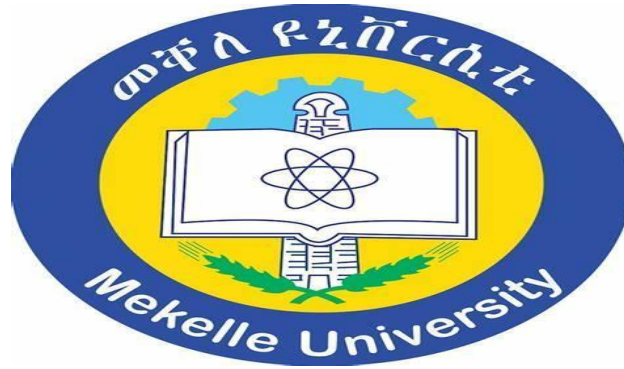


MEKELLE UNIVERSITY

**INSTITUTE OF PALEO-ENVIRONMENT AND HERITAGE
CONSERVATION**



DEPARTMENT OF TOURISM AND HOTEL MANAGEMENT

**A Thesis on Partial Fulfillment of The Requirement for MA Degree in Hospitality
Management**

Thesis Title

**Comparative analysis of Customer Service Provision in selected hotels in Mekelle,
Tigray, Ethiopia; cases of Axum and Planet hotels**

BY: Abraham Seged Kahsay

ADVISOR: Hailay Beyene (Asst. Professor)

January, 2025

MEKELLE-ETHIOPIA

MEKELLE UNIVERSITY

**INSTITUTE OF PALEO-ENVIRONMENT AND HERITAGE
CONSERVATION**

DEPARTMENT OF TOURISM AND HOTEL MANAGEMENT

**Comparative analysis of Customer Service Provision in selected hotels in Mekelle,
Tigrai, Ethiopia; cases of Axum and Planet hotels**

BY: Abraham Seged Kahsay

ADVISOR: Hailay Beyene (Asst. Professor)

Approved by

Board of Examiners:

Examiner _____ **Signature** _____

Date _____

Examiner _____ **Signature** _____

Date _____

Advisor _____ **Signature** _____

Date _____

DECLARATION

I, the author of this thesis, declare that this research, titled “Dynamics of Hotel Owner and Management Team Relationships in Star Rated Hotels in Mekelle” to be submitted to Mekelle University as a partial fulfillment of the Master of Degree in Hospitality Management. I declare that it is my original work prepared under the close supervision of my advisor Hailay Beyene (Asst. Professor). All sources of materials used for this thesis have been duly acknowledged and I assure that this study has not been previously submitted for any higher learning institute.

ADVISOR DECLARATION

I affirm that the preparation and presentation of this thesis were conducted in accordance with the guidelines for thesis supervision established by Mekelle University.

Advisor’s Name: Hailay Beyene (Asst. Professor)

Signature: _____

Date: _____

Acknowledgements

I would like to express my heartfelt gratitude to all those who contributed to the successful completion of this work. First and foremost, I extend my deepest appreciation to Almighty God for providing me with the strength and guidance throughout this journey. I am particularly grateful to my advisor, Assistant Professor Hailay Beyene, for his invaluable support and insightful guidance, which were instrumental in navigating the complexities of this research.

I would also like to acknowledge my family for their unwavering support and encouragement, which have been a source of strength throughout my life. Lastly, I extend my sincere thanks to the respondents who participated in this study and provided valuable insights through their responses to the questionnaires. Without their cooperation and willingness to share their experiences, this research would not have been possible. Your contributions have enriched this work, and for that, I am truly appreciative.

Table of Contents

| <i>Content</i> | <i>Page No</i> |
|---|----------------|
| List Of Acronyms | lx |
| List Of Tables | X |
| List Of Figures | Xi |
| Abstract | Xii |
| Chapter One - Introduction | 1 |
| 1.1 Background of the Study..... | 1 |
| 1.2 Statement of the Problem..... | 3 |
| 1.2.1 Research questions..... | 4 |
| 1.3 Objectives of the Study..... | 5 |
| 1.3.1 General objectives..... | 5 |
| 1.3.2 Specific objectives..... | 5 |
| 1.4 Definitions of terms..... | 5 |
| 1.5 Significance of the Study..... | 7 |
| 1.6 Scope of the study..... | 8 |
| 1.7 Organization of the Research Report..... | 8 |
| Chapter Two - Review of Related Literature | 10 |
| 2.1 Introduction..... | 10 |
| 2.2 Definition of the Hotel..... | 11 |
| 2.3 Importance of hotels..... | 12 |
| 2.4 Classification of Hotels in Ethiopia..... | 12 |
| 2.5 Star rating system..... | 12 |
| 2.6 Market Study for Star Rated Hotels..... | 13 |
| 2.7 Service Delivery..... | 14 |
| 2.8 General Remarks..... | 14 |
| 2.9 Arrivals of tourist at national borders comparing Ethiopia with Neighboring country..... | 15 |

| | | |
|------|--|-----------|
| 2.10 | Types of Hotels..... | 17 |
| 2.11 | The Hotel as a Total Market Concept..... | 19 |
| 2.12 | Demand Analysis..... | 23 |
| 2.13 | Empirical Studies..... | 24 |
| | Chapter Three- Research Design And Methodology..... | 29 |
| 3.1 | Introduction..... | 29 |
| 3.2 | Research Methodology..... | 29 |
| 3.3 | Sample Design..... | 30 |
| 3.4 | Sources of Data and Target Population..... | 31 |
| 3.5 | Method of Data Collection and Data Collection Tools..... | 33 |
| 3.6 | Sample size..... | 34 |
| 3.7 | Type of Measurement Scales..... | 36 |
| 3.8 | Method of Data Analysis Techniques..... | 36 |

LIST OF ABBREVIATIONS /ACRONYMS

GSTS – Guest Satisfaction Tracking System

SALT – Satisfaction and Loyalty Tracking

SQ: Service Quality

NGO – Non Governmental Organization

UNWTO – United Nation World Tourism Organization

MOCT – Ministry of Culture and Tourism

INSEE - National institute of statistics and economic studies

PRSP: Poverty Reduction Strategy Paper

WTTC: World Travel and Tourism Council

UNWTO: United Nations World Tourism Organization

List of Tables

| | Page |
|--|-------------|
| | No |
| Table 2.2 Existing Hotel Capacity Projected and Unsatisfied Demand | 13 |
| Table 2.2 Arrivals of tourist at national borders..... | 15 |
| Table: 3.2 Likert scale..... | 36 |

List of Figures

| | | |
|-------------|--|----|
| Figure: 2.1 | Display The Elements Which Constitute The Total Hotel Concept..... | 20 |
| Figure 2.2 | Shows Why Do Guests Select The Hotel..... | 24 |

Abstract

This research conducts a comparative analysis of service provision at two star-rated hotels in Mekelle, namely Axum and Planet Hotels. The study is motivated by the rapid growth of the hospitality industry in Ethiopia, contrasted with persistent inconsistencies in service quality that affect guest satisfaction. The primary objective is to assess the service provision and identify factors influencing service delivery in both hotels. Utilizing a mixed-method approach, the research combines quantitative data from a sample of 200 respondents, alongside qualitative insights from semi-structured interviews with department heads and relevant stakeholders. The findings reveal significant disparities in service quality, primarily due to differences in staff training and operational practices. While Planet Hotel has implemented structured training initiatives, Axum Hotel faces challenges in maintaining consistent service delivery owing to inadequate ongoing staff development. Moreover, both hotels lack effective systems for collecting and responding to guest feedback, inhibiting their ability to adapt to customer needs. The research highlights the critical role of service quality in fostering customer satisfaction and operational effectiveness within the hospitality sector. Recommendations for improvement include enhancing staff training, establishing robust feedback mechanisms, and developing unique value propositions to differentiate both hotels in a competitive market. This study serves as a benchmark for other establishments in Mekelle and contributes to the broader discourse on the significance of quality service in economic development and cultural exchange.

Key words: *Service provision, service quality, guest satisfaction, feedback mechanism, Axum hotel, Planet hotel*

Chapter One

Introduction

1.1. Background of the Study

The hospitality industry is a multifaceted sector that focuses on providing services to guests, emphasizing comfort, satisfaction and overall experience. It includes various segments, including accommodation, food and beverage, travel and tourism, and recreation. The industry's primary objective is to meet the needs of customers, which can vary widely based on individual preferences and cultural expectations.

The industry is a pivotal and rapidly expanding sector on a global scale. According to the World Travel & Tourism Council (2019), the hospitality sector experienced a growth rate of 3.9% in 2018, second only to the manufacturing sector's growth rate of 4.0%. This industry contributed a staggering \$8.8 trillion to the global economy, accounting for 10.4% of the global GDP. Furthermore, the sector provided employment for over 319 million individuals worldwide, representing 10.0% of total employment or one in every ten jobs (Hussen T, 2021). These positions range from entry-level roles to management positions, fostering skill development and career advancement. This sector not only provides employment but also fosters international relations and cultural understanding through travel and tourism (WTTC, 2020).

The hospitality industry is a substantial source of tax revenue for local and national governments. They contribute through various taxes, including property, sales, and occupancy taxes. For instance, in 2019, the hotel industry generated over \$40 billion in state and local taxes in the United States (AHLA, 2020). In many countries, particularly those reliant on this industry are a significant source of foreign exchange earnings. Tourists spend money on accommodations, dining, and activities, contributing to the local economy. For example, in 2018, international tourism generated approximately \$1.7 trillion in export earnings, with a substantial portion attributable to hotel services (UNWTO, 2019).

In Africa, which is second only to the Asia-Pacific region in terms of hospitality growth, the sector exhibited a growth rate of 5.6% and contributed 8.5% (equivalent to \$194.2 billion) to the continent's gross domestic product (GDP) in 2018, as reported by the Africa Travel & Tourism Association (2020) and the World Travel & Tourism Council (2019). The World Tourism Organization (2019) also

highlighted that tourism in Africa supported 24.3 million jobs, while the continent welcomed approximately 5% of the estimated 1.4 billion international tourist arrivals in 2018.

The hospitality sector in Ethiopia plays a pivotal role in the country's economic development, leveraging its rich cultural heritage and diverse landscapes to attract both domestic and international tourists. As Ethiopia is one of the oldest nations in the world, the country is home to numerous historical sites, such as the rock-hewn churches of Lalibela, the ancient city of Axum, and the stunning Simien Mountains, which collectively draw millions of visitors each year (World Tourism Organization, 2020). The sector encompasses various components, including hotels, restaurants, travel services, and event management, all contributing to a holistic tourism experience. Accommodation options range from luxurious five-star hotels in urban centers like Addis Ababa to unique ethnic lodges that offer immersive cultural experiences, reflecting the country's diverse ethnic backgrounds (Baker & Thompson, 2016). The culinary scene is vibrant, with Ethiopian cuisine known for its communal dining traditions and distinct flavors, further enhanced by the country's rich coffee culture, which is integral to social life and hospitality (Hailu, 2021).

In recent years, the Ethiopian government has prioritized the industry as a key driver of economic growth, implementing policies aimed at improving infrastructure, promoting investment, and enhancing service delivery (Ministry of Culture and Tourism, 2019). This focus has led to a noticeable increase in tourist arrivals, and providing excellent service. However, despite these advancements, the hospitality sector faces significant challenges, including a shortage of skilled labor, inadequate infrastructure, and regulatory hurdles that can impede business operations (Yohannes, 2020). The shortage of skilled professionals affects service quality, while infrastructural limitations, such as inconsistent power supply and insufficient waste management systems, pose ongoing operational challenges. Additionally, the complexity of business regulations can deter potential investments, hindering further growth. To realize its full potential, Ethiopia's hospitality sector must address these challenges while capitalizing on its unique offerings, positioning itself as a leading destination in the global tourism market. By fostering a supportive environment for investment and innovation, Ethiopia can enhance its hospitality landscape, contributing significantly to national development and cultural exchange.

The hospitality and tourism sector in Ethiopia also significantly contributes to the country's economy through various channels, including GDP growth, employment generation, and poverty alleviation. The

sector contributed approximately 5.5% GDP in 2006, indicating its importance in the national economy (Tamenut, 2023). By 2018, this contribution had increased, with the travel and tourism economy generating about BIRR 202 billion (approximately US\$7.4 billion), which represented 9.4% of the total economy.

As the hospitality and tourism industry is labor-intensive, it provides numerous job opportunities across various skill levels. It is particularly beneficial for women and youth, who often face higher unemployment rates (Jember, 2020). The sector supports over 2 million jobs in Ethiopia both directly and indirectly. Besides that, the sector becomes a key component of Ethiopia's Poverty Reduction Strategy Paper (PRSP), aimed at combating poverty and promoting economic development (Tamenut,2023). The sector also contributes to livelihood diversification, especially in urban areas, and has a positive impact on poverty reduction, although the extent of this contribution can vary (Abebe H, et al, 2022). The growth of the hospitality sector has led to significant investments in infrastructure, including hotels, restaurants, and transportation facilities, enhancing the overall tourism experience (Tamenut B, 2023).

The hospitality industry in Tigray, a region of northern Ethiopia, is a vital component of the local economy, reflecting the region's rich cultural heritage and historical significance. Tigray is known for its ancient archaeological sites, including the rock-hewn churches, the ancient town of Aksum and the stunning landscapes of the Adwa Mountains, which attract both domestic and international tourists (World Heritage Committee, 2021). Many establishments emphasize traditional Tigrayan hospitality, providing guests with authentic experiences, including local cuisine characterized by its rich flavors and communal dining practices (Hailu, 2021).

In the past three years, the Tigray hospitality industry has faced disastrous challenges due to ongoing conflicts, which have damaged the industry and led to damage in infrastructure and services (Human Rights Watch, 2021). Prior to these challenges, the region was experiencing growth, supported by government initiatives aimed at promoting tourism as a key driver of economic development. Efforts included improving infrastructure, such as roads and transportation networks, which are crucial for facilitating access to tourist sites (Ministry of Culture and Tourism, 2019). However, the impact of conflict has severely affected the region's ability to attract and accommodate tourists, leading to a decline in business for local hotels and restaurants. Addressing these challenges is essential for revitalizing the hospitality sector in Tigray. By focusing on rebuilding infrastructure and enhancing training programs for

hospitality professionals, the region can work towards restoring its status as a significant tourist destination in Ethiopia, leveraging its unique cultural and historical assets to stimulate economic recovery and promote sustainable tourism.

1.2. Statement of the Problem

The hospitality industry in Ethiopia, particularly in Mekelle, Tigray, has been experiencing significant growth due to an increase in both domestic and international tourism. However, despite this growth, the quality of service provision in hotels remains inconsistent, impacting guest satisfaction and overall competitiveness. This research focuses on a comparative analysis of service provision in selected hotels in Mekelle, specifically Axum Hotel and Planet Hotel, to identify key challenges and opportunities for improvement.

Service quality is a critical determinant of customer satisfaction in the hospitality sector. Research by Parasuraman et al. (1988) indicates that dimensions such as reliability, responsiveness, assurance, and empathy significantly influence guest perceptions of service quality. Be this as it may, the hotel industry exhibits varying levels of service quality and the same is true in Mekelle (Teshome, 2020). This inconsistency poses a challenge for hotels striving to meet and exceed guest expectations.

The effectiveness of service provision heavily relies on the training and professionalism of hotel staff. Continuous training programs are essential to equip employees with the necessary skills and knowledge to provide high-quality service (Lee et al., 2012). However, in Mekelle, there is a notable gap in ongoing staff training which can lead to inconsistent service delivery and a lack of ability to handle diverse customer needs (Teshome, 2020). In contrast, while Planet Hotel has implemented structured training programs, the challenge remains to foster a more personalized service approach that goes beyond efficiency (EHRA, 2021).

Understanding guest expectations and experiences is vital for improving service quality. Effective feedback mechanisms allow hotels to identify areas for improvement and adapt their services accordingly (Kwortnik & Thompson, 2009). However, both Axum Hotel and Planet Hotel may lack robust systems for collecting and acting on customer feedback. This oversight can lead to missed opportunities for enhancing guest satisfaction and loyalty, ultimately affecting the hotel's reputation and success.

The competitive landscape of the hospitality sector in Mekelle further complicates service provision. As

tourism increases, hotels must differentiate themselves to attract and retain guests. A study by Buhalis and Leung (2018) emphasizes the importance of unique value propositions in a crowded market. Both Axum Hotel and Planet Hotel face the challenge of standing out amidst increasing competition while simultaneously meeting the diverse needs of their guests.

1.3. Research questions

The following research questions are designed to guide the comparative analysis of service provision in selected hotels in Mekelle, specifically Axum Hotel and Planet Hotel. These questions aim to explore various dimensions of service quality, staff training, customer feedback, facility management, and competitive positioning.

- What is the level of quality service provided by Axum and Planet hotels?
- Are there existing mechanisms for collecting customer feedback on service provision?
- What are the factors affecting customers for hotel choices?
- What are the perceptions of guests regarding the service provision at Axum Hotel and Planet Hotel?
- What areas of improvement are needed based on the comparative analysis of service provision in both hotels?

1.4. Objectives of the Study

1.4.1. General objectives

The main objective of this study is to conduct a comparative analysis of service provision in selected hotels in Mekelle, specifically focusing on Axum and Planet hotels and identifying the areas for future intervention.

The study will address the following specific objectives

- To evaluate the level of customer service quality provided by Axum Hotel and Planet Hotel, and identify strengths and weaknesses in their service delivery.
- To explore the existing systems for collecting and responding to guest feedback in both hotels, assessing their role in service improvement.
- To identify the key factors that influence customers choices in both hotels.
- To assess how Axum and Planet hotel position themselves in the competitive landscape of the

Mekelle hospitality sector.

- To Identify key areas of service provision for Improvement

1.5. Definitions of terms

- **Hotel:** hotel is an establishment providing for reward accommodation, food and drink for travelers, temporary residents, usually also meals and refreshments and sometimes other facilities for other users
- **Hospitality Industry:** The hospitality industry encompasses a broad range of sectors that provide services related to leisure, travel, and accommodation.
- **Chain Hotels:** Chain hotels are defined as all hotels under the ensign of a hotel group, whatever their legal status might be (subsidiaries, franchises...). The vast majority of chain hotels have official tourism approval.
- **Star Rated Hotels:** A hotel star rating system is a widely recognised method used to classify and categorize hotels based on their overall quality, amenities, services, and facilities.
- **Basic Level Hotels:** Hotels which are below the star category, but nevertheless, provide acceptable service will be classified as “Basic Level Hotels.” (Ministry of Culture and Tourism).
- **Tourism Industry:** Tourism is the act of travel for the purposes of leisure, pleasure or business, and the provision of services for this act.

