; which primarily focused on what consumers actually received from the service; and functional quality, which focused on the process of service delivery. Perceptions of quality by those who provide services and those who consume them have been defined as the outcome of comparison between expectations of a service and what is perceived to have been received (Czepiel et al. 1985 in Yilmaz (2009); Parasuraman et al 1985).

Delivering quality service is one of the major challenges facing hospitality sector. It is an essential condition for success in the emerging keenly competitive and global hospitality markets. Quality is the key to achieving customer satisfaction. Quality is a dynamic state associated with products, services, people and environments that meets or exceeds expectations. Quality is also rapidly embracing the nature or degree of impact an organization has on its stakeholders, environment and society. The key to ensuring good service quality is meeting or exceeding what customers expect from the service. It is clear that judgments of high and low service quality depend on how customers perceive the actual service performance in the context of what they expect. Service quality as perceived by customers can be defined as the extent of discrepancy between customer's expectations or desires and their perceptions. Service delivery is concerned with

where, when and how the service product is delivered to the customer.

#### Characteristics of Services

Scholars and indeed practitioners in the service industry argue that understanding service will be better appreciated by trying to understand the characteristics of service. Services have unique characteristics which make them different from that of goods. The service literature highlights differences in the nature of services versus products which are believed to create special challenges for service marketers and for consumers buying services.

Although there has been debate on the effectiveness of the four characteristics in distinguishing between products and services (Regan 1963 in Lee and Chen, 2009) these are nevertheless widely accepted by scholars and marketers (Zeithmal 1981, Levitt 1981, in Abdulla and Hamdan, 2012, Tabassum et al. 2012) and used both as the basis for examining services buyer behavior and developing services marketing strategies. It is therefore important to establish the extent to which these characteristics reflect the perspective of the consumer.

- **Intangibility:** The literature highlights intangibility as one of the key characteristics of services. Regan (1963) introduced the idea of services being activities, benefits or satisfactions which are offered for sale, or are provided with the sale of goods. Services are activities provided or performed by the provider, unlike physical products they cannot be seen, tasted, felt, heard or smelt before they are performed and their evaluation unlike goods, is not possible before actual purchase and consumption. The marketer of service cannot rely on product-based that the buyer generally employs in alternative evaluation prior to purchase.
- Inseparability: Inseparability is taken to reflect the simultaneous delivery and

consumption of services and is believed to enable consumers to affect or shape the performance and quality of service. Services are typically produced and consumed simultaneously. In case of physical goods, they are manufactured into products, distributed through multiple resellers and consumed later. But, in case of services, it cannot be separated from the service provider. Thus, the service provider would become a part of a service. For example: taxi operator drives taxi, and the passenger uses it. The presence of taxi driver is essential to provide the service. The services cannot be produced now for consumption at a later stage/ time. This produces a new dimension to service marketing. The physical presence of consumer is essential in services. For example: to use the services of an airline, hotel, or doctor, a customer must be present. Inseparability physically of production and consumption increases the importance of quality in services. Therefore, service marketers not only need to develop task-related, technical competence of service personnel, but also require a great input of skilled personnel to improve their marketing and inter personal skills.

Heterogeneity: Heterogeneity reflects the potential for high variability in service delivery (Zeithmal et al 1985). This is a particular problem for services with a high labour content, as the service performance is delivered by different people and the performance of people can vary from day to day (Zeithmal 1981). Since services are performed by human beings, they have different performances at different times of the day unlike tangible goods that are standardized. Hence services offered vary accordingly to performances or change in humor by those providing them. The idea of heterogeneity arises from the assumption that no two customers are alike, hence their demands are unique and the way they will

experience the service will also differ. So, the service firms should make an effort to deliver high and consistent quality in their services; and this is attained by selecting good and qualified personnel for rendering the service.

Perishability: The fourth characteristic of services highlighted in the literature is perish -ability. In general, services cannot be stored and carried forward to a future time period (Rathmell 1966); Yilmaz (2009). Tabassum et al, (2011, 2012) suggest that services are time dependent and time important which make them very perishable. Services are deeds, performance or act whose consumption take place simultaneously; they tend to perish on the absence of consumption. Hence, services cannot be stored. The services go waste if they are not consumed simultaneously i.e value of service exists at the point when it is required. The perishable character of services adds to the service marketer's problems. The inability of service sector to regulate supply with the changes in demand; poses many quality management problems. Hence, service quality level deteriorates during peak hours in restaurants, banks, transportation. This is a challenge for a service marketer. Therefore, a marketer should effectively utilize the capacity without deteriorating the guality to meet the demand of consumers.

## Service Quality Models

Several models have been developed by scholars in the service sector aimed at improving the understanding of service quality. Few of such models are reproduced below.

