# The Wellbeing of Hotel Guests During a Hotel Stay

An Application of the SERVQUAL Model to Examine the Effect of Service Quality on the Wellbeing of Business-and Private guests.



# Radboud Universiteit

Master thesis

by

Deana Cremers

S.nr. 4795989

Supervisor: Prof. Dr. J.M.M. Bloemer

Second examiner: Dr. M. Pluymaekers

# **Per**sonal Information

Name: Student Deana Cremers

number: 4795989

E-mail: d.cremers@student.ru.nl

# **Abstract**

The purpose of this research is to examine the relationship of service quality and wellbeing of hotel guests. The SERVQUAL model of Parasuraman et al (1985) is applied to measure service quality. In addition, a domain-specific perspective is used to measure wellbeing in the hotel industry. Furthermore, this research includes a comparison of businessand private guests, as the two major guest segments in hotels. For hotel managers, the findings are relevant for organizing practices that contribute to the wellbeing of both businessand private guests. Having an interest in the wellbeing of hotel guests can have a positive impact on the image of the hotel. This is explained as the hotel is then not only known for its interest in managerial matters, but also for its interest in the society. A multiple regression analysis is performed to attain to the presented results. The respondents were required to have stayed in a hotel for at least once. Subsequently, they were asked to provide answers based on their last hotel stay. Depending on whether the last hotel stay was work-related, the respondents were labelled as a business- or private guest. The findings suggest that different dimensions of service quality predict the wellbeing of business- and private guests. Among the five dimensions of service quality, 'responsiveness' has emerged as the predictor of wellbeing for business guests. This implies, that hotel managers should focus on the extent to which they respond to business guests adequately and on time. For private guests, the best predictor of wellbeing is 'tangibles', followed by 'assurance' and 'empathy'. Therefore, with private guests it is especially important that the tangibles look well maintained and service employees appear well. Besides, hotel managers have to make sure that the service employees are reliable and provide enough attention to private guests.

Keywords: TSR, wellbeing, service quality, SERVQUAL dimensions, hotels, hotel industry, hotel guests, business- and private guests

# **Pre**face

In front of you lies the last part of my master Marketing at Radboud University, Nijmegen. Writing this master thesis about the wellbeing of hotel guests was a nice end of my study, and a nice start for my further career within the hotel industry.

The whole journey brought a lot of tension, uncertainty and stress. Simply, it was the toughest challenge I have completed in my life so far. Meanwhile, through this experience I was able to enhance my endurance, positive mindset and collaboration skills. Besides, I have learned how to yell, which I never did before.

I would like to thank Prof. Dr. J.M.M. Bloemer for her guidance and support. She made sure that I would get to the end, which I am thankful for. Besides, I would like to thank Dr. M. Pluymaekers as my second examiner, for reading my master thesis and helping me graduate. Moreover, I would like to thank my family, friends, and fellow students for their support and advice. I especially would like to thank Glenn Vervoort for sharing his experience and knowledge with me. Finally, I would like to thank my roommate Floor Blom who was there for me every time I needed.

From now on, I can look back on a great student time and forward to an even better future.

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# **Introduction**

### **Wellbeing in Service Organizations**

Over the years, extensive research has been conducted on wellbeing, yet the definitions of wellbeing remain ambiguous. The World Health Organization (WHO) states that wellbeing is not merely about the absence of disease, but that the overall state of wellbeing should be addressed (Chavez et al., 2005). However, since multiple researchers used different approaches, wellbeing now is viewed as a multi-dimensional construct (Dodge et al., 2012). In Health Research it is argued that diverse sectors have interest in the enhancement of wellbeing, implying that further development is still relevant (Chavez et al., 2015). Similarly, in service organizations wellbeing has become an important focal point. Around the year of 2013, the transformative service research (TSR) movement was created, with the underlying reason that consumer research should focus more on wellbeing. TSR started to advocate the wellbeing of consumers as the central issue in the service contexts (Santos, 2019). Herewith, the intention of TSR is that the interest in the managerial relevant outcomes such as consumer loyalty, satisfaction and commitment will be released and that service organizations take a closer look at the consumers and their state of wellbeing in particular (Santos, 2019; Rahman, 2020).

Within TSR, the central focus is mainly on understanding how services can affect the wellbeing of consumer entities (Davis & Pechmann, 2013). More specifically, service entities have been challenged by TSR, through the notion that service providers can bring uplifting and positive changes in consumers' lives (Anderson et al., 2013; Finsterwalder & Kuppelwieser, 2020). In this research, the TSR approach is applied to the hotel industry to embrace the wellbeing of hotel guests. Subsequently, the domain-specific perspective is used to investigate how wellbeing in this context can be explained. Therefore, wellbeing referred to as the subjective appraisal of the hotel setting, is based on the personal experiences and measured right after the hotel stay.