1.6. Significance of the Study

This study entitled “Comparative Analysis on service provision of Axum and Planet International Hotels in Mekelle holds substantial significance for various stakeholders, including hotel management, potential guests, and the broader hospitality industry. This study aims to investigate the service provision of the hospitality industry in Mekelle against the international standards with emphasis on Axum and Planet hotels, which can have implications for customer satisfaction, operational efficiency, and strategic development within the local hospitality sector. Saying this all the study has the following significance.

- **Enhancing Customer Satisfaction:** Understanding the importance of service provision at both hotels allows for the identification of best practices that contribute to higher levels of customer satisfaction. By analyzing customer feedback and service quality, this study can provide insights into what guests value most, enabling the hotels to tailor their services accordingly.

- **Benchmarking and Best Practices:** This analysis serves as a benchmark for assessing service standards within the hospitality industry in Mekelle. By comparing the offerings of Axum and Planet International Hotels, other establishments can learn from their strengths and weaknesses, fostering a culture of continuous improvement and innovation in service delivery.
- **Strategic Marketing and Positioning:** For both hotels, understanding their relative strengths can inform their marketing strategies. This study can help identify unique selling propositions (USPs) that can be enabling to attract specific customer segments. Effective positioning based on comparative strengths can enhance market competitiveness.
- **Operational Efficiency:** By examining service provision in detail, the study can uncover areas where operational efficiencies can be improved. Insights into service bottlenecks or inefficiencies can lead to streamlined processes, ultimately reducing costs and improving service delivery.
- **Contribution to Local Economic Development:** The hospitality industry is a significant contributor to local economies. By enhancing service provision and customer satisfaction, both hotels can attract more tourists, thereby contributing to local economic growth and job creation.
- **Foundation for Future Research:** The findings from this comparative analysis can serve as a foundation for future research in the hospitality sector. Subsequent studies could explore additional variables such as pricing strategies, guest demographics, or the impact of cultural factors on service expectations and delivery.

1.7. Scope of the study

Geographically this study was focused on Mekelle city with specific cases to Axum and Planet Hotels. The opportunities and challenges of service provision of the two international hotels Axum and Planet in Mekelle city and the comparative analysis performed based on five SERVQUAL models will also be used to analyze. Regarding the time scope, comparative analysis of service provision of the last five years was considered.

1.8. Organization of the Research Report

This research has five Chapters. Chapter will deal with the introduction / background of the study, the statement of the problem, basic research questions, objectives of the study, and definition of terms, significance of the study and scope /delimitations of the study. Chapter two deals about review of related literature. Here the various literatures relevant to this paper will be analyzed. Chapter three will focus on

research methodology. Topics such as description of the study area, research approach, research design, data analysis. Methods of data collection, sampling and sampling frame will be covered. The profile and practices of comparative analysis on the opportunities and challenges of Axum & Planet international hotels research methodology and provides explanations for the data collection techniques and analytic methods used in the study. In chapter four the collected data will be analyzed and the major finding will be described and presented using SPSS. Finally conclusion and recommendations will be forwarded based on the main findings in chapter four

Chapter Two

Review of Related Literature

2.1 Introduction

The hospitality industry is a multifaceted sector dedicated to providing exceptional customer experiences across various services such as accommodation, food and beverage, recreation, travel, and event management. This industry plays a crucial role in the global economy, contributing significantly to job creation and tourism development. Accommodation services, including hotels and resorts, focus on guest comfort and satisfaction, while food and beverage establishments prioritize quality, service speed, and dining ambiance. Additionally, recreation and entertainment sectors, such as theme parks and sports venues, offer leisure activities that enhance guest enjoyment. As the industry evolves, it faces challenges such as labor shortages and economic fluctuations, while also adapting to trends like technological advancements and sustainability practices. Professionals in the hospitality field must remain agile and innovative to meet the diverse needs of an increasingly discerning clientele (Walker, 2016; Brotherton, 2003).

2.2 . Definition of the Hotel

At the heart of hospitality industry lies a simple idea of providing hospitality, that is providing people with food, drink and place to sleep (Jones in, Buhalis and Costa, 2006).According to Medlik's definition “A hotel is an establishment providing for reward accommodation, food and drink for travelers, temporary residents, usually also meals and refreshments and sometimes other facilities for other users” (Medlik, 1994:4). “Hotels are not only places where one can get good food and comfortable rooms; they are also centers of community life, with facilities for meeting, entertainment, communication, and personal service. Their stock in trade has always been hospitality and service, and hotels have made dispensing comfort, pleasing the palate, and creating an atmosphere of home for guests” (Henkin, 2001:1).

A hotel is a commercial establishment that provides lodging, meals, and various services to travelers and tourists, primarily catering to individuals who are away from their homes for short periods. Hotels typically offer a range of accommodations, from basic rooms to luxurious suites, and may include amenities such as private bathrooms, air conditioning, and internet access. In addition to lodging, hotels often provide essential services such as housekeeping, front desk assistance, and food and beverage

options, which can range from casual dining to fine dining experiences. The classification of hotels can vary based on size, service level, and target market, including luxury hotels, mid-range hotels, budget hotels, and boutique hotels, each designed to meet the diverse needs of guests (Walker, 2016). The operational structure of a hotel usually involves a general manager overseeing various departments, such as front office, housekeeping, and food and beverage services, ensuring that all aspects of the guest experience are managed effectively (Brotherton, 2003). The evolution of hotels from simple inns to modern establishments reflects significant changes in travel patterns and customer expectations, highlighting the importance of service quality and operational efficiency in the hospitality industry.

2.3 . Importance of hotels

Hospitality is defined as one of the major industries and one of the largest employers in the world (Kotler et al, 2003). Hotels play a significant role in the development of economies and societies, transport, distribution systems, industries and communication systems of a country though offering facilities for recreation and entertainment, business transactions, for corporate meetings and conferences. In many areas hotels are also important attractions for visitors and foreign currency earners, hotels employ labor and they are product outlets of other industries (building and modernization are provided by construction industries, equipment, furniture and others are supplied by various manufacturers), sources for amenities for local residents (hotel restaurants, bars, conference halls, party halls) (Medlik 1994).

Hotels are crucial for the economic development of a region. They generate revenue through room bookings, food and beverage sales, and various services, which in turn supports local businesses. According to the World Travel & Tourism Council (2020), the travel and tourism sector, which includes hotels, accounted for 10.4% of global GDP, focusing on the economic impact of this industry. By employing local staff and sourcing goods and services from nearby suppliers, hotels stimulate economic activity and foster community growth (Baker & Hsu, 2019).

Besides that, hotels facilitate cultural exchange and understanding. They act as connecting places where people from diverse backgrounds meet, promoting interactions that enhance cultural appreciation. This aspect is particularly important in an increasingly globalized world, as hotels often provide a space for visitors to engage with local customs, traditions, and cuisines. As noted by McIntosh and Siggs (2005), such interactions can lead to greater awareness and tolerance among

different cultures, enriching the travel experience for guests.

Moreover, the hotel industry is a significant source of employment. Hotels offer a wide range of job opportunities, from management roles to entry-level positions in housekeeping and food service. According to the American Hotel and Lodging Educational Institute (2021), the U.S. hotel industry alone employs approximately 8.3 million people. This employment not only supports individual livelihoods but also contributes to the overall economic stability of communities.

Additionally, hotels are increasingly adopting sustainable practices, recognizing their responsibility towards the environment. Many establishments are implementing eco-friendly initiatives, such as reducing waste, conserving energy, and sourcing local products. This shift towards sustainability is not only beneficial for the planet but also resonates with the growing number of environmentally conscious travelers. As noted by the Global Sustainable Tourism Council (2019), sustainable practices in hotels enhance brand loyalty and attract a demographic that values corporate responsibility.

2.4 . Type and Classification of Hotels

The classification of hotels is a crucial aspect of the hospitality industry, as it helps consumers make informed choices based on their needs and preferences. Hotels can be categorized in various ways, including by service level, location, target market, and facilities. Below is a detailed overview of these classifications.

1. Service Level

Luxury Hotels: Luxury hotels provide high-end services and amenities, catering to affluent guests seeking comfort and sophistication. These establishments often feature upscale restaurants, spas, and personalized services (Brotherton, 2003).

Upscale Hotels: Upscale hotels offer premium services and accommodations but at a slightly lower price point than luxury hotels. They typically include amenities such as fitness centers, business services, and fine dining (Walker, 2016).

Mid-Range Hotels: Mid-range hotels cater to travelers looking for comfort without the higher costs associated with luxury or upscale hotels. They often provide essential services and amenities like complimentary breakfast and Wi-Fi (Kwortnik & Thompson, 2009).

Budget Hotels: Budget hotels focus on providing basic accommodations at lower prices. These hotels usually have fewer amenities and services but are ideal for cost-conscious travelers (O'Fallon & Rutherford, 2011).

Boutique Hotels: Boutique hotels are typically smaller, stylish establishments that offer unique designs and personalized services. They often reflect the local culture and appeal to guests seeking a distinctive experience (Baker & Hsu, 2014).

2. By Location

Urban Hotels: Located in city centers, urban hotels cater to business and leisure travelers. They often provide convenient access to local attractions, dining, and transportation (Baker, 2006).

Resort Hotels: Resort hotels are situated in vacation destinations, offering recreational activities and amenities such as golf courses, pools, and spa services. They focus on providing a comprehensive leisure experience (Kwortnik & Thompson, 2009).

Airport Hotels: Airport hotels are designed for travelers with layovers or early flights. They offer shuttle services to and from the airport and cater to short-term stays (Brotherton, 2003).

3. By Target Market

Business Hotels: Business hotels cater specifically to corporate travelers, providing amenities such as meeting rooms, high-speed internet, and business centers (Walker, 2016).

Family Hotels: Family-oriented hotels offer amenities and services designed for guests traveling with children, such as family rooms, kid-friendly activities, and dining options (O'Fallon & Rutherford, 2011).

Eco-Friendly Hotels: Eco-friendly hotels focus on sustainability and environmentally conscious practices. They may implement green technologies and promote local culture and products (Baker & Hsu, 2014).

4. By Facilities

Full-Service Hotels: Full-service hotels offer a wide range of amenities, including restaurants, bars, fitness centers, and concierge services. They are designed to meet various guest needs (Kwortnik & Thompson, 2009).

Limited-Service Hotels: Limited-service hotels provide fewer amenities and services, focusing on comfortable accommodations at lower prices. They typically do not have on-site restaurants or extensive facilities (O'Fallon & Rutherford, 2011).

Extended Stay Hotels: Extended stay hotels cater to guests needing accommodations for longer periods. They often include kitchen facilities and laundry services, appealing to business travelers and families (Walker, 2016).

5. Classification of Hotels based on Star Rating

The star-rating system, used generically by hotels across the world, is out-of-date, inconsistently measured and does not reflect the needs of today's traveler, a study by QUO reveals. The study concentrates on the hotel industry in Asia, and includes interviews with experts from across the region. The research findings conclude:

- The official rating system is a one-dimensional metric to communicate the hardware facilities of the property that allows for disparity, meaning there is a lowest score to achieve in order to reach a certain star level.
- The systems include criteria that are no longer relevant, failing to address many hotels' strategic needs to differentiate and serve a niche market
- The official language is not that of the consumer, and the star rating system does not reflect the guest experience.

“Travelers need to be able to rely on a system objectively measuring criteria in the same way across the world. The star-system does not do that. That's why social media has replaced the ratings and is critical to most consumer choices,” states David Keen, CEO of QUO. The study suggests the hospitality industry needs to adapt to today's travelers with a more consumer friendly language and approach. “Through this study we can see the industry perspective has shown a shift in the right direction, signaling the agreement that the star-rating system is out of date. Hotels are aware that the system needs to be reviewed and mirror the global

perspective,” claims Enlin Zhou, brand strategist at QUO and author of the study. Hotels are an important component of the tourism product. They contribute to the overall tourism experience through the standards of facilities and services offered by them. With the aim of providing contemporary standards of facilities and services available in the hotels, the Ministry of Tourism has formulated a voluntary scheme for classification of operational hotels which will be applicable to the following categories: Star Category Hotels: 5 Star Deluxe, 5 Star, 4 Star, 3 Star, 2 Star & 1 Star.

One-star hotels represent the most basic level of accommodation, offering minimal amenities and services, often appealing to budget-conscious travelers. These establishments usually provide clean, functional rooms but lack additional facilities such as on-site dining or extensive guest services (Walker, 2016). Two-star hotels offer slightly enhanced services, including basic amenities and often a continental breakfast, making them suitable for travelers seeking affordable options with some added comforts (Kwortnik & Thompson, 2009).

Three-star hotels are considered mid-range accommodations that provide a balance of comfort and affordability. They typically feature on-site dining options, fitness facilities, and a range of guest services, catering to families and business travelers alike (O'Fallon & Rutherford, 2011). Four-star hotels offer upscale accommodations with a focus on service and amenities, including high-quality restaurants, room service, and concierge services, targeting affluent travelers who seek premium experiences (Brotherton, 2003). Finally, five-star hotels epitomize luxury, providing exceptional service, premium amenities, and personalized experiences, often including spas and fine dining options, appealing to high-end travelers looking for exclusivity (Baker & Hsu, 2014).

In addition to star ratings, hotels can also be classified by size, which is generally determined by the number of rooms available. Small hotels, typically defined as having 1 to 50 rooms, offer intimate settings and personalized service, often focusing on unique experiences that reflect local culture (Walker, 2016). Medium hotels, with 51 to 150 rooms, strike a balance between personalized service and a broader range of facilities, making them suitable for both business travelers and families (Kwortnik & Thompson, 2009). Large hotels, which accommodate 151 to 500 guests, provide extensive services and amenities tailored to larger groups, including multiple dining options and large conference facilities (O'Fallon & Rutherford, 2011). Finally, mega hotels, defined as having over 500 rooms, are often part of international chains and offer comprehensive services, including entertainment

options and large event spaces, catering to tourists and business travelers seeking a wide array of amenities (Brotherton, 2003).

2.5 . Service Quality

2.5.1. Definition of Service

Service can be defined as the act of providing assistance, support, or value to individuals or organizations, characterized by a focus on meeting customer needs and enhancing their experiences. In a professional context, service embodies several key attributes, including a customer-centric approach, quality, integrity, and expertise. Professionals in service roles prioritize understanding customer preferences and delivering consistent, high-quality interactions that foster trust and loyalty. Moreover, the integrity and objectivity of service providers are crucial, as they must ensure that their actions are guided by ethical standards rather than personal interests. Effective communication and strong interpersonal skills are also vital, enabling professionals to convey information clearly and respond to customer inquiries thoughtfully. Additionally, adaptability and problem-solving abilities are essential, allowing service providers to navigate unique challenges and provide solutions to specific situations. Collectively, these elements are very important for service as a dynamic and integral component of various industries, contributing significantly to overall customer satisfaction and business success (Lovelock & Wirtz, 2016; Zeithaml, Bitner, & Gremler, 2018).

Service concept can be also described as an act, performance, or operation which is not delivered to customer and does not lead to any possession of tangible goods for customer (Costa et al., 2004). Delivering appropriate services to customers and improving customer value and satisfaction are very important to the competitive edge of a firm (Armstrong and Kotler, 2000). Undoubtedly, service quality and customer satisfaction play a vital role in performance improvement (Deng et al., 2008). Considering the role of customer satisfaction in improving customer loyalty, price sensitivity, cross buying and positive word of mouth, measuring service quality is essential for service organizations (Matzler et al., 2004).

Service quality as a multi-dimensional concept; different things to different people and measuring service quality has always been a challenge for managers. There is no global definition for service quality (SQ), although a number of definitions have been proposed by scholars (Chinh and Anh, 2008). Service quality can be regarded as a combination of different factors. It is not only limited to

tangible attributes but also some intangibles and subjective factors are considered in the service quality concept (Chou et al., 2011). Service quality is interrelated with the subject of meeting customer's expectations and measuring his/her perceptions. The origin of service quality concept refers to the field of marketing in which SQ values are derived from interaction between organization and its customers. Four main attributes of service which have been noted in literature include intangibility, heterogeneity, perishability and inseparability. Another attribute is that it cannot be evaluated prior to consumption and cannot be stored after consumption (Antony et al., 2004). Delivering proper service quality and products is a common strategy which organizations utilize to improve their competing capability. According to the German Institute for Quality, quality can be defined as "the totality of qualities and characteristics of a product or activity, regarding the ability to fulfill customer requirements".

Service quality encompasses various dimensions, including reliability, responsiveness, assurance, empathy, and tangibles, which collectively shape how services are perceived by customers (Parasuraman, Zeithaml, & Berry, 1988). Reliability refers to the ability to deliver promised services consistently and accurately, which is foundational for building trust with guests. Responsiveness pertains to the willingness of staff to assist customers and address their needs promptly, reflecting a commitment to customer care. Assurance involves the competence and courtesy of employees, as well as their ability to instill confidence in guests, which is particularly vital in high-stakes environments like luxury hotels (Ladhari, 2009).

Empathy is another crucial dimension; emphasizing the importance of understanding and addressing the unique needs of each guest, fostering a personalized experience that can lead to higher satisfaction levels. Finally, tangibles refer to the physical aspects of the service environment, including cleanliness, decor, and equipment, which can significantly influence a guest's first impression and overall perception of quality (Bitner, 1992). In the competitive landscape of the hospitality industry, delivering exceptional service quality not only enhances guest experiences but also drives repeat business and positive word-of-mouth recommendations, essential for sustaining long-term success (Kwortnik & Thompson, 2009).

Moreover, the implementation of effective service quality management systems, such as Total Quality Management (TQM) and the SERVQUAL model, allows hospitality organizations to systematically

assess and improve their service delivery processes. These frameworks facilitate regular feedback from guests, enabling hotels and restaurants to identify areas for improvement and adapt to changing customer expectations (Zeithaml, Bitner, & Gremler, 2018).

As the service sector of the global economy grows, the study of services and innovation are becoming increasingly important. Accurate and reliable instruments that assess service quality are of great interest to companies whose revenues come from service delivery. Perhaps the most popular and widely used service quality instrument is SERVQUAL. In 1988 Parasuraman, Zeithaml, and Berry developed a generic instrument called SERVQUAL to measure service quality based on input from focus groups.