SQ1: Technical and functional quality model

This model was developed by Gronroos (1984). He introduced three components of service quality:

• **Technical quality:** is the quality of what consumer actually receives as a result of his/her interaction with the service enterprise

March

and make a basis for his/her evaluation of the quality of the service

- Functional quality: emphasizes on the mechanism with which he/she gets the technical outcome. It helps in the formation of his/her views of service being received.
- Image: is crucial and is built upon technical and functional quality of the service offered circumscribing ideology, pricing and public relations (PR). Consumer satisfaction can only be achieved by matching the expected service and perceived service to each other.

#### SQ2: GAP model

This model was developed by Parasuraman et al. (1985). It proposed that service quality is a function of the differences between expectation and performance along the quality dimensions. It is based on gap analysis as:

- **Gap 1:** Difference between consumers' expectation and management's perceptions of those expectations, i.e. not knowing what consumers expect.
- Gap 2: Difference between management's perceptions of consumer's expectations and service quality specifications, i.e. improper service-quality standards.
- **Gap 3:** Difference between service quality specifications and service actually delivered i.e. the service performance gap.
- **Gap 4:** Difference between service delivery and the communications to consumers about service delivery, i.e. whether promises match delivery?
- Gap 5: Difference between consumer's expectation and perceived service. This gap depends on size and direction of the four gaps associated with the delivery of service quality on the marketer's side. This model is named as SERVQUAL model after being refined by Parasuraman et al. (1988) with five dimensions named as reliability,

responsiveness, tangibles, assurance and empathy. It was further re-revised in 1994.

#### SQ3: Attribute Service Quality Model

It was developed by Haywood-Farmer (1988). According to the author, high quality of service can only be achieved by meeting customer preferences and expectations consistently. It highlights three basic attributes of services: physical facilities and processes; people's behavior; and professional judgment. Each attribute consists of several factors. The researcher tried to map different type of service settings as per degree of contact and interaction, degree of labour intensity and degree of service customization into this model.

#### SQ4. Synthesized Model of Service Quality

It is developed by Brogowicz et al. (1990). This model focuses on synthesis of traditional managerial framework, service design and operations and marketing activities. It identifies the dimensions related to service quality in a traditional managerial framework of planning, implementation and control. The synthesized model of service quality considers three factors, viz. company image, external influences and traditional marketing activities as the factors influencing technical and functional quality expectations.

### SQ5. Performance only Model

It was developed by Cronin and Taylor (1992). The authors analyzed the measurement of service quality and its relationship with consumer satisfaction and purchase intentions. They compared computed difference scores with perception to conclude that perceptions only are better predictor of service quality. They developed performance only measurement of service quality called SERVPERF by illustrating that service quality is a form of consumer attitude and the performance only measure of service quality is an enhanced means of measuring service quality. In particular, they maintained that Performance instead of "Performance-Expectation" determines service quality.

#### **Consumer Socio-economic Characteristics**

The consumer is the one who pays money to consume goods and services produced. As such, consumers play a vital role in the economic system of a nation. Without consumer demand, producers would lack one of the key motivations to produce. The consumer also forms part of the chain of distribution (Kim and Lough, 2007).

Service quality perception of any business depends on how well it is embraced by the target customers and for this, the entrepreneurs and the business manager needs to keep a close eye on every little aspect of the whole process to ensure that no single point is missed in a bid to achieve success. The management attempts to develop an in-depth understanding of its consumers, their attitudes, perception and the factors that could influence them and devise plans that are more effective for a particular market segment they are targeting.

The consumer socio-economic characteristics must be well recognized as it affects service quality perception. Before developing products or services and ensure that the full potential from the innovation process could be achieved by providing the most effective products to the customers in most useful way, an understanding of consumer service quality perception is required. Consumer socio-economic status is a whole field of study and it describes in detail about what the consumer feels, perceives, and how he reacts in particular situations and under specific influences during their purchase decision making processes. The socio-economic characteristics of consumer study blend the aspects of psychology, social anthropology and even economics to describe the customers both individually and even in groups. As consumer service quality perception are influenced by numerous factors.

The socioeconomic status is a concept to determine an individual's position in the society by determining measures like education, wealth, income and occupation. The socioeconomic status of an individual is a measure of two parameters as could be said from the name, his economic

strength and the social position. This measure defines the work experience of a person and the social position he occupies in the system where he lives, and these positions are based on the education, income and occupation of the person and this is definitely a relative measure of a person's status overall.

If the social-economic status of a family has to be determined, it is dependent on the number of earners that family has and the total household income. The education and occupational information of the individual member of the whole family collectively determines the position it holds in the community both socially and economically, (National Center for Education Statistics, 2008).