### **Evaluation of Services in Hotels**

In order to elaborate on the wellbeing of hotel guests, it is important to know how the service is evaluated. What matters most in the evaluation of services is the quality as perceived by consumers (Amin et al., 2013). For service organizations, the SERVQUAL model developed by Parasuraman, Berry & Zeithaml (1985), is the most appropriate instrument that examines service quality. This model is developed because of the intangibility, heterogeneity and inseparability of services which make the assessment of

service quality difficult. The hotel industry in particular, but also other service sectors have frequently used the model to investigate the predictors of for instance consumer satisfaction or loyalty. For hotels, the purpose of managing these outcomes is mainly to retain consumers and boost the profits and market share (Amin et al., 2013). However, little is known about how service quality can affect, or even better, enhance the wellbeing of those involved in the hotel industry.

Since there are many reasons for people to stay in a hotel, including work-related matters or vacations, other studies have attempted to explore the different preferences of hotel guests (Amin et al., 2013). Herewith, it turns out that business- and private guests are the two major segments served by hotels (Yavas & Babakus, 2005). For this research, the SERVQUAL model is applied to study the effect of service quality on wellbeing in the hotel industry. Following up on prior research, a different effect of service quality on wellbeing is assumed for business- and private guests. Hence, a distinction is made between these two segments, in which business guests refer to individuals who stay in a hotel due to work-related matters. Private guests, on the other hand, are identified as individuals who stay in a hotel for reasons that are non-work-related.

### **Research Problem**

So far research has focused on the importance of service quality in hotels. In addition, multiple positive effects of service quality have been found on the satisfaction and loyalty of consumers. According to TSR, it is plausible that services can also affect the wellbeing of consumers (Anderson et al., 2013; Finsterwalder & Kuppelwieser, 2016; Finsterwalder & Kuppelwieser, 2020). For the hotel industry, little research has been conducted on this topic. The SERVQUAL model is often applied to evaluate the quality of service delivered by hotels. The five dimensions are seen as the criteria hotel guests use to assess the service quality. The evaluation of these SERVQUAL dimensions then influences various outcomes, as studied for satisfaction and loyalty.

Rosenbaum et al (2013) suggest that wellbeing is another important outcome determined by services. The SERVQUAL model is not often used in combination with consumer wellbeing as the intended outcome. Therefore, up to now it is unknown for hotels, as a widely used service organization, how their quality of service can affect or uplift the wellbeing of hotel guests. Hence, to supplement this current void, the following research question has been formulated: "What is the effect of service quality on the wellbeing of hotel guests during a hotel stay?" The preferences and needs of hotel guests have an important role

in their evaluation of the service quality. Given that these preferences and needs are not always similar for all guests, a clear distinction is made for business- and private guests as the two major segments served by hotels (Yavas & Babakus, 2005). Therefore, the aim of this research is to explore how service quality differently affects the wellbeing of business- and private guests, based on their preferences and needs. With this, prior research is followed up that emphasize the importance for hotels to serve both segments separately.

#### Scientific Relevance

The scientific relevance of this research concerns the application of the SERVQUAL model to investigate the wellbeing of hotel guests as an outcome of service quality. With this research subject, various contributions are made to existing studies. First, since the SERVQUAL model is mainly used to predict managerial relevant outcomes, this research supplements with knowledge on how the dimensions of service quality can also drive wellbeing, as a consumer-relevant outcome. The overview with outcomes of service quality in the literature will this way be expanded.

In addition, since the focus in this research is on hotels, the knowledge field in transformative services is also supplemented by investigating how consumer wellbeing can be managed within the hotel industry. Finally, with this research insight is given to the SERVQUAL dimensions that are most important to the wellbeing of business- and private guests. Herewith, prior studies are complemented arguing that both segments should be served separately by hotels, which now also applies to ensure their wellbeing.

### **Societal Relevance**

The societal relevance of this research concerns directing managers to new practices related to the wellbeing of hotel guests. By pinpointing the dimensions of service quality which are important for the wellbeing of business- and private guests, managers are helped in setting new standards for their provision of service. In addition, managers are provided the opportunity to better tailor their service to both segments, as this research provides several examples for practice. Meanwhile, managers can consider whether they should take additional actions next to the recommended practices. This allows managers to optimize the conditions in the hotel setting for both business- and private guests.

The responsibility taken by hotels for wellbeing is important to deliver exceptional service and show pure interests to the guests. In this way, hotel guests get the impression that they are taken care of. Simultaneously, hotels as a widely used service organization, are able to contribute to the wellbeing within the society as a whole. This can improve the image of

the hotel as they are no longer known for having managerial interest only, but also interest in the society. Subsequently, with this reputation, managers are better able to attract employees who have concerns that align with where the hotel stands for. From this, other beneficial outcomes for the hotel can follow such as saving time on employee selection, training and retention. Moreover, when hotels take social responsibility, it can potentially help them excel in the growing hospitality industry.