Although SERVQUAL was developed within the marketing sector, it also is used in a variety of organizational settings, including libraries and information centers (Kettinger & Lee, 1994; Nitecki, 1996). Since 1988 Parasuraman, Zeithaml, and Berry have made numerous changes to SERVQUAL, some in response to problems identified by other researchers. For instance, in 1994 they reported on three different SERVQUAL formats; they recommended that researchers use a format that separated customer expectation scores into tolerance zones. For improving service quality, four aspects were identified: (1) service delivery, (2) hotel front line employees, (3) guest amenities and surroundings, and (4) prestige (Narangajavana and Hu, 2008). In every organization service and quality plays a vital role for every customer. At the same time Customer is the main person who defines the Quality (Brombacher, 2000).

2.6. Dimensions of Service Quality

Meeting and delivering customers' expectations is a key to service quality (Antony, Jiju Antony, & Ghosh, 2004; Harvey, 1998). According to Parasuraman, Zeithaml, and Berry (1985), service quality is a perception of the gap between performance and expectations. However, the concept of service quality is no longer restricted to customer expectations but also includes innovation to match the degree of customer fulfillment. Many academics have expressed diverse views on the elements influencing service quality in the tourist business.

However, in recent years, trained staff, customer feedback and speedy complaint resolution, and a positive environment have developed as areas of consumer awareness. Training is described as the

method that helps an employee in completing their duties effectively (Rouiller & Goldstein, 1993). There has been a surge in the number of studies which shows a positive relationship between the training and effectiveness of service delivery. According to Dhar (2015), employee training is critical to improving performance and service quality. When training opportunities and approachability are limited, service quality and the organization's brand image suffer. Sánchez-Aragón, Barba-Aragón, and SanzValle (2003) investigated the direct favorable impacts of training on service quality, and established that training had a direct beneficial impact on service quality.

Service quality has been defined by many scholars (Cronin and Taylor, 1992, 1994; Parasuraman et al., 1988, 1991; Teas, 1994). The common element of all of these studies is the definition of service quality which is based on the customers' expectations and perceptions. Lehtinen and Lehtinen (1985) introduced physical and interactive quality while Gronroos (1984) identified three types of dimensions including technical, functional and firm's image. Zeithaml (1988) stated that service quality concept is interrelated with consumer's judgment about a product's excellence. However, there is no consensus about the definition of product quality and its dimensions. Parasuraman et al. (1985) proposed ten dimensions for service quality. These dimensions include tangibles, reliability, responsiveness, competence, courtesy, creditability, security, access, communication and understanding customer (Zeithaml and Parasuraman, 2004). Parasuraman et al. (1988) proposed the SERVQUAL approach in which five dimensions of reliability, responsiveness, tangibles, assurance and empathy are addressed (Mels et al., 1997). Bruck et al. (2000) introduced six dimensions of ease of use, functionality, performance, durability, serviceability and prestige for durable goods. Shahin (2007) proposed a comprehensive list of SQDs for British Airways and some international and domestic hotels. In his study, SQDs were classified into 12 major categories in the first level and 30 items in the second level (Table 1). Comparing Shahin's proposed set of SQDs with other studies, it seems the 12 categories are relatively more comprehensive and I found it interesting with my research and adopt it as it is. Accordingly the key points are summarized in the table below.

Table 1 Twelve SQDs in two levels

| <i>First level</i> | <i>Second level</i> |
|----------------------------------|---|
| (1) Reliability | (1) Performance (2) Accuracy and dependability (3) Consistency (4) Completeness |
| (2) Responsiveness | (1) Willingness to help customer (2) Readiness, promptness (timeliness and speed) (3) Comfort |
| (3) Security and confidentiality | (1) Physical security (2) Financial security (3) Safety |
| (4) Access and approachability | (1) Ease of contact (2) Timely access |
| (5) Communication | (1) Word-of-mouth communication (2) Giving information |
| (6) Understanding the customer | (1) Comprehension (2) Individual attention |
| (7) Credibility | (1) Trustworthiness and believability (2) Honesty (3) Reputation of service |
| (8) Tangibles | (1) Appearance (2) Tools or equipment used to provide the service (3) Availability of physical facilities |
| (9) Courtesy | (1) Politeness, respect and consideration (2) Empathy |
| (10) Price | (1) Discountable for money (2) Valuable for money |
| (11) Competence | (1) Skills (2) Knowledge and professionalism of personnel |
| (12) Flexibility | (1) Specification and volume flexibility (2) Service delivery speed |

Source: Shahin (2007)

Figure 2.1. Twelve SQD in two levels adopted from Shahin (2007)

Service quality has been found to be applicable in the private sector, since poor quality of services can negatively influence the reputation of an organization. The first step in service quality is to explain its definition in order to measure and analyze this concept. Consequently, it can help service organizations to determine the high level of quality and its related problems (Kakouris and Meliou, 2010). Service quality is related to different aspects of organizations. Schlesinger and Heskett (1991) and Heskett et al. (1997) proved that there are significant relationships between service quality, the value of services, customer satisfaction, customer loyalty and financial outcomes of an organization. Therefore, improving the level of service quality can influence the level of customer satisfaction, customer loyalty

and performance of organizations (Horn and Rudolf, 2011).

2.7. Service Provision

Service provision in hotels is a critical area of research within the hospitality industry, as it significantly impacts guest satisfaction, loyalty, and overall business performance. This literature review examines various dimensions of service provision, including service quality, employee-customer interactions, and the influence of technology, drawing on comparative analyses across different hotel segments.

One of the foundational frameworks for understanding service quality in hotels is the SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry (1988). This model identifies five key dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. Numerous studies have applied this model to compare service provision across various hotel types, revealing that luxury hotels typically excel in tangibles and assurance, providing high-quality amenities and well-trained staff (Kwortnik & Thompson, 2009). In contrast, budget hotels often struggle with these dimensions, focusing instead on price competitiveness and basic service delivery, which can lead to lower overall guest satisfaction (O'Fallon & Rutherford, 2011).

Employee-customer interactions are another essential aspect of service provision that varies significantly among hotel categories. Research indicates that hotels with a strong service culture, particularly in upscale and luxury segments, tend to foster better employee engagement, which translates into superior customer service (Ladhari, 2009). For instance, a study by Kim et al. (2018) found that hotels emphasizing employee training and empowerment not only enhance service quality but also create a positive work environment that motivates staff to deliver exceptional service. Conversely, limited-service hotels may prioritize efficiency over personalized service, resulting in a more transactional relationship with guests (Walker, 2016).

The integration of technology in service provision is also a critical area of comparison. The rise of digital tools and platforms has transformed how hotels interact with guests, from online booking systems to mobile check-ins and automated customer service (Baker & Hsu, 2014). Comparative study by Ivanov and Webster (2019) highlights that high-end hotels are more likely to invest in sophisticated technologies to enhance the guest experience, such as personalized mobile apps and smart room

features. In contrast, budget hotels often lag in technological adoption, which can affect their competitiveness in an increasingly digital marketplace.

Moreover, the impact of cultural differences on service provision cannot be overlooked. Research by Mattila (1999) suggests that expectations and perceptions of service quality vary significantly between cultures, influencing hotel operators' service strategies. For example, guests from collectivist cultures may prioritize relational aspects of service, such as warmth and personalized attention, while those from individualistic cultures may focus more on efficiency and quick service.

2.8. The Hotel as Total Market Concept

The concept of the hotel as a total market entity represents a transformative approach to hospitality management, emphasizing the integration of diverse services and amenities to create a comprehensive guest experience. Traditionally, hotels have been viewed primarily as providers of accommodation; however, this narrow perspective overlooks the multifaceted nature of consumer needs in today's competitive landscape. The total market concept describes that hotels must cater to various dimensions of guest experience, including dining, leisure activities, wellness, and event hosting, thereby positioning themselves as lifestyle hubs rather than mere lodging facilities (Kotler & Keller, 2016).

In recognizing the hotel as a total market, operators are encouraged to develop bundled offerings that appeal to diverse customer segments. For instance, all-inclusive packages that combine room rates with meals, entertainment, and recreational activities are becoming increasingly popular. This strategy not only enhances guest satisfaction by providing convenience but also fosters loyalty, as customers appreciate the value of a comprehensive service offering (Walker, 2016). By delivering a holistic experience, hotels can differentiate themselves in a saturated market, attracting both leisure and business travelers who seek more than just a place to sleep.

The total market concept also emphasizes the importance of understanding guest demographics and preferences. Market segmentation plays a crucial role in this context, allowing hotels to tailor their services to meet the specific needs of distinct customer groups. For example, family-oriented hotels may offer kid-friendly amenities and activities, while luxury establishments may focus on personalized services and high-end dining options. Research by Kwortnik and Thompson (2009) highlights that a customer-centric approach rooted in data analytics and market research enables hotels to align their offerings with consumer expectations, thereby enhancing the overall guest experience.

Moreover, the integration of technology into the total market concept has revolutionized how hotels operate and interact with guests. Digital tools such as mobile apps, online booking platforms, and customer relationship management systems allow hotels to streamline operations and deliver personalized services. For instance, guests can use mobile applications to check in, access room keys, and request services, enhancing convenience and satisfaction. Additionally, data analytics can provide insights into guest behavior, preferences, and spending patterns, enabling hotels to tailor marketing strategies and service offerings accordingly (Baker & Hsu, 2014). This technological integration not only improves operational efficiency but also enriches the guest experience by making it more personalized and responsive.

In this total market approach, the role of marketing becomes pivotal. Effective marketing strategies must communicate the hotel's value proposition clearly, highlighting the comprehensive nature of its offerings. Integrated marketing campaigns that showcase the various amenities and services available can attract a wider audience and enhance brand visibility. Social media platforms, influencer partnerships, and targeted online advertising are essential tools for reaching potential guests and promoting the hotel as a multifaceted destination (Walker, 2016). Additionally, feedback mechanisms, such as online reviews and guest surveys, provide valuable insights that can inform service improvements and refine marketing messages.

Furthermore, the total market concept encourages hotels to cultivate partnerships with local businesses and attractions. Collaborations with restaurants, entertainment venues, and tour operators can enhance the guest experience by offering exclusive deals or packages that include local experiences. This not only provides added value to guests but also positions the hotel as a community-oriented entity, fostering a sense of place and connection for visitors (Kwortnik & Thompson, 2009). By integrating local culture and experiences, hotels can differentiate themselves and create memorable stays that emotion with guests long after their visit.

Sustainability is another crucial aspect of the total market concept in the hospitality industry. Modern travelers increasingly prioritize environmentally responsible practices, and hotels that adopt sustainable initiatives can enhance their appeal. Implementing green practices, such as energy efficiency, waste reduction, and sourcing local products, not only contributes to corporate social responsibility but also aligns with the values of eco-conscious consumers. Research indicates that guests are willing to pay a

premium for sustainable practices, making it a viable strategy for enhancing profitability while appealing to a growing market segment (Baker & Hsu, 2014).

According to Medlik, (1994:14) “hotel is an institution of commercial hospitality”, which sells its services in various combinations. Hospitality is a product, which is depicted from the main factors that affect the way this product is constructed, represented and sold to customers. In order to determine and preserve the market segments, hotels develop some attributes, which Medlik calls the elements of the total market concept, and includes five elements (hotel location, facilities, services, image and price) (Medlik, 1994). The combination of these factors meets the demands of customers and provides them with the accommodation they seek.

Figure: 2.1. Display the elements which constitute the total hotel concept.

2.8.1. Location

Hotels are in direct contact with their customers; they produce and provide their services right at the point of sale. That is why these services must be offered, where the demand exists. “Location is the part of hotel product” (Medlik 1994:8). The geographical location of a hospitality property is an important factor. The choice of the hotel location is determined mostly by the target group the owners of the hotel want to focus on; and vice a versa, the target group is determined by the location of the hotel Image Price Ability to Differentiate the Product to Different Customers and Incentives to Encourage Key Clients Location of the Establishment Facilities Service

2.8.2. The Accommodation Product

The strategically significant location makes the hotel more accessible and convenient for its customers (Medlik, 1994). Go and Pine state that the location “determines the destination and hotel’s position within this destination” (Go and Pine, 1995:10). As a matter of fact hotels, located in the city centers serve business travelers, and resorts cater to leisure travelers. But this distinction is blurred nowadays (Go and Pine, 1995), as, for example, many hotels are oriented on a few segments, and holiday resorts can provide facilities for conferences and meetings, as well as urban hotels can offer special services for families with kids during weekends and serve the business customers during the weekdays. Jones (in: Buhalis and Costa, 2006) forecasts the location trends for future, saying that hotels will be built in urban centers mainly for business travelers, in resort areas mainly for leisure travelers, and alongside the major transportation networks, such as airports, train stations, motorways. Some destination-based concepts use the location as the unique selling offer.

2.8.3. Facilities

Most hotels provide the standard set of facilities, which include bedrooms, restaurants, bars, function rooms, meeting rooms, as well as recreation facilities, such as swimming pools, sauna, golf fields or tennis courts (Medlik, 1994).

2.8.4. Services

Every hotel offers a set of services (the type of the hotel determines the range of services) which are provided through hotel facilities. The quality of services is determined by a lot of factors, such as time of service delivery, the work and behavior of personnel (Medlik, 1994). For hospitality service production the past experience of doing things is not enough; the workers “are continually faced with novel situations that require unique methods to react appropriately to the customer. The delivery of hospitality services requires a high capacity to process information” (Bowen and Ford, in: Jayawardena, 2004:7).

2.8.5. Image

The image is the way the hotel presents itself to the customers and the way it is being perceived by the customers (Medlik, 1994). The strong image of the hotel raises customer confidence and trust in its accommodation and amenities. Customers’ perceptions of the hotel affect their expectations, their

reactions to its offers. Hotel image depends not only on functional attributes of price and convenience (Michman, 1995). The image is created by the hotel location, by the services and facilities it provides, and it is also affected by such elements as the hotel brand, name, appearance, atmosphere, architecture, interior design, colors and advertising.

2.8.6. Price

Price, as a matter of fact, indicates the value and is determined mostly by the hotel scale, location, image, the set of facilities and quality of services (Medlik, 1994).

2.8.7. Ability to differentiate the product

Ability to differentiate the product to different customers and incentives to encourage key clients includes the development of different customer loyalty programs (Page, 2007), or other strategies for attracting and retaining the customers. Jones (Jones in: Buhalis and Costa, 2006) call this differentiation ability brand development. Because hospitality markets are becoming more and more segmented and the customers have more choice concerning the various types of accommodation and services, the hotel company creates the brands in order to differentiate the hotel from its competitors and that can be easily recognizable and distinct from others. Medlik (1994) does not include this element to the hotel total market concept.

The importance of these elements can be varied, depending on the needs and interests of the customer. However, these elements are interrelated (Medlik, 1994). Chan and Wong (2005) in their research mention that such intangible hotel attributes as security, dependability, service quality, reputation and staff behavior and tangible attributes as price, the appearance of facilities, location, the presence of alternatives, word-of-mouth communication, advertising, a familiar name and past experience were identified by a lot of researches as the most desired by hotel users. But they also mention that the most determinant factors are convenient hotel location and overall services.

2.9. Demand Analysis

As mentioned above, tourists from both domestic and foreign countries are the main market areas for star rated hotels since tourism is defined as a mobility of people from one corner to the other for different purposes such as business, recreation, visiting friends, etc. From this , one can conclude that the demand of hotel services is the derived demand of tourism activity since hotels

are established targeting to serve the participant in tourism activity by providing lodging, food, beverage, and as may be necessary, recreational facilities to the public.

When ascertaining tourism demand for the purposes of tourism planning or strategy development, it is critical that the total demand figures are further segmented by “purpose of visit” and “country of origin” as this gives a more accurate picture of tourism demand. In terms of driving demand there is very little a country can proactively do about visitors who come on business, to visit friends and relatives or for sport, religion or education as these visitors tend not to have choices to make about where they take their trips. The only category that can really be influenced is the holiday (vacation) or leisure visitor. Furthermore, people visit countries away from their homes for various reasons. The current categories of “purpose of visit” established by UNWTO and measured throughout the developing world on arrival declaration cards are holidays, business, visiting friends and relatives, education, religion, sports and transit through one country to another.

Each of these categories of visitors has different characteristics related to their demographics, behavior, spending, expectations and length of stay in the country visited. Categories of tourists based on purpose of visit have a significant role in determining the demand for star rated hotels accommodation, since there are tourists that really need hotel accommodation, those who came to visit their relatives and do not require hotel accommodation, and those who demand basic level hotels due to economic constraints and some other reasons.

2.10. How Guests Select Hotels around the World – Global Results

Customers’ choice of hotels involves a decision making process that consists of a number of separate criteria that is central to the process. The truth is that the psychological processes that are involved as an individual making patronage decisions are difficult to comprehend and measure. This suggests that a lot of psychological activities are involved when an individual tries to make a purchase decision. In short, these processes are complex and difficult to measure. The implication is that a manager can observe customers' attitude and behavior without being able to predict his thinking (Watiki, 2014).

During purchase decision making consumers are exposed to marketing as well as environmental stimuli that are essentially based on economic, political and cultural circumstances prevailing in

the society. Furthermore, decision making is usually considered a basic aspect of a consumer's personality. In most instances consumers often evaluate the available alternatives based on the information received before arriving at the ultimate choice. However, the intangible nature of hotel services makes it much difficult to make a final decision (Donald, 2021).

Perugini and Bagozzi (2001) believe that motivational and emotional elements can be employed to accurately predict customer intentions and behaviors. Consequently, the majority of researchers in the hospitality industry rely on motivation or product attributes to uncover consumers' decision making process. However, socio-demographic and geographic pattern has become the traditional consumer characteristics investigated expected to potentially influence a consumer's purchase decision (O'Neill, & Belfrage, 2005). Truth be told, consumers' choice of hotels involves a set of decision making activities that are intricately linked. This implies that the selection of the most suitable hotel entails a rather complicated decision making process. Hotel buying behavior or in other words booking for a hotel, just like the overall buying behavior, involves passing the five stages of decision making process that entails feeling the need for hotel accommodation, information collection and evaluation of image, decision to use hotel services, experience and satisfaction of hotel services, and finally outcome and evaluation (Gilaninia, 2010).