Hotel guests' satisfaction and their socioeconomic profile is also an important factor in the hotel industry. Abdullah and Hamdan (2012) found out that age, marital status, gender, ethnicity, occupation and monthly income influenced how Malaysians and other foreign guests in Malaysia selected their hotel accommodation. Socioeconomic status may also affect customer satisfaction and that of loyalty.

The socio-economic characteristics that were considered in this study as can be seen in Fig. 1 above include:

- 1 Age
- 2 Income
- 3 Occupation
- 4 Level of education
- 5 Gender

### Age

When evaluating a product or service, consumers seek out information to judge whether that specific product or service will meet certain criteria (service quality). The sales providers are more concerned with how to increase their customers' willingness to buy a product. It is logically assumed that customers with different individual characteristics have different reasons for behaving the way they do. For example, socio-economic variables such as age and education have been found to exert an important influence on the overall perception of service quality (Kim & Lough 2007). Age is considered a critical factor as it helps the marketer to determine how desires and needs change and evolve when the individual grows.

Age is an important socio-economic factor that affects consumer service quality perception. As people grow, their needs change, their values change too. Similar changes come to their buying decision making patterns and what they consider as guality. With age, our health needs change and so do many other needs. Age brings changes to people's lifestyle and with it their needs and personal values are also affected. When people are young, they spend more on their lifestyle needs from fun and movies to fashion. As they grow older, their expenses on these things shrink. Elderly people mostly remain indoor, however, their health related expenses may rise. In this way, age becomes one of the fundamental demographic factors affecting consumer behavior and buying decisions, (Garga and Abdu, 2016).

Age does not just affect buying behavior, it is also an important factor affecting market segmentation and marketing strategy. Managers segment their target market on the basis of age. There are several products that are marketed only to the millennials. Similarly, there are products meant for the elderly and which meet the needs of people that are above middle ages. Lifestyle gadgets and magazines are mostly marketed to the youth or the millennial generation. Since, the taste of this generation is vastly different and they are more digitally inclined, this affects not just the choice of marketing strategy but also the marketing channels used to market to them.

People's choice of brands, product and perceived quality start changing as they grow older. A young man's choices can be vastly different from the elderly since age brings changes that affect our flavor. An older person may have more serious choices and will be less fun loving than when he was young. Chocolates are meant for kids and young people. Their consumption among the elderly is much lower. Age determines several things and when we retire our consumption patterns also change according to the change in income. So, service quality perception might be influenced by age.

### Income

According to Kivela (1997), customers with higher income have selected ambience and comfort level as their determinant selection variables. Income is a very important factor that affects the buying decisions, quality perception, and behavior of people. Across different income levels, the difference in product choices and buying patterns can easily be marked. A person in the middle class makes his buying decisions based on utility. However, someone from the upper class would want style, design and special features while making a purchase. The channels for the marketing of luxury items are different from those for the ordinary ones. Luxury items are mostly marketed through luxury magazines. The level of income determines what kind of products someone regularly purchases. A buyer with higher disposable income will spend more on luxury, selected ambience, comfort and lifestyle items. People with higher disposable income also spend more on vacations and tours. The tendency for people in the upper class to have a different view of what quality means is possible and their perception of service quality may be influenced by the amount of disposable income at their disposal.

## Occupation

The occupation of an individual plays a significant role in influencing his/her buying decision and service quality perception. An individual's nature of job has a direct influence on the perceived product and brand he picks. For instance, one who works with an organization as Chief Executive Officer may look for premium brands which would go with his designation, and may be conscious about the kind of clothes, wrist watch or perfume he would use. And may also be conscious of the kind of places he would eat in or not, while security personnel of same organization may not consider any of these. That is the importance of one's designation. An individual's designation and his nature of work influence his service quality perception. You would never find a low level worker purchasing business suits and ties for him. An individual working on the shop floor cannot afford to wear premium brands every day to work. University students may prefer to patronize a food service establishment that can guarantee larger portions of the various kinds of food offered by such establishment irrespective of the quality (taste, appearance) of such foods nor the ambience at the food service establishment.

#### Level of Education

Education affects how people view things around them. It affects the level of discretion they employ while making purchases, thereby affecting their service quality perception. In this era, education has also become the determinant of social class and the easiest method to climb up in the society. The more educated a person is, the higher his level of service quality perception and discretion he will employ in making purchases. People's preferences can change with education. Every customer is well informed in this era. However, the more educated ones may take more time before deciding a purchase. Education affects a number of things including the fashion you wear, the kind of accommodation facility you patronize, the kind of restaurant and food you eat and what constitutes quality for you, and the programs you watch. It affects even your choice of stationary and the magazines you are reading. It is one of the reasons advertisement effort does not work with all customers. Highly educated customers look for information and do not rely on adverts alone. They question the information served before them. If observed carefully, education's effect can easily be seen on consumer service quality perception. An educated consumer would weigh his options and quality of service carefully before going for a purchase.