Furthermore, when hotels take responsibility for the wellbeing of their hotel guests, they can avoid harming the wellbeing during the hotel stay. This is important as damaging the wellbeing of hotel guests, may have long-term consequences. The long-term consequences can relate to their work- and private life. This can be explained by for instance: Absenteeism, home crises and being out of the running in general. Subsequently, harming the wellbeing of many hotel guests can this way put pressure on care providers. For hotels as a widely used service organization, it is thus also important to ensure the wellbeing of hotel guests to prevent the major implications for the individual and society.

### **Outline of the Thesis**

This thesis is further structured as follows. First, theoretical background on TSR, service quality and the two major guest segments in hotels is discussed extensively. Besides, the relationship between service quality and wellbeing in the hotel industry is addressed. Subsequently, the hypotheses for this research are formulated. Thereafter, the methodology is described and the findings of the analyses are presented. To conclude, a discussion is provided with subsequent scientific and societal implications. Finally, the limitations of this research are provided, as well as the potential avenues for future research.

# **Theoretical Background**

### Introduction

In this section the theoretical background relevant for this research is provided. First, the importance for service organizations to focus on wellbeing is emphasized through TSR. Then, the evaluation of service quality is discussed on the basis of the SERVQUAL model. Thereafter, theory is provided on the two major guest segments (i.e., business- and private guests) within hotels. Furthermore, the hypotheses formulated for this research are presented. Finally, the conceptual model is demonstrated.

### **Transformative Service Research**

Transformative services focus on creating uplifting changes and improvements in the wellbeing of both individuals and communities (Enquist & Johnston, 2010; Rosenbaum et al 2011; Finsterwalder & Kuppelwieser, 2020). TSR is an integration of consumer and service research and originates from the criticism on service organizations for ignoring or even harming consumer wellbeing. Over the years, many researchers have focused extensively on the drivers of consumer satisfaction, loyalty and commitment (Rosenbaum, 2015). However, little attention was paid to the implications of services with respect to the wellbeing of consumers (Anderson & Ostrom, 2013). TSR has complemented to this void by especially focusing on the enhancement of human conditions (Rosenbaum, 2015). As consumers engage in service transactions daily, from interactions with restaurants to requests for healthcare, the actions of service organizations can largely affect consumers' daily lives. Service organizations therefore have the opportunity to positively or negatively affect consumer wellbeing (Anderson et al., 2013). Hence, transformative services argue that service is a determinant of consumer wellbeing (Finsterwalder & Kuppelwieser, 2020). With wellbeing as the outcome of investigation, TSR can be distinguished from previous service research (Anderson et al., 2013).

According to TSR, wellbeing specifically arises from the interaction between service entities and consumer entities. The service entities refer to the supply side of a service, which can be represented by organizations, service processes, service sectors or employees of a service firm. With consumer entities, different levels can be represented namely: the individual consumers, collective consumer entities, social networks, communities, neighbourhoods, cities and nations. The interaction, in a very broad sense, can be defined as any contact between the service entities and consumer entities (Finsterwalder &

Kuppelwieser, 2020). In this research, the hotels and corresponding service employees reflect the service entities, and the individual hotel guests reflect the consumer entities.

### Wellbeing in Transformative Service Research

As earlier mentioned, services are pervasive in the consumer environment and therefore extensively affect consumer wellbeing. Within TSR, wellbeing has been conceptualized and measured from several perspectives (Rahman, 2020). Rath & Harter (2010) state that wellbeing embraces everything that is important for our thinking and experiences in lives. From the psychological perspective, wellbeing is concerned with actualising one's inherent ability or potential in the pursuit of meaningful goals (Ryan & Deci, 2001; Henderson, Knight & Richardson, 2013). In addition, affective-based aspects of wellbeing can be distinguished such as feelings of pleasure and happiness (Rahman, 2020). More specifically, the maximisation of pleasurable moments is considered the pathway to happiness (Henderson et al., 2013).

In general, the framework of TSR distinguishes between two broad categories of wellbeing, namely: Hedonic- and eudaimonic wellbeing (Anderson et al., 2013). Hedonic wellbeing is rooted in the ideas of pleasure and happiness while avoiding pain, which can be referred to as subjective wellbeing (Anderson et al., 2013; Ostrom et al., 2015; Finsterwalder & Kuppelwieser, 2016). The quality of life, positive affect and the absence of negative affect also pertain to the category of hedonic wellbeing (Anderson et al., 2013). Hedonic wellbeing thus refers to the affective-based aspects of wellbeing. Eudaimonic wellbeing, is more aligned with the notion of psychological wellbeing and can be defined in terms of personal growth, environmental mastery, and purpose in life (Ryff, 1989). Dimensions such as disparity, inclusion, access, literacy, harmony, power, respect, support and health are among others reflected in the orientation of eudaimonic wellbeing (Anderson et al., 2013; Finsterwalder & Kuppelwieser, 2020). The investigation of pathways to wellbeing generally took a unilateral approach, taking either the hedonic or eudaimonic category in isolation. Although hedonia and eudaimonia are highly related, the two categories remain different and contribute to wellbeing in unique ways (Henderson et al., 2013). TSR mainly measures its categories of wellbeing on an overall level. Within this framework, hedonic wellbeing refers to the individuals' overall assessment of quality of life, including satisfaction and happiness. Eudaimonic wellbeing refers to the individuals' overall assessment of functioning in life, in terms of personal growth, environmental mastery and purpose in life (Rahman, 2020).