10.1.1. Factors that influence guests choice of hotel

Factors that influence Guests choice of hotel A review of extant literature reveal that several factors have been reported to influence consumers' hotel choice. Ironically there is no universal set of criteria that inform guests' choice of a hotel rather they vary from one country to the other. However, some of the reasons may overlap on several occasions. Some of the common and more specific reasons according to Baide (2017) are examined as follows;

Price: Price is a major determining factor that influences guest choice of hotels. This is premised on the fact that every rational person wants to pay less for more. The incidence of customer's price sensitivity is a common occurrence in the hospitality industry. In practice, most customers in search of hotel room rates these days go online and compare prices. In some cases they surf the hotel's website and many other times visit the hotel online booking portals. The moment they find the best rate that suits them; it then becomes the preferred place to stay. The common twist is that cheap rates

do not always mean quality. Tourism experts advocate that guests should not rely solely on the room rate to make patronage decisions, rather other parameters should equally be considered (Ahmad, & Sattar, 2018).

Location: Clow, Garretson, and Kurtz, (1994) assert that location looks like a universal factor that customers consider when choosing a hotel. Location in this context refers to the part of the town the hotel is situated. Guests consider the location and accessibility to hotels as very important factors in their decision making processes. It therefore becomes expedient for guests to know the exact location the hotel to patronize. This has become necessary as some hotels are perceived to be in certain locations to the disbelief of guests after booking and upon arrival discover the hotel is a bit far from the actual area they wanted. With the advent of Information Technology, online booking portals now offer the option of checking out maps so as to get the exact location of a hotel.

Amenities and Services: These days guests demand more than just bed and breakfast. Arising from globalization and modernity guests now possess an insatiable quest for change in taste and demand for better amenities. The demand for varieties in terms of service and numerous amenities has placed this factor as an important parameter that guests consider in their choice of hotels. This demand for varieties is incontestable irrespective of guest purpose of stay. Evidence has shown that hotels with strong internet connectivity, on site restaurants, swimming pools, air conditions, guaranteed security and adequate power supply among others experience higher rates of occupancy. As a matter of priority, hotels that desire a high rate of guests' patronage have to make these amenities available. There are other guests that may compromise and accept to stay in a hotel lacking one or two of these amenities. However, the vast majority of guests these days would not accept any kind of service or facility. It is evident that present day hotel customers not only seek basic services and facilities but expect a high standard of personal service. This high standard can be achieved as managers constantly review their customers' needs as well as strengthen customer service training programs for their employees (Kotler, & Armstrong, 2001)

Past Experiences: Repeat patronage comes from a pleasant and satisfactory experience. Expectedly, guests will only patronize a facility that offers satisfactory services to the customers. Positive experiences either by guest or referral would always make guests continuously patronize a hotel. In fact, a guest will only go back to a hotel that gave him a memorable experience. Worthy of note is the

fact that a guest's pleasant experience from a stay automatically makes the hotel become home away from home. The services and facilities that the hotel offers determine whether the customer will choose that same hotel the next time they need a hotel in that area or not. True to type, bad experiences not only make guests overlook hotels but also cause them to refrain from recommending that particular hotel to family and friends. Some even go the extra mile of ensuring that none of their family or friends patronizes that hotel (Bell, & Morey 1997).

Hotel Rating/Reputation: Lepisto, and McCleary (1992) report that the reputation of a hotel is ascertained from their rating. Generally, hotels are rated a 3 star, a 4 star and a 5 star. However, UAE and the USA have up to 7-star hotels. Though we are unconcerned with the technicalities involved in the rating of hotels, one thing is clear; that the higher the rating, the better the hotel. Due to the fact that the majority of Nigerians fall within the middle income group, 3 Star hotels are the most sought after. Regardless of the price, distance and other factors, the very literate and affluent in society will always check for the hotel rating. To the discerning guest the hotel rating gives an indication of the quality of service and facilities available as well as the price range.

Besides the above listed factors below are some additional factors listed based on the survey response of American, European and Asian travelers according to a survey conducted by hospitality net. The results offer insight into current guest behavior, and suggest ways to appeal to them.

Why Do Guests Select a HOTEL? Global results*



*Based on survey responses from American, European, and Asian travelers during 2012.

Fig.2.2 Adapted from <https://www.hospitalitynet.org/news/4059056.html>)

The study was based on results from the Market Metrix Hospitality Index (MMHI), and includes data from 40,000 American, European, and Asian travelers during 2012. They focused on several questions that ask guests why they selected a particular hotel on their most recent trip. Location still reigns as the primary factor that determines hotel choice. Location generally matters more to leisure guests. Location also tends to be more important to older travelers (over 50 years old), with a high income (USD \$100,001 – 150,000), who prefer staying in an upper midscale or upscale hotel. “Price” and “Past Experience” are the next most important factors in hotel selection. Interestingly, the importance of “Past Experience” has climbed over the past few years while emphasis given to “Location” and “Price” has remained constant. Perhaps guests have become more demanding with the diversity of hotel choices available, especially at the higher end of the market.

Globally, “Past Experience” (11.9%) plays a much bigger role in hotel selection than the influence of a friend’s recommendation (6.8%), the brand’s reputation (5.5%), the role of promotions (5.0%), the power of loyalty programs (3.8%), and the impact that online reviews have on hotel selection (2.9%).

2.11. Empirical Works Linked to Service Delivery in the Hotel Industry

The technical literature presents various empirical works linked to the quality of services in the hotel industry. Luk (1997), on analyzing the culture of marketing in travel agencies of Hong Kong and their relation with the quality of service, affirms that the culture of marketing must take into account the quality of service, interpersonal relations, the task of selling, organizations, internal communication and innovation; they point out that the high quality in service can be obtained when a tourist company strongly promotes a culture of marketing oriented by the service and interpersonal relations.

Kandampully (2000), in Australia, analyzes the impact of the fluctuation of the demand in the quality of service having in sight that during the high season for hotel occupancies, with the excess in the demand for services, the quality of those services tends to decline. This study suggests that the companies in the sector must strongly consider the needs and expectations of the customers in the elaboration of their strategies in the seasonal periods. O'Neill and Charters (2000), also in Australia, analyze the quality of the service offered by links to attract tourists in that region. The study was done in four companies with the objective of knowing what was the most important to the customer in evaluating the quality of service. Atilgan, Akinci and Aksoy (2003), in Turkey, suggest a new approach for the research of evaluation dimensions in the quality of service in hotels. The research analyzed two groups of tourists from different countries. The results suggested that the operators must consider, in the elaboration of their itineraries and tourist packages, the cultural characteristics that affect the perception of the quality of service received.

Juwaheer and Ross (2003) analyzed the perceptions of hotel guests from Mauritius. They concluded that the quality of services fell short of guests' expectations citing empathy as the greatest gap. Nadire and Hussain (2005) analyzed the quality of service in Cyprus, using SERVPERF, applying the instrument to European customers visiting the site. The results found only two dimensions instead of the traditional five of SERVQUAL and European visitors are very demanding with regard to improving the quality of service. The study by Eraqui (2006), in Egypt, analyzes the tourist services from the point of view of internal and external customers. The internal customer concludes that there is no tourism business environment that encourages employee creativity and regarding the external

customers, there were complaints about the improvement of internal transportation and security.

Chen et al (2008) evaluated the quality of services in the Taiwan hotel industry. The paper divides the hotels into three types: international commercial tourism, holiday and motels and general hotels. The study emphasized the degree gap in service quality between the industry and the customers. Data analysis shows that service quality gap (perceived gap) different types of hotels exist in several quality aspects; what's more, the perceived gaps, service quality aspects, and the items of different types of hotel are also different. The analysis involved 43 different attributes.

In Brazil, Oliveira (2001) can be cited as a work that investigates the services that are considered more important in the choice of hotels in Foz do Iguaçu and concludes that for the guests, in this order, the factors of location, speed and efficiency in room service and in the restaurants were considered the most important. Carvalho (2007) analyzed the factors that influenced the satisfaction of the customers. He concluded that cleanliness, good service, security and location were the factors that most affected customer satisfaction. Barbosa (2007), in a study completed in hotels in São Paulo, concluded that the authenticity in the care of the guests, based on human values, makes possible the creation of friendly relationships and positively influences their satisfaction.

Gonzalez (2005) studies the factors that influence the satisfaction and generate the loyalty of visitors to Natal. This study concludes that the cordiality of hotel staff, cleanliness of the establishment, safety, restaurant service and the internet were the most important attributes in the satisfaction of the guests. Wanderley (2004) studies the perception of the business tourist while choosing a hotel in São Paulo. It concludes that the daily rate and the locations are the most important attributes for business guests.

Robazzi (2006) studies the degree of hospitality in diverse graphic elements, of the appearance of the installations, at hotels in São Paulo. The results enable the proof of the tangibility of the hospitality, and the identification of forms and colors present in the reading process. Ferreira (2004) evaluates the factors that affect the satisfaction and the fidelity of northeastern tourists in Natal who take the bus or car as a means of

transportation. It concludes that cleanliness, environment, pool maintenance, bars and restaurant service, telephone service, service on local trips and price were the attributes that determined satisfaction and loyalty of the guests. Duarte (2006) studies the influence of the mood of the staff in the quality of services in a hotel chain in São Paulo. The study concludes that internal customer satisfaction induces satisfaction for the external customer.

Chapter Three

Research Methodology

3.1 Introduction

This chapter deals with research methodology. Topics such as description of the study area, the research approaches used in this study, data collection tools and data sources, research design, sampling and sampling size, data analysis etc. topics will be covered.

3.2. Geographical Survey of the Study Area

Tigray National Regional State is one of the newly structured regional states under the Federal Democratic Republic of Ethiopia. Tigray is situated between 12° 15' N and 14° 57' latitude and 36° 27' E and 39° 05' longitude (Tsegay, 2005:24). It has an area of 53, 638 km² which accounts for about 6% of Ethiopia's total area. Situated at the northern tip of Ethiopia, Tigray lies between two extremes; Semien Mountain also called the 'Roof Tower of Africa' -(4620 meters above sea level), and the 'Dalul depression' (126 meters below sea level). This makes Tigray unique for its ecological expositions and climatic variations (Ibid).

Mekelle, the capital city of the Tigray region in northern Ethiopia, has experienced significant demographic growth and economic development over the past few decades. As of 2023, the estimated population of Mekelle is approximately 545,635, making it the second-largest city in Ethiopia after Addis Ababa (World Bank 2024). The population has seen remarkable growth from just 61,000 in 1984 to 170,000 in 2006, reflecting a rapid urbanization trend. According to the Central Statistical Agency, the demographic profile of Mekelle is characterized by a youthful population, with a substantial percentage under the age of 25, which presents both opportunities and challenges for the city in terms of employment and education (Central Statistical Agency 2021).

Economically, Mekelle serves as a vital hub in northern Ethiopia, with its economy primarily driven by agriculture, trade, and emerging manufacturing sectors. The surrounding highlands are fertile and support the cultivation of various crops, including cereals and pulses, which are essential for local consumption and trade. In recent years, the city has seen the establishment of new industries, including engineering, cement, and textile factories, which cater to both local and international markets. The

service sector has also expanded, with retail and hospitality industries contributing to the economic landscape.

Despite its growth, Mekelle faces significant challenges, particularly due to the ongoing conflict in the Tigray region, which has disrupted trade and affected local businesses. This situation has led to increased poverty and displacement among the population. Nevertheless, efforts are underway to revitalize the economy and restore stability, focusing on sustainable development and resilience-building initiatives.

3.3. Research Methodology

The research will employ a quantitative and qualitative methodology, utilizing a descriptive survey design. The SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry (1988), will serve as the theoretical framework for this analysis. This model is widely recognized for its effectiveness in measuring service quality across various sectors, including hospitality, and encompasses five dimensions: tangibility, reliability, responsiveness, assurance, and empathy (Kwortnik & Thompson, 2009). These dimensions will guide the development of the survey instrument used to collect data.

The result of each research largely depends on the type of the research approach. On the other hand, the selection of research methodology will be depending on the objectives, the nature of the subject of research and the relevant implementing facilities. The research approaches used in this study were both qualitative and quantitative research approaches predominantly qualitative approaches..

In the qualitative approach semi-structured interviews and focus group discussion were deployed to purposefully select key informants of Axum and Planet hotel general managers, department managers, Tigray Tourism and Culture Bureau staffs and Mekelle City Tourism office. In the quantitative approach, close and open-ended questionnaires were deployed to domestic and international guests as well as to the line staff of Axum and Planet hotels.

3.4. Research Design

The research design used in this study will be descriptive research design. This type of research is particularly valuable in fields such as social sciences, health, education, and marketing, where understanding the current state of affairs is crucial for informed decision-making. The primary objective

of descriptive research is to provide a comprehensive overview of the characteristics, behaviors, and attributes of the subject being studied and that is why this type of research design is selected for this study. This research design outlines a systematic approach to conducting a comparative analysis of customer service provision at Axum Hotel and Planet Hotel in Mekelle, Ethiopia. The primary aim of this study is to evaluate and compare the quality of customer service offered by these two hotels, focusing on guest satisfaction and perceptions, which are essential for enhancing service delivery in the hospitality sector.

The research will employ a quantitative methodology, utilizing a descriptive survey design. The SERVQUAL model, developed by Parasuraman, Zeithaml, and Berry (1988), will serve as the theoretical framework for this analysis. This model is widely recognized for its effectiveness in measuring service quality across various sectors, including hospitality, and encompasses five dimensions: tangibility, reliability, responsiveness, assurance, and empathy (Kwortnik & Thompson, 2009). These dimensions will guide the development of the survey instrument used to collect data.

3.2 Sample Design

Sample design refers to the technique or the procedure the writer adapts for selecting samples from the population. This is very helpful to decide the sample unit to be included in the sample, i.e. the size of the sample from the sample frame. In this respect, the writer has employed random or convenience sampling for the international and domestic guests and Snowball sampling to the managerial and government offices. A convenient way in which a sample would be selected was to deploy questionnaires based on availability of the customers.

Accordingly, a total of 200 respondents were randomly and purposely selected to fill the questionnaires based on their knowledge and interests on issues raised by the researcher. The respondents are selected from different stakeholders including hotel managers, hotel guests both domestic and international, and hotel owners, tourism offices both Tigray and Mekelle city. From those respondents, the questionnaires of 190 respondents are chosen for further analysis. They selected these respondents whose responses best fitted for the purpose of the study. The remaining 10 questionnaires were unfilled and unreturned.

(Axum ranks from 2nd-1st and Planet ranks from 1st-2nd from 21 hotels in Mekelle city almost throughout

the year 2010 and 2012 E.C).In this research attribute purposive sampling method will be used for the selection of the sample representing the population. Purposive sampling: - In this type of sampling, subjects will choose to be part of the sample with a specific purpose in mind. With this sampling, I believe that some subjects will fit for the research compared to other individuals. This is the reason why they are purposely chosen as subjects.

3.3.Data collection and, data sources and Target Population

Data collection was conducted through self-administered questionnaires distributed at both hotels. The questionnaire included Likert-scale items to gauge customer perceptions of service quality and open-ended questions to capture qualitative feedback. A pilot study will be conducted to validate the questionnaire's reliability and clarity, with adjustments made based on participant feedback.

In the course of the study, the writer employed mixed approaches though predominantly of qualitative research approach. An in-depth personal observation of the study area was made so as to know how the cooperative analysis of service provision in Axum and Planet hotels. While an intensive interview of key informants was made using snowball sampling, qualitative questionnaires are also forwarded to selected respondents. The writer equally involved women and men in the data collection, but women are reluctant and few respond to the raised research issues.

3.3.1 Primary Research/Data

The Primary sources used in this study were field surveys were conducted to a key informant of this analysis, aimed at quantitatively measuring guest satisfaction and service quality at both hotels. Targeting guests who have stayed at either hotel within the last six months, surveys can be distributed online or conducted in-person during check-in or check-out. These surveys will include Likert scale questions assessing various aspects of service, such as cleanliness, staff responsiveness, and overall satisfaction, alongside open-ended questions for qualitative feedback (Kumar et al., 2019). In addition to surveys, conducting interviews with both hotel staff and guests will provide qualitative insights into the experiences related to service provision. Semi-structured interviews with hotel staff, including managers and front desk personnel, will help uncover internal perceptions of service strengths and weaknesses. Similarly, interviewing a diverse selection of guests will yield personal accounts of their experiences, offering a deeper understanding of customer expectations (Creswell, 2014).

Focus groups can also be employed to facilitate discussions among guests about their experiences at the hotels. By organizing focus group sessions with guests from both hotels, researchers can explore collective perceptions of service quality and areas for improvement. This method allows for rich dialogue and can reveal insights that individual surveys or interviews might not capture (Morgan, 1997). Observational methods will further enhance the analysis by allowing researchers to assess real-time service delivery and customer interactions. Direct observations during peak and non-peak hours will provide valuable information on staff behavior, responsiveness, and the overall atmosphere within each hotel setting (Patton, 2015).

Customer feedback forms are another essential data source. These forms can be made available to guests during their stay or digitally through hotel apps and websites. The feedback collected will focus on specific services used by guests, offering immediate insights into satisfaction levels and areas needing attention (Oliver, 2010). Additionally, analyzing social media and online reviews will provide a broader perspective on guest opinions and experiences. Platforms such as TripAdvisor and Google Reviews often contain valuable qualitative data regarding customer satisfaction and complaints, which can highlight trends over time (Liu Park, 2015).

Lastly, reviewing internal hotel records and reports will contribute statistical data on operational efficiency metrics. This includes occupancy rates, average length of stay, and customer complaint logs. Such quantitative data is crucial for understanding service performance in both hotels (Baker Cameron, 2008).

3.3.2 Secondary Research/Data

The secondary data sources used in this study were published sources encompassing a range of materials, including books that offer comprehensive insights on specific topics and academic journals that feature peer-reviewed articles presenting findings and discussions relevant to various fields. Additionally, conference proceedings serve as a repository for recent research presented at academic gatherings, highlighting emerging trends and discoveries. Besides that, government publications are significant sources of secondary data, featuring statistical reports that include census data, economic indicators, and health statistics compiled by government agencies. These documents often also include policy papers that outline governmental regulations and initiatives pertinent to specific sectors.

Industry reports were also used because it provides critical market insights, with market research firms analyzing consumer behavior and industry trends. Trade publications further contribute by offering news and developments within specific sectors, facilitating a deeper understanding of the market landscape. Another essential category is in the second data sources were non-governmental organization (NGO) reports, which often focus on social issues, environmental concerns, or humanitarian efforts. These reports typically include research studies and policy briefs that summarize findings and offer recommendations for policy changes. Online resources have become increasingly important in the digital age. Websites can host a wealth of information from organizations or government entities, including reports and white papers. Social media platforms also serve as a source of user-generated content that can reveal public sentiment and trends.