### Gender

Gender is another consumer socio economic variable that is considered when marketing decisions are being made. This accounts for the reason why producers and marketers segment the market on the basis of sex. The perceptions or views of people can be influenced based on gender-related issues. Thus, a man's views on certain issues may vary from that of a women on the said issues. Therefore the tendency for a couple who had just had a piece of meat pie in a restaurant to give varied judgments regarding the quality of the product is most likely. Thus, gender might influence consumer service quality perception.

# Consumer Socio Economic Characteristics and Service Quality Perception

Indeed, in the consumer behaviour literature, personal characteristics are among the major factors determining consumer decision-making and subsequent behaviour. Therefore, it is logically assumed that customers with different individual characteristics have different reasons for behaving the way they do. For example, economic variables such as age and education have been found to exert an important influence on the overall perception of service quality (Kim & Lough, 2007). Also, customers with higher income have selected ambience and comfort level as their determinant selection variables (Kivela, 1997).

Hotel guests' satisfaction and their socioeconomic profile is also an important factor in the hotel industry. Abdullah and Hamdan (2012) found that age, marital status, gender, ethnicity, occupation and monthly income influenced how Malaysians and other foreign guests in Malaysia selected their hotel accommodation. In addition, Nadiri and Hussain (2005) observed that in North Cyprus gender has no significant difference in terms of frequency of visit and overall satisfaction, while satisfaction varies with different income groups. Socioeconomic status may also affect customer satisfaction and that of loyalty. Mattila et al, (2003) and Snipes et al., (2005) argue that there can be gender differences in customer perceptions about service guality. To confirm this, Tabassum, et al (2012) found significant differences between the ranking of male and female guests with the tangibles, reliability,

responsiveness. assurance. and empathy dimensions of service quality in a tourist hotel. Similarly, Spathis and Constantinides (2004) also studied the effect of gender on the perception of service quality and on the importance attached to its various dimensions and findings showed that male customers perceived service quality higher than female customers. Butler et al., (1996) show that females perceived a higher level of hospital service quality than males. The literature also explains the differences in consumption behaviour related to gender through differences either biological, attitudinal or personality traits of masculinity and femininity distinguishing male from female.

Age is considered a critical factor as it helps the marketer to determine how desires and needs change and evolve when the individual grows. Studies based on the analysis of the effect of age reveal significant differences between various age groups whether it is at the perception level or at the degree of importance given to service quality. Thus, Stafford (1996) cited in Tabassum, et al (2012) observed that, as far as banking quality is concerned, two young groups (18-25 years and 26-35 years) were less concerned with the honesty and reliability dimensions than older groups (36-45, 46-55 and more than 65 years).

Similarly, within the framework of hospital service, Butler et al. (1996) show the existence of a positive relation between age and service quality perception: Precisely, the aged patients perceived a higher level of quality of the tangibles dimension than younger patients. To explain the differences in service quality perceptions among customers of different age groups, Giering (2001) conclude that older people have restricted information processing capabilities and that information process decreases with age. In the same way, suggest that the elderly can be expected to exhibit problems with information loads because they process at slower speeds. Thus, the elderly are less consistent in their judgments.

Throwing more emphasis on age, Soriano (2002) found food quality not to stand out as the most important reason for young customers however, customers over 60 years of age indicated food quality as the most important attribute determining their satisfaction. In a similar vein, Siu and Mou (2005); Lee and Chen (2009) observed that tourists' perceptions of service quality do not vary with age differences. On the contrary, Tabassum et al. (2012) see a significant difference among guests of different age groups regarding the reliability dimension. In the literature, very few studies have been undertaken on service quality perceptions and occupation. However, observations made by researchers such as Tsang and Qu (2002) in China; Nadiri and Hussain (2005) in Cyprus, and Yilmaz (2009) indicate that hotel quests are mostly professionals. For example, Yilmaz (2009), in a study on service quality in the hotel industry in Cappadocia, found that most of the hotel clients are professionals. Lee and Chen (2009) also found that tourists' perceptions of service quality in hotels do not vary with occupation.