### Domain-specific Wellbeing

Domain-specific wellbeing is another category of wellbeing, which concerns domain-specific aspects in relation to individuals and collectives (Rahman, 2020). Lent (2004) also refers to domain-specific wellbeing as a context-free perspective, seen that it can be applied in any domain such as work, school, family, social life, leisure, health and finances. Whereas with the overall assessment of wellbeing the time span is unspecified, immediate wellbeing or also called domain-specific wellbeing embraces a momentary assessment. This means that the assessment of wellbeing is more malleable and responsive to situational factors and life events (Lent, 2004).

The domain-specific perspective of wellbeing is defined as the subjective appraisal of a specific setting (Rahman, 2020). In general, domain-specific wellbeing can be measured on the basis of affective- and cognitive aspects. This means that individuals or collectives are required to reflect on their affective- and cognitive experience, to achieve their assessment of wellbeing in a specific setting (Lent, 2004). It can be asserted that the experience of a positive feeling, such as happiness, refers to the affective aspect of wellbeing. The appraisal of satisfaction on the other hand, reflects the cognitive aspect of wellbeing (Steptoe, 2019).

This research includes a domain-specific perspective that examines the wellbeing of hotel guests right after the time of stay in a hotel. From now on, reference is made to the experience of affective- and cognitive aspects of wellbeing, when it comes to the wellbeing of hotel guests. The definition of wellbeing for this research is demonstrated in Table 1. In the next section it is discussed how the wellbeing of hotel guests can be influenced by services.

Table 1.

Definition of wellbeing compiled from Rahman (2020)

Wellbeing	Definition
Domain-specific Wellbeing	the subjective appraisal of the hotel setting

### **Service Quality**

In measuring service quality, the SERVQUAL model is the most used instrument that has been applied to many studies. The SERVQUAL model is designed by Parasuraman, Zeithaml & Berry (1985) because of the intangibility, heterogeneity and inseparability of the service, which make it difficult for service providers to understand how consumers evaluate the service quality. The SERVQUAL model allows the assessment of perceived quality in service organizations (Parasuraman et al., 1988). Perceived quality is defined as: 'The consumer's judgement about an entity's overall excellence or superiority' (Parasuraman et al.,

1988, p.15). The delivery of superior service quality appears to be a prerequisite for success and survival of the business (Parasuraman et al., 1988). Parasuraman et al (1985) in the first instance based their model on ten dimensions and later refined the model to five dimensions of service quality, namely: Tangibles, reliability, responsiveness, assurance and empathy. These five dimensions of service quality turn out to be the most common criteria consumers use in evaluating the service, regardless of the type of service (Parasuraman, 1985). Hence, Parasuraman et al (1985) argue that the SERVQUAL model is applicable for any type of service organization.

The SERVQUAL model is used several times for research on the hotel industry. Amin et al (2013) investigated the relationship between service quality and consumer satisfaction. Their findings showed that 'tangibles' was emerged as the most important factor for consumer satisfaction, followed by 'responsiveness' and 'assurance'. Meanwhile, Gržinić (2007) found that 'empathy' had the strongest effect on consumer satisfaction, followed by 'assurance'. Ramzi & Badaruddin (2010) focused on the effect of service quality on consumer loyalty. Here, the results showed that 'tangibles' was the best predictor of consumer loyalty, followed by 'empathy', 'reliability' and 'responsiveness'. Furthermore, multiple researchers have also applied the SERVQUAL model to see how hotel guests evaluate the importance of the five dimensions of service quality. Hartline & Jones (1996) and Akbaba (2006) found that 'tangibility' is the most important dimension for hotel guests in evaluating the service quality. Marković & Jancović (2010) demonstrated that the highest value was for 'responsiveness', 'tangibles' and 'empathy' whereas the findings of Al-Ababneh (2016) showed that the highest value was for 'assurance'.

Next to these results, it is expected that the SERVQUAL model can also be used in predicting wellbeing. Hence, this research focuses on the influence of service quality on the wellbeing of hotel guests. Based on previous research, a difference in the effects of the SERVQUAL dimensions on wellbeing is expected. More explicitly, it is taken into account that not all dimensions of service quality may be predictors of wellbeing. In Table 2 an overview is provided with the definitions of the SERVQUAL dimensions. From now on, reference will be made to the SERVQUAL dimensions when it comes to service quality. In the next section it is discussed how a difference in the effects can be attributed to the two major guest segments served by hotels.

Table 2.