Historical records, such as archival materials and historical databases, provide context for research topics through documents, letters, and photographs that inform longitudinal studies. Collectively, these diverse secondary data sources enrich the research landscape, enabling scholars to gain broader perspectives, validate findings, and enhance the overall quality of their studies.

3.3.3 Target Population

The target population for this study will consist of domestic and international guests who have stayed at either Axum or Planet hotels within the past year. In addition to that the two hotels department managers, owners or representatives, government offices Tigray region tourism and culture bureau, and Mekelle City administration investment offices and line staff of the two hotels were targeted. A stratified random sampling technique will be employed to ensure a representative sample, aiming for approximately 200 respondents. This sample size is deemed sufficient to achieve statistical significance and provide robust insights into customer satisfaction (Cohen, Manion, & Morrison, 2011). These target populations will have direct and indirect business relationships with the understudy hotels and are helpful for the study.

3.4 Sample size

Accordingly, a total of 200 respondents were randomly and purposely selected to fill the questionnaires based on their knowledge and interests on issues raised by the researcher. The respondents are selected from different stakeholders including hotel managers, hotel guests both domestic and international, hotel owners, tourism offices both Tigray and Mekelle city. From

those respondents, the questionnaires of 190 respondents are chosen for further analysis. They selected these respondents whose responses best fitted for the purpose of the study. The remaining 10 questionnaires were unfilled and unreturned.

3.7 Data Analysis

Likert's scale: - Likert Scale questions use psychometric testing to measure beliefs, attitudes and opinion. The question uses statements and a respondent choice then indicates how much they agree or disagree with that statement and to what extent it is excellent or poor. The scale of 0-5 is provided with Likert Scale questions. These are:-

Table: 3.2 Likert scale

| Scale Value | 1 st Likert Scale | 2 nd Likert Scale |
|-------------|------------------------------|------------------------------|
| 5 | Strongly Agree | Excellent |
| 4 | Agree | Very Good |
| 3 | Neither Agree Nor Disagree | Good |
| 2 | Disagree | Fair |
| 1 | Strongly Disagree | Poor |

Quantitative data will be analyzed using SPSS software. Descriptive statistics will summarize demographic information and service quality perceptions, while inferential statistics were employed to identify significant differences in customer satisfaction between the two hotels. Qualitative data from open-ended questions will be analyzed thematically to provide deeper insights into customer experiences (Braun & Clarke, 2006).

CHAPTER FOUR

DATA ANALYSIS INTERPRETATION AND PRESENTATION

4.1. Introduction

This chapter presents an analysis of the study results derived from various data collection methods, including questionnaires, interviews, and fieldwork conducted by the researcher. The analysis focuses on identifying the opportunities and challenges inherent in the comparative assessment of service provision in star-rated hotels, specifically examining the case studies of Axum and Planet Hotels in Mekelle.

The findings aim to draw empirical conclusions and formulate recommendations that can enhance the comparative analysis of service provision in these hotels. By addressing these dynamics, the study seeks to provide valuable insights that can contribute to the improvement of service quality and competitiveness within the hospitality industry in Tigray, with particular emphasis on the city of Mekelle. Through this analysis, the research aspires to inform stakeholders and decision-makers about effective strategies for elevating service standards and fostering a more competitive environment in the region's hospitality sector.

Furthermore, the results of this research will serve as a foundational framework for developing targeted strategies that hotel owners and industry practitioners can implement to enhance operational practices within the hotel sector. By identifying key areas for improvement based on empirical data, the research provides actionable insights that can guide decision-makers in the hospitality sector. One of the primary goals is to elevate the standard of service provision in star-rated hotels in Mekelle. The findings highlight specific operational shortcomings and areas where guest experiences can be enriched.

Additionally, the research uncovered best practices from competing establishments, such as Axum and Planet Hotels, that can be adapted and adopted by other hotels in the region. By fostering a culture of continuous improvement and learning, hotel owners can ensure they remain competitive in a rapidly evolving market. This could include implementing technology-driven solutions for service delivery, such

as online booking systems or customer feedback platforms, thereby streamlining operations and enhancing guest satisfaction. Moreover, the findings can inform marketing strategies that highlight the unique offerings of each hotel. By understanding guest preferences and service expectations, hotels can tailor their marketing efforts to attract a broader clientele, ultimately increasing occupancy rates and revenue.

4.2. Response Rate

The data presented in table 4.1 illustrates the distribution and collection of questionnaires among the respondents of Axum and Planet Hotels guests. A total of 200 questionnaires were distributed, with each group receiving an equal allocation of 100 responses. The findings indicate that almost all questionnaires distributed to the staff of both Axum Hotel and Planet Hotel were successfully collected, resulting in a 99% response rate for each group.

STable 4. 1. Distributed and collected total questionnaires

| No | Respondents from | Distributed | Collected | Percent |
|----|------------------|-------------|-----------|---------|
| 3 | Axum Hotel | 100 | 100 | 100 |
| 4 | Planet Hotel | 100 | 100 | 100 |
| | Total | 200 | 200 | 100 |

Table 4.1.Distributed and collected questionnaires

4.2. Demographic Profile of Respondents

Below table 4.2 describes the demographic profile of respondents and the analysis will be as follows,

| No | Demographic variables | frequency | percent | Remark | |
|----|-----------------------|--------------|---------|--------|--|
| 1. | Age | 18-25 | 30 | 30 | |
| | | 26-35 | 33 | 33 | |
| | | 36-45 | 18 | 28 | |
| | | 46-55 | 10 | 10 | |
| | | 56 and above | 9 | 9 | |

| | | | | | |
|----|----------------|----------|-----|-------|--|
| | | Total | 100 | 100.0 | |
| 2. | sex | male | 65 | 65 | |
| | | female | 35 | 35 | |
| | | Total | 100 | 100.0 | |
| 3. | Marital status | single | 50 | 50 | |
| | | married | 40 | 40 | |
| | | divorced | 10 | 10 | |
| | | Total | 100 | 100.0 | |

| | | | | | |
|---|-------------------------|---------------------------|-----|-------|--|
| 4 | Nationality | Ethiopians | 95 | 100 | |
| | | foreigners | 5 | 5 | |
| | | Total | 100 | 100 | |
| 5 | field of specialization | hotel and tourism related | 60 | 60 | |
| | | other fields | 40 | 40 | |
| | | Total | 100 | 100.0 | |
| 6 | Educational background | High school | 20 | 20 | |
| | | Diploma | 30 | 30 | |
| | | Degree | 40 | 40 | |
| | | Master | 10 | 10 | |
| | | Total | 100 | 100 | |

Table 4.2 demographic characteristics of respondents

The demographic data collected provides valuable insights into the characteristics of the respondents. In terms of age distribution, the largest group falls within the 26-35 age range, comprising 33% of the total respondents. This is closely followed by the 18-25 age group, which represents 30%, indicating a youthful demographic among the participants. Conversely, the 36-45 age bracket accounts for 28%, while the older age groups, 46-55 and 56 and above, represent 10% and 9%, respectively. This distribution suggests that the majority of respondents are in their prime working years, which could influence their perspectives on service provision and expectations in the hospitality industry.

Regarding sex, the data shows a predominant male representation, with 65% of respondents identifying as male, compared to 35% who are female. This gender disparity may reflect broader trends within the industry or the specific demographics of the surveyed population, which could have implications for understanding varying perspectives on service quality and management practices. In terms of marital status, half of the respondents are single (50%), while 40% are married, and 10% are divorced. This distribution indicates a significant presence of single individuals, which may suggest varying lifestyle preferences and expectations regarding hospitality services, particularly concerning leisure activities and travel.

Relating to nationality, the majority of respondents are Ethiopian, comprising 95% of the total sample. This indicates a strong representation of local perspectives in the study, which is essential for contextualizing the findings within the Ethiopian hospitality industry. The small percentage of foreigners (5%) suggests that the insights derived from this research will primarily reflect the attitudes and experiences of Ethiopian nationals, thereby emphasizing the importance of local customs, expectations, and service standards in the hospitality context.

Regarding fields of specialization, most of the respondents (60%) are professionally in hotel and tourism-related fields. This high percentage underscores the relevance of their feedback and experiences in assessing service provision in star-rated hotels, as they are directly engaged in the industry. The remaining 40% come from other fields, indicating a diverse range of perspectives. The predominance of professionals from the hotel and tourism sector suggests that the responses are likely informed by practical experiences, which can lead to more detailed inputs for improving service quality and operational practices.

The educational background of respondents further indicates their capabilities and understanding of the hospitality industry. Among the participants, 40% hold a degree, while 30% possess a diploma, indicating a well-educated respondent pool with a solid foundation in relevant knowledge. Additionally, 20% have completed high school, and 10% have attained a master's degree. This distribution reveals a strong emphasis on higher education within the industry, suggesting that many respondents are equipped with theoretical and practical knowledge that informs their views on service provision. The diverse educational backgrounds reflect a range of competencies that can contribute to discussions around service quality, operational efficiency, and customer satisfaction.

Overall, this demographic analysis highlights a predominantly young and male respondent base, with a balanced representation of marital statuses. These factors are essential for interpreting the study's findings, as they may influence participants' attitudes and expectations regarding service provision in star-rated hotels. The analysis of nationality, occupation, and educational background highlights a predominantly Ethiopian, educated respondent pool, largely composed of individuals working in hotel and tourism-related fields. This demographic composition is critical for interpreting the findings of the study, as it provides a contextually rich understanding of the local hospitality landscape and the factors that influence service provision. Such insights are vital for developing strategies that enhance service quality and competitiveness in the Ethiopian hospitality industry.

4.3. Descriptive Analysis

Questionnaires were developed and distributed to evaluate service provision and guest experiences to the guests of Axum and Planet Hotels aimed to gather their experiences and insights into various aspects of service quality, operational efficiency, and overall guest satisfaction. The questionnaire was designed to cover multiple dimensions, including employee perceptions of service standards, customer satisfaction levels, and specific areas for improvement. The data collected from the questionnaires revealed a range of responses, showing both strengths and areas needing enhancement. The guests shared their experiences regarding check-in processes, room quality, staff interactions, and the overall ambiance of the hotels.

By analyzing the responses from both groups, the research aims to identify key trends and patterns that can inform strategic improvements. For instance, if employees express concerns about inadequate training while guests report dissatisfaction with service speed, these insights can guide management in implementing targeted training programs and operational changes. The thorough collection and analysis of responses from the questionnaires will play a pivotal role in enhancing service quality and guest experiences at Axum and Planet Hotels. The findings will not only inform immediate operational adjustments but also contribute to the long-term strategy for improving competitiveness in the hospitality sector

4.4. Service provision and Guest experience in Axum and Planet Hotel a comparative analysis

To assess the service provision and guest experience of Axum and Planet hotel, questions such as the purpose of visit, frequency of visit, factors affecting hotels choice and how guests made booking were asked and their response is discussed below.

In analyzing the responses regarding visitation frequency from the 200 guests surveyed at Axum and Planet Hotels, it is noteworthy that the most common responses from guests at Planet Hotel were once a year and every six months. This indicates a solid base of repeat customers, potentially comprising business travelers or individuals with recurring accommodation needs. In contrast, most respondents from Axum Hotel reported visiting the hotel once every year or more, suggesting a different customer profile that may be less engaged with the brand. This divergence in visitation patterns highlights the importance of tailoring marketing strategies to address the specific needs and preferences of each hotel's clientele. By enhancing promotional efforts for occasional visitors at Axum and fostering loyalty among the more frequent guests at Planet, both hotels can optimize customer experience and drive increased occupancy and revenue.

The analysis of the purpose of visit responses from the 200 guests surveyed at Axum and Planet Hotels reveals that the majority of respondents indicated their purpose of visit were for business, recreation, and conferencing purposes. This trend suggests that both hotels cater to a diverse clientele, with a significant emphasis on business travelers who may require accommodations for work-related activities. The presence of recreational visitors highlights the importance of offering amenities and experiences that appeal to leisure guests, potentially enhancing overall guest satisfaction. Additionally, the interest in conferencing and meeting purposes indicates a strong potential for hosting corporate events and gatherings, which can be leveraged for marketing and revenue generation. By focusing on these key areas business, recreation, and conferencing Axum and Planet Hotels can further tailor their services and promotional strategies to meet the specific needs of their guests, ultimately driving higher occupancy rates and fostering customer loyalty.

The evaluation of factors influencing the choice of Axum and Planet Hotels, based on responses given from the surveyed guests, reveals that the majority of respondents prioritize price, brand image, location, and recommendations from friends. The prominence of price as a deciding factor indicates that competitive pricing strategies could significantly enhance customer acquisition and retention. Additionally, brand image plays a crucial role, suggesting that both hotels have successfully established a

reputation that resonates with guests, which can be leveraged in marketing efforts. The importance of location underscores the need for both hotels to maintain and promote their accessibility and proximity to key attractions or business centers. Furthermore, the influence of friends' recommendations highlights the value of word-of-mouth marketing and the potential benefits of fostering positive guest experiences that lead to referrals. By understanding these key selection criteria, Axum and Planet Hotels can refine their offerings and marketing strategies to align with guest preferences, ultimately driving higher occupancy and enhancing brand loyalty. Some respondents replied the come suddenly without preference.

the following questionnaires were designed in likert scale to investigate the check in procedures. Accordingly, the respondents' reply will be analysed below.

4.4.1. Check-in and checkout procedures in Axum hotel

Check-in and checkout procedures are critical elements of the hotel experience, significantly impacting guest satisfaction and operational efficiency. A recent questinnaries survey conducted at Axum Hotel aimed to assess guest experiences, and the feedback received is outlined as follows.

| | Items | Strongly disagree | | Disagree | | Neutral | | Agree | | Strongly agree | |
|---|---|-------------------|----|----------|----|---------|----|-------|----|----------------|----|
| | | Fr. | % | Fr. | % | Fr. | % | Fr. | % | Fr. | % |
| 1 | Lobby and reception area are clean and tidy | 30 | 30 | 35 | 35 | - | - | 25 | 25 | 10 | 10 |
| 2 | Reservation record was accurate. | 25 | 25 | 38 | 38 | | | 21 | 21 | 12 | 12 |
| 3 | The check-in process was timely and efficient. | 12 | 12 | 26 | 26 | 32 | 32 | 20 | 20 | 10 | 10 |
| 4 | The check-in courteous | 11 | 11 | 27 | 27 | 30 | 30 | 23 | 23 | 9 | 9 |
| 5 | The check-out process was timely and efficient. | 34 | 34 | 25 | 25 | 10 | 10 | 21 | 21 | 10 | 10 |

Source: Own survey

Table 4.3 service provision and customer experience in Axum hotel

The analysis of the above table 4.3 shows questionnaires distributed to 100 guest respondents of Axum hotel to assess the service provision in front office departments and survey questions such as responses, check-in and checkout procedures; the guest perceptions and experiences of service quality and their responses are analyzed below. The survey results indicate that 30% of respondents strongly disagreed and 35% disagreed that the lobby and reception area were clean and tidy. In contrast, only 25% agreed with this statement. This finding underscores the importance of maintaining a clean environment, as cleanliness is often associated with overall service quality and can significantly influence guest satisfaction (Kwortnik & Thompson, 2009).

Regarding the accuracy of reservation records, 25% of respondents strongly disagreed, while 38% remained neutral. Additionally, 21% agreed that their reservations were accurately handled. Research indicates that accurate reservation management is essential for operational efficiency and guest satisfaction (Baker et al., 2008). The efficiency of the check-in process received varied feedback. Only 12% of respondents strongly disagreed, while 32% agreed that the check-in was timely and efficient. However, a notable 26% remained neutral, indicating room for improvement. Literature suggests that a streamlined check-in process is vital for reducing guest frustration and enhancing satisfaction (Kwortnik & Thompson, 2009). Improving this aspect could significantly impact guest perceptions and overall satisfaction.

In terms of courtesy during the check-in process, respondents replied with a mixed response. While 11% strongly disagreed and 27% disagreed, a combined 53% either agreed or strongly agreed that the check-in was courteous. This suggests that while courteous service is being provided, there remains a segment of guests who feel improvements can be made. Research highlights that interpersonal interactions during check-in are critical for establishing a positive relationship with guests (Baker et al., 2008). Finally, the check-out process received a mixed evaluation. 34% of respondents strongly disagreed with the efficiency of the check-out, while only 21% agreed that it was timely and efficient. The presence of 10% neutral responses Efficient check-out procedures are essential for ensuring a smooth departure, which can leave a lasting impression on guests (Kwortnik & Thompson, 2009).

4.4.2 Check in Procedures in Planet Hotel

| | Items | Strongly disagree | | Disagree | | Neutral | | Agree | | Strongly agree | |
|---|---|-------------------|----|----------|----|---------|----|-------|----|----------------|----|
| | | Fr. | % | Fr. | % | Fr. | % | Fr. | % | Fr. | % |
| 1 | Lobby and reception area are clean and tidy | 13 | 13 | 25 | 25 | - | - | 52 | 52 | 10 | 10 |
| 2 | Reservation record was accurate. | 15 | 15 | 20 | 20 | 10 | 10 | 45 | 45 | 10 | 10 |
| 3 | The check-in process was timely and efficient. | 10 | 10 | 26 | 26 | 10 | 10 | 46 | 46 | 8 | 8 |
| 4 | The check-in courteous | 11 | 11 | 27 | 27 | 15 | 15 | 47 | 47 | 10 | 10 |
| 5 | The check-out process was timely and efficient. | 14 | 14 | 20 | 20 | | | 48 | 48 | 20 | 20 |

Table 4.4 Survey on check-in and checkout procedures at Planet hotel

The survey results regarding the check-in and check-out procedures at Planet Hotel Mekelle reveal a mixed but generally positive perception among guests. 52% of respondents strongly agreed or agreed that the lobby and reception area are clean and tidy, indicating a strong emphasis on cleanliness in the hotel's operational standards. However, when examining the accuracy of reservation records, only 45% felt positively, suggesting room for improvement in this critical aspect of guest service. The efficiency of the check-in process garnered a favorable response from 45% of participants, who rated it as timely and efficient, while 26% remained neutral, highlighting a potential area for further enhancement to ensure all guests feel satisfied. The courtesy of the check-in staff also received a positive endorsement with a similar 46% approval rating, reflecting good on the hotel's customer service training.