In terms of education, Butler et al. (1996) did not note any significant relationship between the level of education of patients and their perception of hospital service quality. In the same way, no significant differences are recorded on the level of the scores of importance allotted to factors of service quality, provided by the local authority, between people of various levels of education (Scott & Schieff, 1993). However, the study by Webb (1998) on expectations of consumers with respect to service quality shows that respondents that have a lower level of education wished a hiaher of performance level regarding assurance/reliability and tangibles dimensions, contrary to those that have higher level of education who do not give much importance to these dimensions. In the same vein, Tabassum et al. (2012) found a significant difference between level of education and the reliability dimension, as well as the responsiveness and empathy dimensions of service quality.

This study is anchored on the theory of planned behavior (Ajzen, 1985) which is based on the theory of reasoned action (Ajzen and Fishbein, 1975, in Kiumarsi, Mohd Isa, and Jayaraman, 2015) which designed to explain almost any human behavior and has been proven successful in predicting and explaining human behavior across various application contexts. If a consumer perceives the level of service received to have met or exceeds his expectations, the tendency for such a consumer to develop positive intentions regarding the brand is possible. Thus, people learn from experience and the results of experience will modify future occasions. The importance of customer satisfaction, lovalty and repeat purchase in hotel services make this theory more relevant in the field.

## Methodology

## Research Design and Area of Study

This study was a survey and it was carried out in Umuahia. This study covered consumers of registered hotels in Umuahia metropolis. Umuahia is the capital city of Abia State in South East Nigeria. Umuhia is located along the rail line that lies between Port-Harcourt to its South and Enugu city to its North. Umuahia has a population of about 359,230 according to the 2006 Nigerian census. Umuahia's indigenous ethnic group is the Igbos. Umuahia is well known as being an agricultural market center since 1916. It is also a railway collecting point for crops such as yam, cassava, corn, taro, citrus fruits, and palm oil and kennels. Umuahia has its fair share of reputable hotels.

# Study Population, Sample, and Sampling Technique.

The study population consisted all customers of registered hotels in Umuahia, Abia State. It is an infinite population that is not easily estimated. Five hotels were purposively selected for the study based on perceived popularity. The researcher used Cochran's (1977) formular for estimating sample size for an infinite population and it gave a sample size of 280. Convenience sampling technique, a non-probability sampling technique was adopted for the study and only accessible customers were used.

## Instrument for Data Collection, and Analysis.

The study was carried out using a structured questionnaire in generating data for the study. The instrument was designed on a five point Likert scale ranging from "Strongly Agree (SA) = 5", "Agree (A) = 4", "Neutral (N) = 3", "Disagree = (D) 2" and "Strongly Disagree (SD) = 1". The instrument was validated by three academics in Hospitality and Tourism Management, and was subsequently subjected to Crombach Alpha reliability test which gave a reliability coefficient ratio of 0.78 confirming the usability of the instrument. The researcher used the services of two research assistants who helped in the distribution and retrieval of completed copies of the instrument at once to increase the rate of return. Regression analysis on SPSS version 25 was used to analyze the data generated for the study.

## **Results, and Discussions**

### **Inferential Statistics**

This subsection of the study presents the regression estimate which was used in the testing of hypotheses.Table 1.Regression Estimate for Hypotheses Testing

Variables	Coefficients	t-statistic	Sig.
Income	1.1176887	6.53895	0.000
Education	2.0337873	12.0925	0.000
Age	0.0260284	0.55035	0.583
Social Status	-0.023708	-0.29606	0.767

69	Salem Journal of Business & Economy, Vol. 6 No. 2		
Gender	0.6565864	2.9672	0.003
(Constant)	47.627482	171.792	0.000
R Squared	0.9207708		
Adjusted R-squared	0.9193036		
F-Statistics	627.5669		
Sig.	0.000b		

## Source: Formatted from SPSS 25 Regression Result

Based on the regression estimate presented in table 1 above, the value of R-squared is 0.9207708. This means that about 92.08% of the total variations observed in the criterion variable (service quality perception), is explained by the predictor variables (socio-economic features). This implies that consumers' socio-economic features explained about 92.08% of the total variations observed in service quality perception in hotel operation in Umuahia, Abia State. However, the coefficient of multiple determination, which is the R-squared is biased, because of the inflation effect of having more independent variables in the model, which subsequently increased the value of R-squared. Thus, over-fitting the model and making it appear better and acceptable because it has more predictors (independent variables). This can be misleading, and can lead to type 1 or 2 error. In other to correct this, R-squared was adjusted. The adjusted R-square is a modified version of R-squared that has been adjusted for the number of predictors in the model. Unlike the R-squared, the adjusted R-squared increases only if the new variable improves the model more than would be expected by chance. Considering the result presented in Table 1.1, the adjusted Rsquared value is 0.9193036. This implies that the unbiased explained proportion of the total variations observed in the dependent variable by the independent variables is about 91.93%, meaning that consumers' socio-economic features explained about 91.93% of the total variations observed in service quality perception in hotel Clearly put. socio-economic operation. characteristics have about 91.93% influences on service quality perception in hotel operation. To

test if this is statistically significant, the F-statistics and its sig. value were considered.