Definitions of the SERVQUAL dimensions compiled from Parasuraman et al (1988)

SERVQUAL dimension	Definitions
Tangibles	the physical facilities, equipment and appearance of service employees
Reliability	the performance of the promised service dependably and accurately
Responsiveness	the provision of help and prompt service
Assurance	the courtesy, knowledge and ability of service employees to inspire trust and confidence
Empathy	the caring and individualized service hotels provide to its guests

### Evaluation of Service Quality by Business- and Private Guests

In general, business- and private guests are recognized as the two major guest segments served by hotels (Yavas & Babakus, 2005). Although the number of business guests in hotels is fewer than private guests, the intensity by which they utilize the service of hotels is much higher than with private guests (Fawzy, 2010). Ramanathan (2010) has concluded that hotels should differentiate in their provision of service to business- and private guests. This is explained as prior studies investigated that business- and private guests, have different preferences and needs regarding the service provided to them. Based on these preferences and needs, it can be reasoned how both segments evaluate the service quality differently. Subsequently, it is assumed that if the dimension of service quality is evaluated higher by a particular segment, the effect of this dimension on their wellbeing is stronger than with the other segment.

In this research the distinction between business- and private guests is made to examine the different effect of service quality on their wellbeing. Reference will be made to individuals who stay in a hotel due to work-related matters, when it comes to business guests. Private guests are referred to as individuals who stay in a hotel for other reasons, which are not work-related. In Table 3 an overview is provided with the definitions of hotel guests.

Table 3. Definitions of the two major guest segments in hotels

<b>Guest Segment</b>	Definition
Business guests	individuals who stay in a hotel due to work-related matters
Private guests	individuals who stay in a hotel for reasons that are non-work-related

Based on the findings of previous research, it is reasoned that tangibles are evaluated high by business guests. First, it is found that the in-room amnesties are highly preferred and

refer to the quality of towels, mattress, bed and pillows (Lockyer, 2002; Fawzy, 2010; Kivuva, Kihima, Nzioka, 2014), but also the presence of a mini-bar, hair dryer, radio, tv and air-conditioning (Lockyer, 2002; Ramanathan, 2010; Kivuva et al., 2014; Tsai et al., 2015; Zhang, Seo & Ann, 2019). In addition, it turns out that business guests prefer special facilities such as a conference room, quiet areas, meeting areas and technical resources for a convenient working environment (Yavas & Babakus, 2005; Fawzy, 2010; Kivuva et al., 2014; Masiero, Yoonjoung & Pan, 2015; Umasuthan et al., 2017). Meanwhile it is asserted that tangible aspects of the service are not highly preferred with private guests (Yavas & Babakus, 2005; Ramanathan & Ramanathan, 2009; Ramanathan, 2010; Tsai et al., 2015). However, this does not mean that tangibles are not important to private guests. Umasuthan et al (2017) indicate that cleanliness and convenience of the room are also standards for private guests, but these are not highly preferred compared to other aspects of the service. In this research it is argued, that the intention for the stay possibly influences how business- and private guests evaluate tangibles. By this is meant, that business guests are more likely to stay within the hotel due to work-related purposes. Private guests, on the other hand, are expected to go out more often for cultural activities and will therefore have less presence in the hotel. This leads to the possibility that tangibles are more utilized by business guests, and therefore are evaluated higher by them during a hotel stay. Therefore, the following hypothesis is formulated:

H1: The positive effect of tangibles on wellbeing is stronger for business guests.

Similarly, based on the findings of previous research (Lockyer, 2002; Fawzy, 2010; Ramanathan, 2010; Kivuva et al., 2014; Rajaguru & Hassanli, 2017) it is expected that reliability is evaluated higher by business guests. Their findings show that, although private guests prefer the provision of an adequate core service, business guests also mention that the service should be available at all times and have an excellent quality. Other research also shows that reliability is not highly preferred by private guests in contrast to other aspects of the service (Ramanathan & Ramanathan, 2009; Ramanathan, 2010; Tsai et al., 2015; Rajaguru & Hassanli, 2017). Rajaguru & Hassanli (2017) state that private guests mainly focus on the value for money, whereas business guests evaluate whether the service is reliable in its entirety. Business guests are expected to assess the reliability more critically and can therefore evaluate reliability higher during a hotel stay than private guests do. Based on previous literature, the next hypothesis is formulated:

*H2*: The positive effect of reliability on wellbeing is stronger for business guests.

The findings of Lockyer (2002) and Masiero et al (2015) demonstrate that the degree to which claims are handled is considered as important by business guests, as well as the extent to which extra service is delivered. Therefore, it is expected that business guests highly evaluate responsiveness. Although it is reasonable that private guests also possess standards for the responsiveness, this topic is little discussed by other researchers. As business guests will probably spend much time within the hotel, it is plausible that they make requests regularly. Given the fact that private guests, on the other hand, will be more outside the hotel, it is expected that the number of requests they make will be fewer than with business guests. Subsequently, it is assumed that business guests evaluate responsiveness higher during a hotel stay than private guests do. Based on previous findings, the following hypothesis is formulated:

*H3:* The positive effect of responsiveness on wellbeing is stronger for business guests.