In contrast, the check-out process exhibited a fair result, with 48% of respondents agreeing on its timeliness and efficiency. This indicates a potential bottleneck that could detract from the overall guest experience. The percentages of neutral responses in various categories suggest that while many guests are satisfied, there is a notable segment whose experiences did not meet their expectations. Addressing these areas, particularly the accuracy of reservation records and the efficiency of the check-out process, could further enhance guest satisfaction and reinforce Planet Hotel Mekelle's reputation for quality service.

The comparative analysis of guest responses regarding check-in and check-out procedures at Axum Hotel and Planet Hotel Mekelle, based on distributed questionnaires, reveals significant differences in service perceptions, highlighting both strengths and areas for improvement. At Axum Hotel, approximately 30% of respondents strongly disagreed and 35% disagreed that the lobby and reception area were clean and tidy, with only 25% expressing agreement. In contrast, Planet Hotel Mekelle demonstrated a strong commitment to cleanliness, with 62% of guests agreeing or strongly agreeing that the lobby and reception area met their expectations. Regarding reservation accuracy, Axum Hotel encountered notable challenges, as 25% of respondents strongly disagreed that their reservations were handled correctly, while 38% remained neutral. In comparison, Planet Hotel Mekelle performed better, with 55% of guests expressing positive sentiments about the accuracy of their reservations, although there remains an opportunity for further enhancements to improve guest experiences.

The efficiency of the check-in process at Axum Hotel received mixed feedback, with only 32% of respondents agreeing that it was timely and efficient, while a notable 26% remained neutral. In comparison, Planet Hotel Mekelle achieved a more favorable response, with 60% of guests rating the check-in as timely and efficient, although 26% remained neutral suggesting that both hotels can benefit from refining this aspect of service. In terms of courtesy during check-in, Axum Hotel saw a mixed response, with only 53% of guests agreeing or strongly agreeing that check-in was courteous, indicating that there is still a segment of guests who feel service improvements are necessary. On the other hand, Planet Hotel Mekelle received a more positive endorsement, also reflecting 62% approval for the courtesy of its check-in staff, which underscores the importance of customer service in establishing positive guest relationships.

The check-out process presented a challenge for both hotels. At Axum Hotel, 34% of respondents strongly disagreed with the efficiency of check-out, and only 21% felt it was timely and efficient, indicating a significant opportunity for improvement. Similarly, Planet Hotel Mekelle's check-out process received a favorable assessment, with 48% of guests agreeing on its efficiency. This suggests that both hotels face similar challenges in ensuring a smooth departure experience, which is crucial for leaving lasting positive impressions on guests.

4.5. Service Quality

4.5.1. Service quality in Axum hotel

Meeting and delivering customers' expectations is a key to service quality (Antony, Jiju Antony, & Ghosh, 2004; Harvey, 1998). According to Parasuraman, Zeithaml, and Berry (1985), service quality is a perception of the gap between performance and expectations. A questionnaire was administered to guests at Axum Hotel to assess their experiences and gather feedback on various aspects of service quality. The responses collected provide valuable insights into guest perceptions, which are systematically analyzed in Table 4.4. Following this, a detailed interpretation and analysis of the findings will be presented, highlighting key themes and areas for potential improvement in the hotel's service offerings. This proactive approach underscores the hotel's commitment to enhancing guest satisfaction and operational excellence.

| | Items | Strongly disagree | | Disagree | | Neutral | | Agree | | Strongly agree | |
|---|---|-------------------|----|----------|----|---------|----|-------|----|----------------|----|
| | | Fr. | % | Fr. | % | Fr. | % | Fr. | % | Fr. | % |
| 1 | The hotel staff is courteous and professional. | 20 | 20 | 30 | 30 | 15 | 15 | 25 | 25 | 10 | 10 |
| 2 | Services are delivered in a timely manner. | 30 | 30 | 25 | 25 | 14 | 14 | 20 | 20 | 11 | 11 |
| 3 | The hotel facilities are well-maintained. | 24 | 24 | 36 | 36 | 10 | 10 | 25 | 25 | 5 | 5 |
| 4 | staff was knowledgeable and fully answered my questions about the area. | 11 | 11 | 27 | 27 | 30 | 30 | 23 | 23 | 9 | 9 |
| 5 | Staff members are knowledgeable about the hotel services. | 15 | 15 | 35 | 35 | 25 | 25 | 20 | 20 | 5 | 5 |
| 6 | Security was available if needed. | 5 | 5 | 9 | 9 | 30 | 30 | 45 | 45 | 11 | 11 |
| 7 | Housekeeping staff was friendly and reliable. | - | - | 19 | 19 | 21 | 21 | 38 | 38 | 22 | 22 |
| 8 | Management was available to solve problems. | 7 | 7 | 12 | 12 | 29 | 29 | 35 | 35 | 17 | 17 |

Source: Own survey

Table 4.5 survey of service quality in Axum hotel

The data in table 4.4 shows questionnaires distributed to 100 respondents to assess the general service quality that the hotel offers to their customers. The respondents replied the following answers as per their perception and personal experience. The survey shows that 20% of respondents strongly disagreed and 30% disagreed with the assertion that hotel staff are courteous and professional. While 25% agreed and 10% strongly agreed. When examining the timeliness of service delivery, 30% of respondents strongly disagreed, and another 25% disagreed with the statement that services are delivered in a timely manner. Only 20% agreed, and 11% strongly agreed, indicating a widespread perception of delays in service. Timeliness is a critical aspect of service quality, as delays can lead to frustration and dissatisfaction among guests (Kwortnik & Thompson, 2009).

Regarding the assessment of staff knowledge, 11% of respondents strongly disagreed that staff were knowledgeable and fully addressed their inquiries about the area, while 27% disagreed. Conversely, 30% remained neutral, and 23% agreed. The condition of hotel facilities received a mixed evaluation, with 24% of respondents strongly disagreeing and 36% remaining neutral regarding the maintenance quality. Only 25% agreed that the facilities were well-maintained, and just 5% strongly agreed. The high percentage of neutral responses indicates uncertainty among guests, which could reflect inconsistent maintenance standards or a lack of visible upkeep. Well-maintained facilities are pivotal in creating a positive guest experience, as they demonstrate the hotel's commitment to quality and care (Baker et al., 2008). The survey results suggest that improving facility maintenance and ensuring visible cleanliness could significantly enhance guest perceptions.

Security presence, a critical aspect of guest safety, was viewed positively by 45% of respondents, who agreed that security was available when needed. Despite this, the remaining responses show that some guests may not have felt secure, highlighting the importance of ensuring visible and accessible security measures. Regarding the friendliness and reliability of housekeeping staff were rated well, with 38% of guests agreeing and 22% strongly agreeing. This suggests that housekeeping plays a significant role in guest satisfaction. However, the 19% who felt neutral indicates that consistency in this area could be further enhanced.

Regarding housekeeping, 19% of respondents remained neutral about the friendliness and reliability of staff, while 38% agreed that housekeeping staff were friendly and reliable. This positive feedback is critical, as housekeeping significantly affects guest satisfaction. However, the substantial neutral response indicates room for improvement in communication and visibility of housekeeping staff, which could enhance guests' overall experiences.

Management's availability to solve problems received mixed evaluations. While 7% strongly disagreed and 12% disagreed, a combined 52% agreed or strongly agreed that management was accessible to address issues. This suggests that guests generally perceive management as responsive, which is essential for fostering guest loyalty and satisfaction (Baker et al., 2008). However, the percentage of negative responses indicates that there may be instances where management could improve their visibility and proactivity in resolving guest concerns.

The significant percentage of neutral responses (29%) suggests that many guests may not have had sufficient interactions with management or may be unsure about the availability of support. This neutrality could stem from a lack of awareness regarding management's presence or readiness to assist, indicating an opportunity for improvement in communication and visibility. While a majority of guests perceive management as accessible and willing to resolve problems, the data underscores the need for ongoing efforts to enhance management visibility and responsiveness. Addressing the concerns of those who disagree, as well as engaging the neutral respondents, will be essential for improving guest satisfaction and ensuring that all guests feel supported throughout their stay. Implementing strategies such as regular management walk-throughs, staff training on escalation procedures, and clear communication channels can help bridge these gaps and foster a more responsive service culture. The semi-structured interviews conducted in both hotels also share the guests feeling and admit there are gaps in quality service provision and continuous improvement is needed from both hotels to meet and excel guests expectations.

4.5.2. Service Quality in Planet Hotel

Based on the assessment of service quality at Planet Hotel, a range of responses was collected from guests, providing their experiences during their stay. These findings reflect the guests' perceptions of various service dimensions, which will be described in detail below.

| | Items | Strongly disagree | | Disagree | | Neutral | | Agree | | Strongly agree | |
|---|---|-------------------|----|----------|----|---------|----|-------|----|----------------|----|
| | | Fr. | % | Fr. | % | Fr. | % | Fr. | % | Fr. | % |
| 1 | The hotel staff is courteous and professional. | 10 | 10 | 20 | 20 | - | - | 55 | 55 | 15 | 15 |
| 2 | Services are delivered in a timely manner. | - | - | 20 | 20 | - | - | 45 | 45 | 25 | 25 |
| 3 | The hotel facilities are well-maintained. | 16 | 16 | 25 | 25 | - | - | 40 | 40 | 19 | 19 |
| 4 | staff was knowledgeable and fully answered my questions about the area. | 16 | 16 | 20 | 20 | - | - | 48 | 48 | 15 | 15 |
| 5 | Staff members are knowledgeable about the hotel services. | 15 | 15 | 25 | 25 | - | - | 50 | 50 | 10 | 10 |
| 6 | Security was available if needed. | 5 | 5 | 9 | 9 | - | - | 65 | 65 | 11 | 11 |
| 7 | Housekeeping staff was friendly and reliable. | 10 | 10 | 20 | 20 | - | - | 48 | 48 | 22 | 22 |
| 8 | Management was available to solve problems. | 17 | 17 | 12 | 12 | 10 | 10 | 55 | 55 | 6 | 6 |

Table 4.6 survey of service quality from planet hotel

The questionnaire's survey result revealed a generally positive perception of the hotel experience, particularly regarding the courtesy and professionalism of the staff. A significant 55% of respondents expressed an agreement that the hotel staff were courteous, indicating that a welcoming atmosphere is being effectively fostered. This aspect is crucial for guest satisfaction, as attentive and professional service often enhances the overall stay.

However, the feedback highlights some inconsistencies in other areas. While 25% of respondents agreed that services were delivered in a timely manner, an equal percentage remained neutral, suggesting that

experiences may vary among guests. Similarly, while 40% felt that hotel facilities were well-maintained, 19% expressed neutrality, indicating that improvements could be made to ensure consistent upkeep. The knowledgeability of staff regarding local attractions and hotel services also showed room for enhancement, as 15% of respondents felt that their questions were not adequately answered.

On a positive note, the availability of security was well-received, with 65% of guests agreeing that security personnel were accessible when needed, reflecting the hotel's commitment to guest safety. Housekeeping staff received mixed feedback, with 48% agreeing on their friendliness and reliability, but 22% disagreed, pointing to a need for consistency in service. Lastly, while 55% of respondents felt management was available to address problems, 6% disagreed, suggesting that there are areas for improvement in managerial support. Overall, addressing these concerns could lead to enhanced guest satisfaction and loyalty.

4.5.3. Room Quality

To analyze room quality in the context of hotel guest experience and perceptions, we can consider various dimensions that contribute to the overall experience, such as cleanliness, comfort, amenities, noise levels, and maintenance. Below are structured questionnaires distributed to Axum and planet hotels and the description will be discussed as follows.

| Items | Strongly disagree | | Disagree | | Neutral | | Agree | | Strongly agree | |
|---|-------------------|----|----------|----|---------|----|-------|----|----------------|----|
| | Fr. | % | Fr. | % | Fr. | % | Fr. | % | Fr. | % |
| Axum Hotel | | | | | | | | | | |
| Room amenities are fulfilled | 28 | 28 | 32 | 32 | - | - | 30 | 30 | 10 | 10 |
| The physical condition of room is very good | 23 | 23 | 25 | 25 | 14 | 14 | 28 | 28 | 10 | 10 |
| The rooms are clean and tidy upon arrival. | 32 | 32 | 28 | 28 | 10 | 10 | 25 | 25 | 5 | 5 |
| The room amenities meet my expectations. | 15 | 15 | 50 | 50 | 5 | 5 | 30 | 30 | 5 | 5 |

| | | | | | | | | | | |
|--|----|----|----|----|----|----|----|----|----|----|
| The bedding is comfortable. | 20 | 20 | 45 | 45 | 5 | 5 | 18 | 18 | 12 | 12 |
| The noise level in the hotel is acceptable. | 5 | 5 | 9 | 9 | 10 | 10 | 65 | 65 | 11 | 11 |
| The room temperature can be easily controlled. | 33 | 33 | 37 | 37 | 21 | 21 | 15 | 15 | 4 | 4 |
| Planet Hotel | | | | | | | | | | |
| Room amenities are fulfilled | 16 | 16 | 18 | 18 | - | - | 48 | 48 | 18 | 18 |
| The physical condition of room is very good | 14 | 14 | 18 | 18 | 10 | 10 | 44 | 44 | 14 | 14 |
| The rooms are clean and tidy upon arrival. | 10 | 10 | 20 | 20 | 8 | 8 | 47 | 47 | 15 | 15 |
| The room amenities meet my expectations. | 11 | 11 | 20 | 20 | 5 | 5 | 52 | 52 | 10 | 10 |
| The bedding is comfortable. | 15 | 15 | 15 | 15 | | | 60 | 60 | 10 | 10 |
| The noise level in the hotel is acceptable. | 5 | 5 | 8 | 8 | | | 65 | 65 | 22 | 22 |
| The room temperature can be easily controlled. | 25 | 25 | 15 | 15 | 10 | 10 | 40 | 40 | 10 | 10 |

Table 4.7 Response of guests on room quality

The survey data from Axum Hotel and Planet Hotel reveals distinct differences in guest satisfaction regarding room quality and amenities. At Axum Hotel, a considerable 32% of respondents strongly disagreed that room amenities were adequately fulfilled, indicating a significant gap in meeting guest expectations. Additionally, 32% reported that the rooms were not clean and tidy upon arrival, highlighting a critical area for improvement in housekeeping standards. Although 28% felt the physical condition of the rooms was very good, the overall sentiment suggests room maintenance could be enhanced to elevate the guest experience.

Conversely, Planet Hotel garnered more favorable feedback, with 52% of guests agreeing that room amenities met their expectations and 47% affirming the cleanliness of their rooms upon arrival. Furthermore, the comfort of bedding was positively regarded by 60% of respondents, suggesting that Planet Hotel excels in providing a comfortable stay. Both hotels received similar ratings regarding noise levels, with 65% of guests at each location finding the environment acceptable. However, control over room temperature emerged as a concern at Axum Hotel, where 33% of guests felt it was difficult to manage, compared to a more favorable 40% agreement rate at Planet Hotel. Overall, while both hotels have strengths, the feedback underscores the need for Axum Hotel to enhance its room amenities and cleanliness, while Planet Hotel should continue to maintain its strong performance in these areas to ensure continued guest satisfaction.

4.5.4. Food and Beverage Service

To explore the food and beverage quality of service of guest experiences in Axum and planet hotels, various tools are developed that can assess guest satisfaction, such as menu variety, food quality, service efficiency, staff knowledge, and overall dining experience. Below is a structured overview of these dimensions:

| | Items | Strongly disagree | | Disagree | | Neutral | | Agree | | Strongly agree | |
|---|---|-------------------|----|----------|----|---------|----|-------|----|----------------|----|
| | | Fr. | % | Fr. | % | Fr. | % | Fr. | % | Fr. | % |
| | Axum Hotel | | | | | | | | | | |
| 1 | The variety of food options meets my needs. | 38 | 38 | 25 | 25 | 20 | 20 | 10 | 10 | 7 | 7 |
| 2 | The food quality is satisfactory | 21 | 21 | 35 | 35 | 24 | 24 | 20 | 20 | - | - |
| 3 | The dining area is clean and comfortable. | 12 | 12 | 26 | 26 | 32 | 32 | 20 | 20 | 10 | 10 |
| 4 | Service in the restaurant is prompt. | 22 | 22 | 30 | 30 | 25 | 25 | 15 | 15 | 8 | 8 |
| 5 | The hotel offers good value for money in its food services. | 30 | 30 | 40 | 40 | 10 | 10 | 20 | 20 | - | - |
| | Planet Hotel | | | | | | | | | | |

| | | | | | | | | | | | |
|---|---|----|----|----|----|----|----|----|----|----|----|
| 1 | The variety of food options meets my needs. | 24 | 24 | 16 | 16 | 15 | 15 | 40 | 40 | 5 | 5 |
| 2 | The food quality is satisfactory | 15 | 15 | 20 | 20 | 12 | 12 | 42 | 42 | 13 | 13 |
| 3 | The dining area is clean and comfortable. | 5 | 5 | 8 | 8 | 10 | 10 | 60 | 60 | 17 | 17 |
| 4 | Service in the restaurant is prompt. | 15 | 15 | 20 | 20 | 5 | 5 | 49 | 49 | 11 | 11 |
| 5 | The hotel offers good value for money in its food services. | 10 | 10 | 25 | 25 | 15 | 15 | 46 | 46 | 4 | 4 |

Table 4.8 Survey on food and beverage Services

The survey results concerning food services at Axum Hotel and Planet Hotel highlight important differences in guest satisfaction regarding dining experiences. At Axum Hotel, 38% of respondents strongly disagreed that the variety of food options met their needs, indicating a significant dissatisfaction with menu offerings. Additionally, food quality was deemed satisfactory by only 20% of guests, while 35% expressed neutrality, suggesting that the food may not be consistently meeting guest expectations. The cleanliness and comfort of the dining area received mixed reviews, with 32% remaining neutral and only 20% agreeing on its cleanliness. Service in the restaurant was rated lower, with 22% of guests strongly disagreeing about promptness, further indicating a need for improvement in the dining service experience.

In contrast, Planet Hotel showed more favorable responses, with 40% of guests agreeing that the variety of food options met their needs, and 42% finding the food quality satisfactory. The dining area was notably well-received, with 60% of respondents agreeing it was clean and comfortable. Moreover, 49% of guests felt that service in the restaurant was prompt, reflecting better operational efficiency. Both hotels received favorable ratings on value for money in food services, with Planet Hotel achieving a higher agreement rate of 46%. Overall, while Planet Hotel demonstrates stronger performance in food variety, quality, and service, Axum Hotel should focus on enhancing its dining offerings and service efficiency to improve guest satisfaction significantly.