The value of the F-statistics of the regression estimate presented in table 1 shows that the overall goodness of fit of the model is acceptable. It equally indicates that the influence of consumers' socio-economic features on service quality perception, as measured by R-squared is statistically significant, since the value of Fstatistics is 5.1413 with a sig. value of 0.000, which is less than 0.05. Therefore, the study concludes that consumers' socio-economic characteristics have significant influence on service quality perception in hotel operation.

## $H_0$ 1: There is no significant relationship between consumer income and consumer perception of service quality in hotel operation.

Considering the individual coefficients of the model variables, the regression estimate indicates that the income coefficient is 1.11769. This implies that there is a positive relationship between consumers' income and service quality perception in hotel operation. This means that a unit increase in income will lead to about 1.11769 proportional increase in service quality perception in hotel operation. The t-test value of 6.53895 with sig. value of 0.000 indicates that the positive relationship between consumers' income and service quality perception in hotel operation is statistically significant at 5%, since the sig. value is less than 0.05. Thus, the study concluded that there is a significant positive relationship between consumers' income and service quality perception in hotel operation. Thus, the null hypothesis that

there is no significant relationship between consumers income and consumer perception of service quality in hotel operation was rejected and the alternative hypothesis was accepted. This result is in line with the findings of Tabassum et al (2012). However, the result is contrary to the findings of Rakesh (2011). This result shows that one's level income can influence the person's perception of service quality since the level of disposable income can give a definition of what quality is to an individual. Income is a very important factor that affects the buying decisions, quality perception, and consumer behavior of people. Across different income levels, the difference in product choices and buying patterns can easily be marked.

## $H_0$ 2: There is no positive relationship between consumer level of education and consumer perception of service quality in hotel operation.

The coefficient of education (2.0337873) shows that a positive relationship exists between consumers' educational level and service quality perception in hotel operation. Also implying that an increase in consumers' educational level will lead to about 2.03379 increase in service quality perception. Simply put, the more educated consumers are, the more their quest for improved service quality. The t-statistic value of 12.0925 with sig. value of 0.000 indicates that the positive relationship between consumers' educational level and service quality perception is statistically significant at 5%, since the sig. value is less than 0.05. Therefore, the study concluded that there is a significant positive relationship between consumers' educational level and service quality perception in hotel operation. The study rejected the null hypothesis that there is no significant relationship between consumers' educational level and consumer perception of service quality in hotel operation. This finding is in line with the result of Tabassum, et al, (2012), but contrary to the findings of Nadiri and Hussain (2005). Education affects how people view things around them and people's preferences can change with education. This explains why education affects the

level of discretion people employ while making purchases and also affects their service quality perception. This follows that the more educated a person is, the higher his level of service quality perception and this ultimately influences one's purchase decisions.

## *H*<sub>0</sub> 3: There is no significant relationship between age and consumer perception of service quality operation.

The regression estimate as shown in Table 1 reveals that the coefficient of age is 0.0260284. This indicates that age is positively related to service quality perception. Meaning that as respondents' ages increase, their perception of service quality increases at a proportionate rate of about 0.0260. However, the relationship between consumers' age and service quality perception is not statistically significant at 5% since the tstatistics value is 0.55035 with a sig. value of 0.583, which is greater than 0.05 alpha level. Thus, the study accepts the null hypothesis that there is no significant relationship between consumers age and consumer perception of service quality in hotel operation and thus rejected the alternative hypothesis. This result is in line with the findings of Kim and Lough (2007). Age is an important socio-economic factor that affects consumer service quality perception. It follows that as people grow, their needs and values change, and this explains why age influences buying decision making patterns and perceptions regarding quality construct. Thus, age as a socioeconomic factor is seen as a critical factor as it helps the marketer to determine how desires and needs change and evolve when the individual grows.

### *H*<sub>0</sub> 4: There is no significant relationship between consumer social status and consumer perception of service quality in hotel operation.

From Table 1, the coefficient of social status is -0.023708. This reveals that social status has negative relationship with service quality perception in hotel operation. Implying that an increase in the social status of consumers lead to about 0.023708 decrease in service quality perception in hotel operation. The t-statistic of -0.29606 with sig. value of 0.767 indicated that the relationship between consumers' social status and service quality perception in hotel operation is negative. Thus, the study accepted the null hypothesis that there is no significant relationship between consumers' social status and consumer perception of service quality in hotel operation and rejected the alternative hypothesis. This socioeconomic factor has not really elicited serious interest among researchers as has occupation, and profession. Thus, there is dearth of empirical evidence in this regard.