The findings of previous research (Lockyer, 2002; Yavas & Babakus, 2005; Ramanathan & Ramanathan, 2009; Fawzy, 2010; Ramanathan, 2010; Lehto et al., 2014; Masiero et al., 2015; Umasuthan et al., 2017) demonstrate that business- and private guests both prefer aspects that relate to assurance. For instance, business- and private guests prefer convenience in the hotel and feeling safe. The extent to which service employees are friendly, well-mannered and polite, contribute to a feeling of convenience (Lockyer, 2002; Yavas & Babakus, 2005; Fawzy, 2010; Umasuthan et al., 2017). Meanwhile, the feeling of safety is guaranteed by the extent to which security is provided (Lockyer, 2002; Yavas & Babakus, 2005; Ramanathan & Ramanathan, 2009; Fawzy, 2010; Ramanathan, 2010; Lehto et al., 2014; Masiero et al., 2015). As it is very natural that one wants to feel comfortable and safe in any particular environment, it can be assumed that business- and private guests both evaluate assurance during a hotel stay highly. Hence, the following hypothesis is formulated:

**H4:** The positive effect of assurance on wellbeing is equal for business- and private guests.

The findings of previous research (Yavas & Babakus, 2005; Lehto et al., 2017; Umasuthan et al., 2017; Zhang et al., 2019) show that private guests highly prefer aspects related to empathy. More explicitly, private guests prefer the personal attention of, and

emotional interaction with service employees, which make the situation more informal. However, there is little evidence on how business guests prefer theses aspects of the service. It can be reasoned that business guests will be more occupied with work-related activities, whereby the attention or entertainment from service employees is not a need. Private guests on the other hand, can be more cultural oriented and therefore may be more interested in meeting local people. Service employees are likely to be seen as one of the locals, considering that they can often provide a lot of information about the environment. Therefore, it is assumed that private guests higher evaluate empathy during a hotel stay. This leads to the final hypothesis formulated for this research:

H5: The positive effect of empathy on wellbeing is stronger for private guests.

### **Conceptual Model**

There are five dimensions compiled from the SERVQUAL model of Parasuraman et al (1985) regarding the service quality in hotels. These dimensions are tangibles, reliability, responsiveness, assurance and empathy and are the five criteria most used by consumers in evaluating service quality. Prior studies with regard to the hotel industry have used the SERVQUAL model to investigate the relationship of service quality and consumer satisfaction or loyalty. Besides, it is explored how hotel guests attach different importance to the dimensions of service quality.

Figure 1 demonstrates the focus of this research, which concerns the examination of the positive effect of service quality on the wellbeing of hotel guests. The focus on wellbeing, allows hotels to respond to the prevailing criticism on service organizations for ignoring or even harming consumer wellbeing (Rosenbaum, 2015). The effect of service quality on wellbeing is moderated by the segments of hotel guests, consisting of business- and private guests. This is explained as business- and private guests have different preferences and needs, and can therefore evaluate the dimensions of service quality differently. Depending on how the SERVQUAL dimensions are evaluated by business- and private guests, the effects are expected to be stronger for one of the segments or equal for both segments. The asterisks in the conceptual model, represent the segment for which the effect is expected to be stronger. Accordingly, one asterisk addresses a stronger effect for business guests, whereas two asterisks show that the effect is stronger for private guests. When there are both one and two asterisks displayed, this indicates that the effect is equal for business- and private guests.

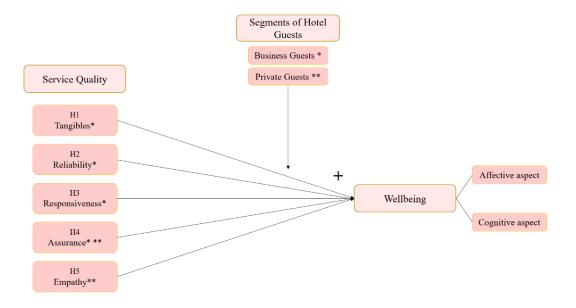


Figure 1: Conceptual model.

Note. The asterisks represent the segment for which the effect is stronger. (\* = effect is stronger for business guests, \*\* = effect is stronger for private guests, \* \*\* = effect is equal for business- and private guests).

### Methodology

### Introduction

The method of the research is described in this section. Research was conducted to examine the effect of service quality on the wellbeing of hotel guests. A distinction was made between business- and private guests to examine a difference in the effects for both segments. In order to analyse the data, a quantitative research method was used.