4.6. Customer Satisfaction

To assess customer satisfaction level in Axum hotel a total of 100 questionnaires were distributed to guests seeking their feedback on various aspects of their experience, including room comfort, food and beverage services, staff performance, and overall hotel amenities. The insights gathered from this survey are described below.

| | Items | Strongly disagree | | Disagree | | Neutral | | Agree | | Strongly agree | |
|---|---|-------------------|----|----------|----|---------|----|-------|----|----------------|----|
| | | Fr. | % | Fr. | % | Fr. | % | Fr. | % | Fr. | % |
| | Axum hotel | | | | | | | | | | |
| 1 | I am satisfied with my overall experience at the hotel. | 25 | 25 | 45 | 45 | 10 | 10 | 20 | 20 | - | - |
| 2 | I would recommend this hotel to friends and family. | 25 | 25 | 45 | 45 | 10 | 10 | 20 | 20 | - | - |
| 3 | I would choose this hotel again for future stays. | 25 | 25 | 45 | 45 | 10 | 10 | 20 | 20 | - | - |
| 4 | My expectations were met during my stay. | 25 | 25 | 37 | 37 | 15 | 15 | 23 | 23 | - | - |
| 5 | The hotel environment is welcoming and pleasant. | 22 | 22 | 30 | 30 | 25 | 25 | 15 | 15 | 8 | 8 |
| | Planet Hotel | | | | | | | | | | |
| 1 | I am satisfied with my overall experience at the hotel. | 15 | 15 | 25 | 25 | - | - | 52 | 52 | 18 | 18 |
| 2 | I would recommend this hotel to friends and family. | 10 | 10 | 15 | 15 | 10 | 10 | 55 | 55 | 10 | 10 |
| 3 | I would choose this hotel again for future stays. | 12 | 12 | 18 | 18 | 10 | 10 | 60 | 60 | 10 | 10 |
| 4 | My expectations were met during my stay. | 12 | 12 | 18 | 18 | 10 | 10 | 60 | 60 | 10 | 10 |
| 5 | The hotel environment is welcoming and pleasant. | 5 | 5 | 15 | 15 | 10 | 10 | 55 | 55 | 15 | 15 |

Table 4.8. Survey of customer satisfaction in Axum and Plahotel

The survey results for Axum Hotel reveal a mixed level of satisfaction among guests. While 20% of respondents expressed strong agreement with their overall experience, a substantial 45% felt neutral, indicating that many guests neither had particularly positive nor negative feelings about their stay. This

neutrality is mirrored in the responses regarding whether they would recommend the hotel to friends and family, suggesting that while some guests may have enjoyed their experience, others did not find it memorable enough to endorse. Additionally, the same pattern appears when asked about choosing the hotel for future stays, highlighting a potential lack of enthusiasm for returning.

Expectations during the stay were met for 23% of guests, but 25% strongly disagreed, indicating that there may be a significant gap between guest expectations and the actual experience provided. The hotel environment received mixed reviews as well, with 15% of respondents feeling it was welcoming and pleasant, while a considerable 25% remained neutral. This suggests that the hotel could benefit from enhancing the overall atmosphere to create a more inviting and enjoyable experience for guests.

In contrast, Planet Hotel shows a more favorable reception among its guests. A notable 52% expressed satisfaction with their overall experience, indicating a strong positive sentiment. This is further reinforced by 55% of respondents stating they would recommend the hotel to friends and family, suggesting that many guests found their stay enjoyable enough to share with others. The willingness to choose Planet Hotel for future stays is also high, with 60% indicating they would return, showcasing strong guest loyalty.

The responses regarding expectations met during the stay reflect similar positivity, with 60% agreeing that their expectations were fulfilled. This aligns with the feedback on the hotel environment, where 55% found it welcoming and pleasant. However, there is still room for improvement, as 10% of guests felt neutral about the environment, indicating that while the hotel is largely perceived positively, enhancing certain aspects could further elevate the guest experience. Overall, the results suggest that Planet Hotel effectively meets guest expectations and fosters a strong likelihood of repeat visits and recommendations.

4.7. Customer handling and Amenities

To assess customer handling and the available types of amenities in each hotels a questionnaires were also distributed to guests seeking their feedback on various aspects of their experience, including recreational facilities for business and family travelers, responsiveness of the hotel to customer feedback, comfort, amenities available to customers, staff performance, and overall hotel amenities. The insights gathered from this survey are described below.

| | Items | Strongly disagree | | Disagree | | Neutral | | Agree | | Strongly agree | |
|---|--|-------------------|----|----------|----|---------|----|-------|----|----------------|----|
| | | Fr. | % | Fr. | % | Fr. | % | Fr. | % | Fr. | % |
| | Axum Hotel | | | | | | | | | | |
| 1 | The hotel effectively handles customer complaints. | 35 | 35 | 45 | 45 | - | - | 20 | 20 | - | - |
| 2 | There are adequate facilities for business travelers. | 25 | 25 | 45 | 45 | 10 | 10 | 20 | 20 | - | - |
| 3 | The hotel offers adequate recreational facilities. | 25 | 25 | 25 | 25 | 10 | 10 | 30 | 30 | 10 | 10 |
| 4 | The hotel provides sufficient information about local attractions. | 55 | 55 | 37 | 37 | - | - | 10 | 10 | 3 | 3 |
| 5 | The hotel is responsive to customer feedback. | 22 | 22 | 30 | 30 | 25 | 25 | 15 | 15 | 8 | 8 |
| | Planet Hotel | | | | | | | | | | |
| 1 | The hotel effectively handles customer complaints. | 13 | 13 | 28 | 28 | - | - | 52 | 52 | 9 | 9 |
| 2 | There are adequate facilities for business travelers. | 10 | 10 | 15 | 15 | - | - | 55 | 55 | 20 | 20 |
| 3 | The hotel offers adequate recreational facilities. | 15 | 15 | 15 | 15 | - | - | 50 | 50 | 20 | 20 |
| 4 | The hotel provides sufficient information about local attractions. | 12 | 12 | 22 | 22 | 10 | 10 | 45 | 45 | 11 | 11 |
| 5 | The hotel is responsive to customer feedback. | 6 | 6 | 26 | 26 | 12 | 12 | 46 | 46 | 10 | 10 |

Table 4.9. Customer handling and amenities survey in Axum and planet hotels

The survey results for Axum Hotel indicate some significant challenges in handling customer complaints and providing adequate amenities. A considerable 35% of respondents strongly disagreed with the statement that the hotel effectively manages complaints, while 45% remained neutral. This suggests that the hotel may need to improve its complaint resolution processes to enhance guest satisfaction and ensure that concerns are addressed promptly and effectively. Additionally, the facilities for business travelers received a lukewarm response, with both 25% disagreeing and 45% feeling neutral. This indicates that the hotel might not be meeting the specific needs of business guests, potentially affecting its appeal to this demographic.

The adequacy of recreational facilities was also seen as lacking, with 30% agreeing that the offerings were sufficient. However, 25% were neutral, which suggests that while some guests found the facilities acceptable, many did not find them noteworthy. The hotel’s provision of information about local attractions was particularly concerning, as a significant 55% of guests strongly disagreed that sufficient information was available. This gap highlights a missed opportunity for the hotel to enhance the guest experience by providing valuable local insights. Lastly, the hotel’s responsiveness to customer feedback received mixed reviews, with only 15% strongly agreeing, indicating room for improvement in actively engaging with guests and addressing their needs.

Reversely, Planet Hotel shows a more favorable perception in handling customer complaints and providing amenities. A notable 52% of respondents agreed that the hotel effectively manages complaints, reflecting a proactive approach to guest concerns. This positive feedback could enhance customer loyalty and encourage repeat visits, as guests feel heard and valued. Furthermore, the hotel appears to cater well to business travelers, with 55% indicating that the facilities meet their needs. This focus on business amenities may position Planet Hotel as a preferred choice for professionals traveling for work.

Regarding recreational facilities, 50% of respondents felt the offerings were adequate, suggesting that the hotel provides a satisfactory level of leisure activities to enhance the guest experience. The information provided about local attractions was viewed positively, with 45% of guests agreeing that sufficient information is available, which can significantly enrich a guest's stay by facilitating exploration of the area. Lastly, the hotel’s responsiveness to customer feedback was also commendable, with 46% agreeing that the hotel is attentive to guest input. Overall, Planet Hotel demonstrates a strong capacity for handling guest concerns and meeting the needs of various travelers, positioning itself as a well-rounded option in the hospitality market.

4.8.Over all impression of guests on Axum and Planet hotels

| Items | Strongly disagree | | Disagree | | Neutral | | Agree | | Strongly agree | |
|-------|-------------------|---|----------|---|---------|---|-------|---|----------------|---|
| | Fr. | % | Fr. | % | Fr. | % | Fr. | % | Fr. | % |
| | | | | | | | | | | |

| | | | | | | | | | | | |
|---|----|----|----|----|----|----|----|----|----|----|--|
| Axum hotel | | | | | | | | | | | |
| The hotel is accessible | - | - | - | - | - | - | 75 | 75 | 25 | 25 | |
| Impressed with overall service received | 55 | 55 | 25 | 25 | - | - | 20 | 20 | - | - | |
| Satisfied with overall physical condition of this hotel | 45 | 45 | 25 | 25 | - | - | 30 | 30 | - | - | |
| Impressed with the appearance of hotel exterior | 15 | 15 | 20 | 20 | 10 | 10 | 45 | 45 | 10 | 10 | |
| Location of the hotel | - | - | - | - | - | - | 85 | 85 | 15 | 15 | |
| Safe and secure parking area of the hotel | - | - | - | - | 10 | 10 | 70 | 70 | 20 | 20 | |
| Planet hotel | | | | | | | | | | | |
| The hotel is accessible | - | - | - | - | - | - | 75 | 75 | 25 | 25 | |
| Impressed with overall service received | 15 | 15 | 15 | 15 | 8 | 8 | 52 | 52 | 10 | 10 | |
| Satisfied with overall physical condition of this hotel | 15 | 15 | 15 | 15 | - | - | 55 | 55 | 15 | 15 | |
| Impressed with the appearance of hotel exterior | 15 | 15 | 20 | 20 | - | - | 55 | 55 | 10 | 10 | |
| Location of the hotel | - | - | - | - | 10 | 10 | 75 | 75 | 15 | 15 | |
| Safe and secure parking area of the hotel | - | - | - | - | - | - | 80 | 80 | 20 | 20 | |

Table 4.10 survey of over all impression of respondents on Axum and Planet hotels

The survey of questionnaires collected from respondents on their impression for Axum Hotel reveals a generally positive impression among guests, particularly regarding accessibility and location. A substantial 75% of respondents agreed that the hotel is accessible, and an impressive 85% considered the location to be a significant advantage, suggesting that the hotel is well-positioned for convenience and ease of access. However, the overall service delivered to the customers got mixed reviews, with 55% expressing strong dissatisfaction. This discrepancy indicates that while the hotel's location and accessibility are commendable, there may be shortcomings in the quality of service that need to be addressed to enhance guest experiences.

The physical condition of the hotel also received a mixed response, with 45% of guests expressing dissatisfaction, which points to potential maintenance or upkeep issues that could detract from the overall guest experience. Guests were more favorable about the hotel's exterior appearance, with 45% expressing

satisfaction. However, the feedback indicates that there is still room for improvement in the aesthetic appeal of the hotel. Lastly, while the parking area was viewed as safe and secure by 70% of respondents, there remains a notable 20% who were not satisfied, suggesting that further enhancements in this area could improve overall guest confidence.

In comparison, Planet Hotel's survey results suggest a more mixed overall impression. While 75% of respondents agreed that the hotel is accessible, similar to Axum Hotel, the overall service quality was rated somehow poor, with 38% expressing dissatisfaction. This indicates a critical area for improvement, as service quality is a key factor in shaping guest experiences. The physical condition of the hotel also drew mixed feedback, with 55% expressing satisfaction, suggesting that while some guests appreciate the facilities, there may be concerns about maintenance that need addressing.

The exterior appearance of Planet Hotel received a positive response from 55% of guests, indicating that the hotel presents a visually appealing facade, which can be important for first impressions. The location was rated positively by 75% of respondents, similar to Axum Hotel, indicating that the hotel is situated in a convenient area. Furthermore, the parking area was rated favorably, with 80% of guests feeling it is safe and secure, reflecting well on the hotel's commitment to guest safety. Overall, while Planet Hotel has strengths in its location and parking facilities, the need for significant improvements in service quality and physical condition remains a pressing concern that could impact guest satisfaction.

Based on the semi-structured interviews conducted with top management at both hotels, a clear consensus emerged regarding the customers' sentiments. The management teams acknowledged the feedback provided by guests and expressed a deep understanding of the areas requiring improvement. They recognized that customer satisfaction is paramount to the success of their establishments and that addressing the highlighted concerns is essential for maintaining a competitive edge in the hospitality industry.

The interviews revealed specific themes related to guest experiences, including service quality, cleanliness, and the overall environment. Management indicated that they are committed to implementing changes that align with customer expectations, such as enhancing staff training programs, improving room maintenance protocols, and creating a more inviting atmosphere throughout the properties. Furthermore,

the leaders emphasized their willingness to engage in ongoing dialogue with guests to better understand their needs and preferences.

This proactive approach reflects a strategic commitment to not only rectify existing issues but also to foster a culture of continuous improvement. By accepting and acting upon the recommendations shared during the interviews, the management teams aim to bolster customer loyalty and drive positive word-of-mouth referrals, ultimately positioning their hotels as desirable destinations for future travelers.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Summary

This research presents a comparative analysis of service provision at two prominent star-rated hotels in Mekelle, namely, Axum and Planet Hotels. The motivation for this study arises from the significant expansion of the hospitality industry in Mekelle, which, despite its growth, faces inconsistencies in service quality that adversely affect guest satisfaction and competitive positioning in the market.

The primary objective of this research is to methodically assess the various dimensions of service quality and identify the underlying factors influencing service delivery in both hotels. Specific objectives include evaluating the extent to which these hotels adhere to international service standards, gaining understandings into guest perceptions and experiences, and pinpointing opportunities for enhancement in service provision.

Employing a mixed-method research design, the study integrates quantitative data derived from a sampling of 100 guests each from Axum Hotel and Planet Hotel, alongside qualitative insights garnered from semi-structured interviews with key stakeholders, including department heads and government officials. The findings reveal significant discrepancies in service quality between the two hotels, largely attributable to differences in staff training methodologies and operational practices. While Planet Hotel has instituted structured training programs aimed at enhancing service delivery, Axum Hotel encounters challenges in maintaining consistency due to insufficient ongoing staff development initiatives.

Moreover, the analysis indicates that both hotels lack robust systems for collecting and responding to customer feedback, a shortfall that inhibits their capacity to adapt services in alignment with guest needs and preferences. In an increasingly competitive landscape, it is imperative for these hotels to establish distinct value propositions that allow them to attract and retain clientele effectively.

The implications of this research are far-reaching, highlighting the critical role of service quality in fostering customer satisfaction, enhancing operational efficiency, and informing strategic marketing efforts within the hospitality sector. This study serves not only as a benchmark for other establishments in Mekelle but also contributes to a broader discourse concerning the significance of hospitality in driving economic development and cultural exchange.

The research underscores the urgent need for both Axum and Planet Hotels to enhance their service delivery frameworks through improved staff training, the establishment of effective feedback mechanisms, and strategic market positioning. Such measures are essential for bolstering their competitive edge in Mekelle's vibrant hospitality industry and ultimately contributing to the region's economic growth and cultural enrichment.

5.2. Conclusion

This research presents a comprehensive examination of customer service provision at Axum and Planet Hotels in Mekelle, Ethiopia, revealing both the strengths and weaknesses inherent in their operations. As the hospitality industry continues to expand in Ethiopia, driven by a growing inflow of domestic and international tourists, the quality of service becomes a pivotal factor in determining each hotel's success and competitiveness. The findings of this study indicate that while both hotels have made strides in improving their service offerings, significant gaps persist that must be addressed to enhance guest satisfaction and operational effectiveness.

One of the primary issues identified is the inconsistency in staff training across the two hotels. Axum Hotel, despite being one of the first international establishments in Mekelle, struggles with ongoing staff development, which results in variability in service quality. Employees may lack the necessary skills and knowledge to meet the diverse needs of guests, ultimately affecting their overall experience. In contrast, Planet Hotel has implemented structured training programs aimed at improving service delivery. However, these initiatives still require refinement to foster a more personalized approach that goes beyond basic efficiency. The ability to connect with guests on a personal level is crucial in the hospitality sector, where customer experiences can significantly influence repeat business and positive word-of-mouth.

Moreover, the absence of effective customer feedback mechanisms is a notable shortcoming for both hotels. In a competitive market, understanding guest perceptions and expectations is essential for continuous improvement. Without systematic processes to collect and analyze feedback, Axum and Planet Hotels may miss valuable insights that could inform service enhancements. Establishing robust channels for gathering customer input such as surveys, comment cards, or digital platforms can help these hotels adapt their services to better meet the needs of their clientele. By prioritizing guest feedback, they can create a more responsive service culture that values customer opinions and fosters loyalty.

The competitive landscape in Mekelle necessitates that both hotels differentiate themselves to attract and retain guests. The research highlights the importance of unique value propositions in this endeavor. Axum and Planet Hotels must identify and promote their distinctive features and strengths to stand out in an increasingly crowded marketplace. This could involve emphasizing their historical significance, unique cultural offerings, or superior amenities. Effective marketing strategies that highlight these differentiators can enhance their visibility and appeal to a broader audience, ultimately driving higher occupancy rates and revenue.

Furthermore, the implications of improving service quality extend beyond the individual hotels. Enhancing service delivery can contribute significantly to the overall growth and reputation of Mekelle's hospitality industry. As service standards rise, the region can expect to attract more visitors, boosting local businesses and creating job opportunities within the community. The hospitality sector plays a vital role in economic development, and by investing in service quality, Axum and Planet Hotels can contribute to a thriving local economy that benefits all stakeholders.

Additionally, aligning their service practices with international best standards will position both hotels as leaders in the region. This leadership can inspire other establishments to pursue similar enhancements, fostering a culture of excellence within the hospitality sector. By setting benchmarks for service quality, Axum and Planet Hotels can encourage healthy competition, which drives innovation and improvement across the industry.