This result means that one's social status alone may not after all affect the person's service quality perception. In other words, one's social standing should reflect on the person's occupation, profession, position in the society, and level of income. These variables contribute in defining social status. This explains perhaps why people of perceived high social standing could be seen sometimes lodging in lowly rated hotels, and dine in local restaurants and eateries.

### $H_0$ 5: There is no significant relationship between consumer gender and consumer perception of service quality in hotel operation.

The coefficient of gender is 0.6565864 as shown in Table 1.1. This indicated that consumer gender is positively related to consumer perception of service quality in hotel operation. This implies that the male gender which was assigned the highest value, is most likely to increase service guality perception in hotel operation. The t-statistics of 2.9672 with a sig. vale of 0.003 shows that the positive relationship between consumer gender and service quality perception is statistically significant at 5% level. Thus, the study rejected the null hypothesis that there is no significant relationship between consumers gender and consumers perception of service quality in hotel operation and accepted the alternative hypothesis that there is a significant relationship between consumers gender and consumer perception of service quality in hotel

operation. This result conforms to the finding of Siu and Mou (2005); Snipes, Oswald, La Tourc, and Armenakis (2005); Abdullah and Hamdan (2012). Gender as a socio-economic factor has featured prominently in the scheme of things of marketers, and is thus seen as being critical in marketing planning and development. Scholars argue that differences exist between men and women in the association of service quality with customer evaluation and on the importance attached to various dimensions of service guality. This follows that the differences in consumption behavior related to gender, can be explained by perhaps biological, attitudinal, or personality traits of masculinity and femininity distinguishing men from women, thus can influence service quality perception.

### **Conclusion and Recommendations**

There is no doubt that consumer perception set the norm for the evaluation of actual services offered. This study offers significantly to the existing literature by examining the influence of consumers' socio-economic features on service quality perception in hotel operation in Umuahia, Abia State Sciences. In the light of the findings of this study, it is concluded that consumers' socio-economic features such as income, level of education, age, and gender have significant influence on service quality perception in hotel operation in Umuahia, Abia State.

Therefore, in view of the findings, the following recommendations are made:

- This study recommends that management of hotels in the study area should develop a holistic strategic plan that focuses on total quality management (TQM) at all levels of operations as this will ensure a high service quality to all income groups.
- The importance of service quality to all classes of customers irrespective of age, level of education, occupation, and gender among others should be a major concern of managers of hotels in the study area. These socioeconomic features must be considered during periods of service planning, marketing and development as they are pivotal in

. . .

understanding and meeting customer expectations regarding service quality and perception of same.

#### References

- Abdullah, A. A., & Hamdan, M. H. (2012). "Internal Success Factor Of Hotel Occupancy Rate", International Journal of Business and Social Science 3 (22).
- Aksoy, S., Atilgan, E.,& Akinci, S. (2003). "Airline Services Marketing By Domestic And Foreign Firms: Differences From The Customers' Viewpoint", Journal of Air Transport Management 9, 343-351.
- Bekko, C. P. (2000). "Service Intangibility and its Impact on Consumer Expectations of Service Quality", *Journal of Service Marketing* 14 (1), 9-26.
- Brogowicz, AA, Delene, L.M. & Lyth, D.M. (1990). "A synthesized service quality model with managerial implications", International Journal of Service Industry Management, Vol. 1 No. 1, pp.27-46.
- Butler, D., Sharon, L. O. & Turner, D. E. (1996)."The Effects of Demographics on Determinants of Perceived Health-Care Service Quality: The Case of Users and Observers", *Journal* of Management in Medicine 10 (5), 8-20.
- Cronin, J.J. & Taylor, S.A. (1992). "Measuring service quality: a reexamination and extension", Journal of Marketing, Vol. 56, July, pp. 55-68.
- Czepiel J A, Solomon M R, Surprenant C F & Gutman E G (1985). Service Encounters: An Overview, In The Service Encounter: Managing employ ee/customer interaction in service Business, (Czepiel J A, Solomon M R and Surprenant C F, Eds), pp. 3-15, Lexington Books, Lexington, Mass.
- Giering, A. (2001). 'Personal Characteristics as Moderators of the Relationship Between Customer Satisfaction and Loyalty – An Empirical Analysis,' *Psychology and Marketing*, 18 (1), 43-66.