### **Data Collection**

The data used in this research was collected from a survey distributed on LinkedIn and Facebook. LinkedIn was expected to be a suitable manner to reach business guests, as the audience on this platform is mainly business oriented. Despite a wide range of private guests was also expected on LinkedIn, the survey was in addition shared on Facebook to ensure that an extensive number of respondents was obtained. The survey was open for seven days, from April 20 to April 27 2021, and can be found in Appendix 1. Participation of the respondents was completely voluntary, assuming that the survey would be completed sincerely. Data was collected from 184 respondents. Because of missing or unusable responses, the analyses included 144 respondents.

### Measures

As Table 4 displays, the SERVQUAL scale of Parasuraman et al (1988) was used to measure the evaluation of service quality by respondents after their last hotel stay. The five constructs of service quality were assessed by 22 items. The existing questionnaire was used as it is the most common instrument that measures service quality. As the SERVQUAL scale showed high reliability and validity scores in previous research, it was assumed that the items would measure its constructs adequately. The scale was modified in a way that suits the context of hotels. In addition, a 7-item scale was preferred to ensure an extensive variance. Wellbeing was measured using two items compiled from Steptoe (2019), which cover the affective- and cognitive aspects in terms of happiness and satisfaction. A 7-item scale was used for the same reason as with service quality, to guarantee a wide variance.

The relation of service quality and wellbeing was supposed to be moderated by the segments of hotel guests. Hence, the first part of the questionnaire consisted of questions that differentiate the business guests from the private guests. In the second part service quality and wellbeing were measured. In the final part, respondents were asked about socio-demographic related questions such as their gender and age.

Table 4. Measurement of the variables

Construct	Items
Tangibles	<ol> <li>The hotel had up-to-date equipment (+)</li> <li>The physical facilities were visually appealing (+)</li> <li>The service employees were well dressed and appeared neat (+)</li> <li>The appearance of physical facilities was in keeping with the hotel (+)</li> </ol>
Source: compiled from P	Parasuraman et al (1988)
Reliability	<ul> <li>5. The service employees were doing things by the time they promised me (+)</li> <li>6. Whenever I faced a problem, the service employees were sympathetic and reassuring (+)</li> <li>7. The service employees were dependable (+)</li> <li>8. The hotel provided the service at the time they promised me (+)</li> <li>9. The hotel kept accurate records (+)</li> </ul>
Source: compiled from P	Parasuraman et al (1988)
Responsiveness	10. The hotel told me when the services will be performed (+) 11. The service employees provided prompt service (+) 12. The service employees were willing to help me (+) 13. The service employees were not too busy to respond to my requests promptly (+)
Source: compiled from P	Parasuraman et al (1988)
Assurance	<ul><li>14. I had trust in the service employees (+)</li><li>15. I felt safe in the transactions with the service employees (+)</li><li>16. The service employees were polite (+)</li></ul>

17. The service employees were provided adequate support to do their jobs well (+)

Source: compiled from Parasuraman et al (1988)

Empathy	18. The hotel gave me individual attention (+) 19. The service employees gave me personal attention (+)
	20. The service employees knew what my needs were (+)
	21. The service employees had my best interests at heart (+)
	22. The service employees had operating hours that were convenient to me
	(+)

Source: compiled from Parasuraman et al (1988)

Wellbeing	1. I felt happy	
_	2. I was satisfied	
Source: compiled from	Stentoe (2019)	

Note. Items were measured on a 7-item scale (l = strongly disagree, 4 = neutral, 7 = strongly agree). All questions were asked in a confirmative way (indicated by the +).

### **Research Ethics**

This research adheres to the five principles of ethics published by the American Psychological Association (Cherry, 2020). These five principles are identified by:

- ❖ The Beneficence and Nonmaleficence
- Fidelity and Responsibility
- Integrity
- Justice
- \* Respect for people's rights and dignity

### The Principle of Beneficence and Nonmaleficence

In this research, respondents were provided the voluntariness to participate. In addition, respondents were notified with the right to withdraw from the survey at any time.

Furthermore, respondents were assured that their participation was registered as anonymous.

Moreover, the bias and prejudice were also eliminated through the voluntary participation. This means that the respondents participated independently and were not constrained in any area. Herewith, it can also be deemed that the results were not manipulated.

### The Principle of Fidelity and Responsibility

During the research close contact has been maintained with colleagues to see whether the procedure is conducted in a proper way. Through the many interactions and consulting research was conducted in the most appropriate manner.

### The Principle of Integrity

With this research it is confirmed that participants were not deceived in their participation. Furthermore, the respondents were notified a contact person in case there were questions or any doubts.

### The Principle of Justice

In this research, no restricts were taken that would indicate on discrimination. This means that anyone who can be representative as a hotel guests was allowed to participate in the survey. Besides, everyone's answers are included to get the results for this research.

### The Principle of Respect for People's Rights and Dignity

Final, the answers of every respondent who participated in this research, were included to affirm that everyone's opinion or perspective is valid. In this way, the equivalence of all respondents is guaranteed.