The findings of this research underscore the urgent need for both Axum and Planet Hotels to address the identified challenges in service provision. Prioritizing ongoing staff training, establishing effective customer feedback mechanisms, and developing unique value propositions are essential steps toward enhancing their service delivery. By making these commitments, the hotels can elevate their operational success and contribute to the broader economic and cultural development of Mekelle. As the hospitality industry continues to grow, these efforts will not only benefit the individual hotels but also reinforce Mekelle's position as a desirable destination for travelers, ultimately enriching the local community and economy.

5.3. Recommendation

To improve customer service provision at Axum and Planet Hotels, several key recommendations are proposed. These suggestions aim to address the identified gaps in staff training, customer feedback mechanisms, and overall service quality. Implementing these strategies will help both hotels enhance guest satisfaction, build loyalty, and strengthen their competitive positions in the market.

5.3.1. Enhance Staff Training Programs

A critical recommendation is to develop and implement comprehensive staff training programs at both hotels. Training should not only focus on basic service skills but also include areas such as communication, problem-solving, and cultural sensitivity. Here are some actionable steps:

- **Regular training:** Organize regular training workshops that cover various aspects of customer service, including handling difficult situations and enhancing guest interactions.
- **Mentorship programs:** Pair less experienced staff with seasoned employees to provide on-the-job training and support. This mentorship can help new staff learn best practices and improve their confidence.
- **Feedback and assessment:** Implement a system for assessing training outcomes. Regularly evaluate staff performance and provide constructive feedback to help them grow in their roles.

5.3.2. Implement Effective Customer Feedback Systems

Establishing a robust system for collecting and analyzing customer feedback is crucial for both hotels. This can help management understand guest needs and make informed improvements. Recommendations include:

- **Surveys and questionnaires:** Develop simple and straightforward surveys to gather guest feedback after their stay. These can be distributed via email or provided in hard copy at checkout.
- **Digital Feedback Channels:** Utilize digital platforms, such as the hotel website and social media, to encourage guests to share their experiences and suggestions. This can also include online review sites where guests can leave comments.
- **Regular Review Meetings:** Schedule regular meetings to review feedback and discuss necessary changes. Involve staff in these discussions to foster a sense of ownership and accountability.

5.3.3. Focus on Personalized Guest Experiences

To stand out in a competitive market, both hotels should aim to provide personalized experiences for their guests. This can enhance guest satisfaction and encourage repeat visits. Recommendations include:

- **Guest profiles:** Create guest profiles to keep track of preferences, special requests, and previous stays. This information can help staff tailor services to individual needs.
- **Special offers:** Develop personalized packages or offers based on guest preferences, such as romantic getaways, family packages, or cultural experiences. These tailored options can enhance the overall guest experience.
- **Staff Empowerment:** Encourage staff to take the initiative in personalizing guest interactions. Empower them to make decisions that enhance guest satisfaction, such as offering complimentary services or addressing specific guest needs.

5.3.4. Promote Unique Value Propositions

Both Axum and Planet Hotels should identify and promote their unique value propositions to attract more guests. This involves highlighting what sets them apart from other hotels. Recommendations include:

- **Marketing campaigns:** Create marketing campaigns that emphasize the hotels' unique features, such as historical significance, cultural experiences, or exceptional amenities. Use social media, local tourism websites, and travel blogs to reach a wider audience.
- **Collaborations with local businesses:** Partner with local attractions, restaurants, and tour operators to create packages that showcase the best of Mekelle. This can enhance the guest experience and promote local culture.
- **Customer loyalty programs:** Develop loyalty programs that reward repeat guests with discounts, upgrades, or exclusive offers. This can encourage guests to return and recommend the hotels to others.

5.3.5. Foster a Culture of Continuous Improvement

Creating a culture that values continuous improvement is essential for both hotels. Management should encourage staff to regularly seek ways to enhance service quality. Recommendations include:

- **Open communication:** Foster an environment where staff feel comfortable sharing their ideas and suggestions for improvement. Regular team meetings can provide a platform for open dialogue.
- **Recognition and rewards:** Implement a system for recognizing and rewarding staff who go above and beyond in their service delivery. This can motivate employees and reinforce a commitment to high-quality service.
- **Stay Updated on Trends:** Stay informed about the latest trends in the hospitality industry and customer service. Attend workshops, conferences, or webinars to learn about innovative practices and technologies that can enhance service.

References

- Akbaba, A. (2006). Measuring service quality in the hotel industry: A study in a business hotel in Turkey. *International Journal of Hospitality Management*, 25(2), 170-192.
- American Hotel and Lodging Association (AHLA). (2020). 2020 State of the Hotel Industry Report.
- Atkinson A. (1988). Answering the eternal question: what does the customer want? *The Cornell Hotel and Restaurant Administration Quarterly*, 29 (2): 12–14.
- Barsky J. & Labagh R. (1992). A strategy for customer satisfaction. *The Cornell Hotel and Restaurant Administration Quarterly* 35 (3): 32–40.
- Barsky, J., & Nash L. (2006). Companies update loyalty programs, increase effectiveness. *Hotel & Motel Management*, 22(11): 28-29.
- Baker, M., Cameron, E. (2008). Critical Success Factors for Destination Marketing Organizations: A Comparative Analysis of the United States and Canada. *Journal of Travel Research*, 47(3), 267-276.
- Baker, M., & Thompson, K. (2016). *The Marketing Book*. Routledge.
- Baker, M. A., & Hsu, C. H. C. (2014). The Impact of Hotel Classification on Guest Satisfaction. *Journal of Hospitality Research*, 8(2), 123-140.
- Baker, M. (2006). *Hotel Management and Operations*. London: Pearson Education.
- Blank, D. (2005) Business Travel on the Rise. *Hotel and Motel Management*. Vol.220. No 5, pp 47-48
- Bitner, M. J. (1992). "Servicescapes: The Impact of Physical Surroundings on Customers and Employees." *Journal of Marketing*, 56(2), 57-71.
- Brotherton, B. (2003). *The International Hospitality Industry: Structure, Characteristics, and Issues*. New York: John Wiley & Sons.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101.
- Cohen, L., Manion, L., & Morrison, K. (2011). *Research Methods in Education* (7th ed.). Routledge.
- Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Sage Publications.

- Buhalis, D., & Leung, D. (2018). "Smart Hospitality – Interconnectivity and Smart Technologies." *International Journal of Hospitality Management*, 10(1), 3-11.
- Chen,(2008). Customer- oriented perceived gap for hotel service quality.
- Choi T. Y., & Chu R. (2001).Determinants of hotel guests“ satisfaction and repeat patronage in Hong Kong hotel industry.
- Crompton, J. L. (2006). "The Role of Tourism in Economic Development." *Tourism Management*, 27(6), 1237-1249.
- Dr. Jonathan Barsky, (2013) *MarketMetrix*.
- Ebisa C. Gobena and Andualem H. Gudeta (2013), *Hotel Sector Investment In Ethiopia. Ethiopia, In Makeda“s Footsteps: Towards a Strategy for Pro-Poor Tourism Development Prepared for the Government of Ethiopia by The World Bank, (2006), Private Sector Development, Report No. 38420 –ET.*
- Ethiopia“s Economic Growth Performance: Current Situations & Challenges”, *Economic Brief, Vol.1, Issue 5, 17 Sept. 2010.*
- Hailu, D. (2021). "Skills Development in the Ethiopian Hospitality Sector: An Overview." *International Journal of Hospitality Management*.
- He, Y., Li, W., Lai, K.K. (2011), *Service Climate, Employee Commitment and Customer Satisfaction: Evidence from the Hospitality Industry in China.*
- Henkin, S.,(2001) *Opportunities in Hotel and Motel Management Careers.*
- Henry Tsai1, Haiyan Song and Kevin K. F. Wong, (2008).*Tourism and Hotel Competitiveness. Hospitality Market Opportunities for the Business Market Segment, (2007).*
- Jackson, S.L. (2009). *Research Methods and Statistics: A Critical Thinking Approach 3rd edition. Belmont, CA: Wadsworth*
- Jember, A. (2020). *Hospitality and Tourism Industry Job Opportunities in Ethiopia. [Details of publication, if available].*
- Jennings, G.R., (2005). *Interviewing: A Focus on Qualitative Techniques. In: Ritchie, B.W., (ed), Tourism Research Methods: Integrating Theory with Practice. Journal of Travel Research, 37 (2): 131-137.*
- Juwaheer, T. D; Ross, D. L., (2003). *International Journal of Contemporary Hospitality Management.*

- Kandampully, J. Suhartanto, D., (2000). Customer loyalty in the hotel industry.
- Kandampully, Jay (2000). The impact of demand fluctuation on the quality of service.
- Knutson B. (1988). Frequent travellers
- Kothari, C., R., (2004). Research Methodology: Methods & Techniques.
- Kotler, P., Bowen, J., and Makens, J., (2003) Marketing for Hospitality and Tourism.
- Kwortnik, R. J., & Thompson, G. M. (2009). "Unifying Service Marketing and Operations with Service Experience Management." *Journal of Service Research*, 11(4), 389-406.
- Kumar, R., Singh, R., Gupta, S. (2019). *Research Methodology: A Step-by-Step Guide for Beginners*. SAGE Publications.
- Lee, J., & Lee, H. (2012). "The Effects of Staff Training on Customer Satisfaction in the Hotel Industry." *International Journal of Hospitality Management*, 31(4), 1072-1079.
- Leblanc G. & Nguyen N. (1996). *Journal of Vacation Marketing* 3 (1): 32–42.
- LUK, Sherriff T. K., (1997) The role of marketing culture in service quality.
- Medlik, S., (1994) *The Business of Hotels*.
- Lovelock, C., & Wirtz, J. (2016). *Services Marketing: People, Technology, Strategy*. Pearson.
- Liu, B. F., Park, H. S. (2015). From Traditional to Social Media: The Role of Social Media in Crisis Communication. *Public Relations Review*, 41(3), 413-415.
- Morgan, D. L. (1997). *Focus Groups as Qualitative Research*. SAGE Publications.
- Ministry of Culture and Tourism, (2009). *Tourism Statistics Bulletin*, Addis Ababa, Ethiopia. Ministry of Culture and Tourism, (2011). *Various Reports on Hotels and Tourism*, Addis Ababa
- Ministry of Culture and Tourism. (2019). *National Tourism Development Plan*.
- Nadiri, H; Hussain, K., (2005). Perceptions of service quality in North Cyprus Hotel.
- O'Neill, M; Charters, S., (2000). *Managing Service Quality*.
- O'Fallon, M. J., & Rutherford, D. G. (2011). *Hotel Management and Operations*. Hoboken: Wiley
- Oppermann M. (1998). *Destination Threshold Potential and the Law of Repeat Visitation*,

- Page, S., (2007) *Tourism Management. Managing for Change*
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12-40.
- Preece, R., (1994) Audience Dialogue Qualitative or Quantitative Research
- Reynolds, D. & Biel, D. (2007). *International Journal of Hospitality Management*, 26(2), 352-361.
- Richard M.D. & Sundaram D.S.(1993).*Journal of Hospitality and Leisure Marketing*,1 (4): 81–98. Texas Tech University, (2008).*Hospitality Management*.
- Tamenut, B. (2023). Poverty Reduction Strategy Paper: Ethiopia.
- Teshome, D. (2020). "Customer Satisfaction and Service Quality in the Ethiopian Hospitality Industry." *International Journal of Tourism and Hospitality Management*, 3(1), 45-60.
- The Embassy of Ethiopia in Washington, (2006). Profile on International/ Tourist Standard Hotel. Washington, DC. USA. <http://www.ethiopianembassy.org>.
- The Embassy of Ethiopia in Washington, (2012).*Ethiopia Investment Guide*. Washington, DC. USA.
- Walker, J. T. (2016). *Introduction to Hospitality Management*. Pearson.
- UNWTO (United Nations World Tourism Organization). (2019). *International Tourism Highlights*.
- World Travel & Tourism Council (WTTC). (2020). *Economic Impact Reports*.
- World Tourism Organization. (2020). "Tourism Highlights 2020 Edition."
- Wuest B.E.S., Tas R.F., & Emenheiser D.A. (1996). *Hospitality Research Journal*, 20 (2): 77–93.
- Yohannes, M. (2020). "Infrastructure Development and Its Impact on Hospitality Services in Ethiopia." *Ethiopian Journal of Tourism Studies*.
- Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2018). *Services Marketing: Integrating Customer Focus Across the Firm*. McGraw-Hill Education.

Annex I

Introduction:

This questionnaire aims to explore the Comparative Analysis of Service Provision in Mekelle Star rated hotels case Studies of Axum and Planet Hotels. The purpose of this questionnaire is to conduct research for Master Degree fulfillment in Hospitality Management from Mekelle University only. Your insights will contribute to the successful completion of the research work. Your participation is completely voluntary and all responses will be kept confidential and will not be shared to third-party out of this researcher. Can I have your consent please?

Thank you for giving me your consent.

NB. Questionnaires developed for Guests.

1: Respondent Information

1. Name:
2. Age:
3. Marital Status:
4. Level of education:
5. Nationality:

Room number.....

2. How often do you typically visit the Hotel?

- a. Once a year
- b. Every 2-3 months
- c. Once a month
- d. More than a year

3. The purpose of your visit?

- a. Business
- b. Conferencing, meeting
- c. Recreation

- d. Transit
- e. Other please specify _____

4. How do you make your reservation?

- a. Travel agency
- b. Company
- c. Yourself

5. What is your evaluation for the choice of this hotel?

- a. Location
- b. Price
- c. Brand image
- d. Friends choice
- e. Member of loyalty/honors program
- f. Without preference

Please rate your experience at the Hotel using 1-5 points

| | Strongly disagree (1) | Disagree (2) | Neutral (3) | Agree (4) | Strongly agree (5) |
|---|------------------------------|---------------------|--------------------|------------------|---------------------------|
| 1. Check-in and checkout Procedures | | | | | |
| Lobby and reception area are clean and tidy | | | | | |
| Reservation record was accurate. | | | | | |
| The check-in process was timely and efficient. | | | | | |
| The check-in courteous | | | | | |
| The check-out process was timely and efficient. | | | | | |
| I received a complete and accurate bill | | | | | |
| 2. General service Quality | | | | | |
| The hotel staff is courteous and professional. | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| Services are delivered in a timely manner. | | | | | |
| The hotel facilities are well-maintained. | | | | | |
| The guest staff was knowledgeable and fully answered my questions about the area. | | | | | |
| Staff members are knowledgeable about the hotel services. | | | | | |
| Security was available if needed. | | | | | |
| Housekeeping staff was friendly and reliable. | | | | | |
| Management was available to solve problems. | | | | | |
| 3. Room Quality | | | | | |
| Room amenities are fulfilled | | | | | |
| The physical condition of room is very good | | | | | |
| The rooms are clean and tidy upon arrival. | | | | | |
| The room amenities meet my expectations. | | | | | |
| The bedding is comfortable. | | | | | |
| The noise level in the hotel is acceptable. | | | | | |
| The room temperature can be easily controlled. | | | | | |
| 4. Food and Beverage Services | | | | | |
| The variety of food options meets my needs. | | | | | |
| The food quality is satisfactory | | | | | |
| The dining area is clean and comfortable. | | | | | |
| The dining area is clean and comfortable. | | | | | |
| Service in the restaurant is prompt. | | | | | |
| The hotel offers good value for money in its food services. | | | | | |
| 5. Customer Satisfaction | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| I am satisfied with my overall experience at the hotel. | | | | | |
| I would recommend this hotel to friends and family. | | | | | |
| I would choose this hotel again for future stays. | | | | | |
| My expectations were met during my stay. | | | | | |
| The hotel environment is welcoming and pleasant. | | | | | |
| 6. customer handling and amenities | | | | | |
| The hotel effectively handles customer complaints. | | | | | |
| There are adequate facilities for business travelers. | | | | | |
| The hotel offers adequate recreational facilities. | | | | | |
| The hotel provides sufficient information about local attractions. | | | | | |
| The hotel is responsive to customer feedback. | | | | | |
| 7. Overall Impression | | | | | |
| The hotel is accessible | | | | | |
| Impressed with overall service received | | | | | |
| Satisfied with overall physical condition of this hotel | | | | | |
| Impressed with the appearance of hotel exterior | | | | | |
| Location of the hotel | | | | | |
| Safe and secure parking area of the hotel | | | | | |

Please write here if you have additional comments that is not mentioned in the above

AnnexII

Interview Guideline

This interview guideline aims to explore the **Comparative Analysis of Service Provision in Mekelle Star rated hotels case Studies of Axum and Planet Hotels**. This interview guideline is developed for Master (MA) degree fulfillment in Hospitality Management from Mekelle University. Your insights will contribute to the successful completion of the research work. Your participation is completely voluntary and your responses will be kept confidential and will not be shared to third-party out of this researcher.

1: Background Information

- Can you please state your name, position, and the hotel you work for?
- How long have you been working in the hospitality industry, and specifically at this hotel?

2. Service Quality and Standards

- How would you define quality service in the context of your hotel?
- Do you believe your hotel fulfills the international standards of star-rated hotels? Please explain.
- Do you believe there are compromised international standards of star-rated hotels in your hotel? If yes please explain what are they?
- What training do staff members receive to maintain and excel service quality?
- Can you describe a situation where you felt the service provided did not meet expectations? What happened?

3. Staff Training and Development

- How often does your hotel conduct training sessions for staff?
- What specific skills or areas are emphasized during these training sessions?
- How do you assess the effectiveness of these training programs?

4. Customer Feedback and Satisfaction

- How does your hotel collect feedback from guests regarding service provision?
- Can you share an example of how customer feedback has led to changes in service delivery?
- In your opinion, how important is guest feedback for improving service quality?

5. Competitive Positioning

- What unique services or features does your hotel offer to differentiate itself from competitors?
- How does your hotel respond to competition from other hotels in Mekelle?
- What challenges does your hotel face in maintaining a competitive edge?

6. Challenges and Opportunities

- What do you perceive as the main challenges in providing high-quality service in your hotel?
- What opportunities do you see for improving service delivery in your hotel?
- How does the hotel management support staff in overcoming challenges related to service provision?

7. Future Perspectives

- What changes or improvements would you like to see in your hotel's service provision in the next few years?
- How do you envision the future of the hospitality industry in Mekelle, particularly regarding service quality?

8. Do you have additional comments or suggestions