- Grönroos, Christian (1984). "A Service Quality Model and Its Marketing Implications," European Journal of Marketing, 18 (4), 36-45.
- Haywood-Farmer, J. (1988)."A conceptual model of service quality". International Journal of Operations & Production Management, Vol. 8 No. 6, pp. 19-29.
- lbid., p.179.c
- lbid., pp.170-171a
- lbid., pp.171-174b
- Inid., pp.175-177
- Kim, H. D., & Lough, N. L. (2007). "An Investigation into Relationships among Constructs of service Quality, Customer Satisfaction, and Repurchase Intention in Korean Private Golf Course", The ICHPER SD Journal of Research 1(2), 14-22.
- Kivela, J. J. (1997). "Restaurant Marketing: Selection and Segmentation in Hong Kong". International Journal of Contemporary Hospitality Management 9(3).
- Lee, Y.P., & Chen, C.Y. (2009). "Banking Service Quality in Vietnam: A comparison of Customers' and Bank Staff's Perceptions", *The Journal of International Management Studies* 4(2), 140-146.
- Lovelock, C. & Wirtz, J. (2010). Services Marketing. 7th edition. Prentice Hall.
- Mattila, M., Karjaluoto, H.,& Pento, T. (2003). Internet banking adoption among mature customers: early majority or laggards?. Journal of Services Marketing, Vol. 17 No. 5, pp. 514-28.
- Nadiri, H., & Hussain, K. (2005). "Perceptions of Service Quality in North Cyprus Hotels", International Journal of Contemporary Hospitality management 17 (4), 469 -480.
- Parasuraman, A, Zeithaml, V. & Berry, L (1985). A Conceptual Model of Service Quality and its Implications for Future Research. Journal of Marketing, Vol. 49. Pp. 41-50
- Parasuraman, A, Zeithaml, V. & Berry, L. (1988). SERVQUAL: A multiple-item scale for

measuring consumer perceptions of service quality. Journal of Retailing. Vol. 64, No. 1. Pp. 12-40

- Rakesh, K. (2016). Impact of Demographic Factors on Consumer Behaviour – A Consumer Behaviour Survey in Himachal Pradesh. Vol. 6.
- Rathmell J.M. (1966). "What is Meant by Services?" Journal of Marketing, 30, 32 -36
- Regan W.J. (1963). "The Service Revolution", Journal of Marketing, 47, 57 -62.
- Scott, D., & Schieff, D., (1993). "Service Quality Components and Group Criteria in Local Government", International Journal of Service Industry Management 4 (4), 42-53.
- Siu, N. Y. M., & Mou., J. C. W. (2005). "Measuring Service Quality in Internet Banking: the Case of Hong Kong", *Journal of International Consumer Marketing* 17(4), 99-116.
- Snipes, R.L., Oswald, S.L., La Tourc, M. & Armenakis, A.A. (2005). "The effects of specific job satisfaction facets on customer perceptions of service quality: an employeelevel analysis", Journal of Business Research, Vol. 58, pp. 1330-9.
- Soriano, D.R. (2002). Customers' expectations factors in restaurants: The situat7373n in Spain. International Journal of Quality & Reliability Management, 19(8/9), 1055-1067.
- Spathis, C., & Constantinides, S. (2004). Enterprise resource planning systems', impact on accounting processes. Business Process Management Journal, Vol.10, No.2, pp.234-247.
- Stavins, J. (2001). Effect of Consumer Characteristics on the Use of Payment

Instruments. New England Economic Review, No. 3, pp. 19-31.

- Tabassum, A, Rahman, T., & Jahan, K. (2012). "Assessment of Service Quality in Tourist Hotels of Cox's Bazaar in Terms of Demographic Characteristics of Tourists", World Journal of Social Sciences 2 (4), 44-64.
- Tsang, N. & Qu, H. (2002). "Service Quality in China's Hotel Industry: a Perspective from Tourists and Hotel Managers", International Journal of Contemporary Hospitality Management 12 (5), 316-326.
- United States Central Intelligence Agency (1990). World Fact Book for 1998. Archive.org/stream/the1990ciaworldf00014 gut/world98.txt
- Webb, D., (1998). "Segmenting Police Customers on the Basis of their Service Quality Expectations", *The Service Industries Journal* 18 (1), 72-100.
- www.google.com/wikipedia (2010); who is a consumer?
- Yilmaz, I. (2009). "Measurement of Service Quality in the Hotel Industry", An International Journal of Tourism and Hospitality Research 20 (2), 375- 386.
- Zeithaml V.A. (1981). "How Consumer Evaluation Processes Differ between Goods and Services", reprinted in Lovelock, C. (1991), Services Marketing, 2nd Edition,Upper Saddle River, New Jersey. Prentice Hall.

Zeithaml V.A., Parasuraman A. & Berry L.L. (1985). "Problems and Strategies in Services Marketing", Journal of Marketing, 49, 33 - 46.