### **Analyses and Results**

### Introduction

The analyses of the collected data were performed through various statistical techniques such as the descriptive statistical analysis, factor analysis, reliability analysis and regression analysis. All analyses were performed using the Statistical Package for the Social Sciences (SPSS). Based on the results of the regression analysis, the established hypotheses for this research are confirmed or rejected.

### **Descriptive Statistical Analysis**

Descriptive statistics analysis was used to identify the respondents and acquire additional information about them. Table 5 shows the demographics of the respondents who were representative for business guests. 34 respondents identified themselves as a business guest during their last hotel stay, of which 79% were male and 21% were female. In all, 24% were younger than age 25, 15% were between ages 26 and 35, 21% were between ages 36 and 45, 29% were between ages 46 and 55 and 9% were between ages 56 and 65. In addition, 2% of missing values were noted for age.

The last stay varied, with approximately 29% who had their last stay less than one year ago, 65% indicated one to three years ago and 6% mentioned that their last stay was three to five years ago. Of the respondents, 44% hold a managerial position during their last stay and 56% did not. Besides, the duration of the last stay was for 71% of the respondents one to three days, 23% stayed for three to five days and 6% had a stay of more than one week. Finally, the level of service was by 15% of the respondents identified as World-Class service (Luxury -

Five stars hotel), 79% of the respondents identified the service as Mid-Range (3 to 4 stars hotel) and 6% acknowledged their last stay to have a Budget/Limited service.

Table 5. Profile of the representatives for business guests(N=34)

Variable	Category	Frequency	Percent
Gender	Male	27	79%
	Female	7	21%
Age	Lowest thru 25	8	24%
o .	$26 \rightarrow 35$	5	15%
	36 →45	7	21%
	46 → 55	10	29%
	56 → 65	3	9%
	Missing	1	2%
Position	Managerial	15	44%
	Not Managerial	19	54%

Table 6 shows the demographics of the respondents who were representative for private guests. 110 respondents identified themselves as a private guest during their last hotel stay, of which 36% were male, 58% were female and 1% did prefer not to say. In addition, 5% of missing values were noted for gender. In all, 55% were younger than age 25, 15% were between ages 26 and 35, 8% were between ages 36 and 45, 13% were between ages 46 and 55 and 5% were between ages 56 and 65. Here again, 4% of missing values were noted.

The last stay was for approximately 57% of the respondents less than one year ago, 40% had their last stay one to three years ago, 2% mentioned three to five years ago and about 1% indicated more than five years ago. The duration of the last stay was for 67% one to three days, 20% mentioned their last stay to have a duration of three to five days, about 4% indicated five to seven days and for 9% the last stay had a duration of more than a week. Finally, about 16% mentioned that their last stay had a level of World-Class service (Luxury - Five stars hotel), 61% indicated the service to be Mid-Range (3 to 4 stars hotel) and approximately 24% acknowledged a Budget/Limited service.

Table 6. Profile of the representatives for private guests (N=110)

Variable	Category	Frequency	Percent
Gender	Male	40	36%
	Female	64	58%
	Prefer not to say	1	1%
	Missing	5	5%
Age	Lowest thru 25	60	55%
O	26 <b>→</b> 35	16	15%
	36 <b>→</b> 45	9	8%
	46 → 55	14	13%
	56 → 65	6	5%
	Missing	5	4%

### **Factor Analysis**

The principal axis factoring technique with a direct oblimin rotation is performed, to assess the validity of the dimensions. In addition, it is checked whether a large number of items had to be reduced into a fewer number of dimensions. For this research, it is decided to remain all items since there were no indications for validity problems shown.

First, it was tested whether the factor analysis can be performed. This is done by assessing the adequacy of the sample size. The adequacy of the sample size is confirmed using the Kaiser-Meyer Olkin (KMO) test and Barlett's Test of Sphericity. Table 7 demonstrates that KMO has a value of 0.801, indicating that there are sufficient intercorrelations. In addition, the Barlett's Test of Sphericity is significant which implies that the correlation matrix is suitable for factor analysis. This implies that the factor analysis can be performed and the results are deemed usable.

Table 7. KMO and Barlett's Test of Sphericity

KMO	Approx. Chi-Square	df.	Sig.
.801	230,281	10	0.000

*Note: P*<0.001

In this research, the number of respondents included in the factor analysis was above 100, therefore factor loadings in the range of 0.30 to 0.40 indicate the minimum required level. Loadings larger than 0.50 are considered significant and loadings exceeding 0.70 represent a desired loading (Hair et al., 2019). The results of the factor analysis demonstrate that all items have significant loadings (>0.50) on the intended construct, as represented in Table 8. The explained variance for all factors exceeds the recommended 60% of the total

variance, except for tangibles (52,798%). Since this value is not extremely deviating, it is decided to continue. Besides, it is evident that the communalities are all above the recommended 0.20, indicating that sufficient variance of the variables can be explained by the factors. Moreover, the correlation matrix is identified to check how the variables correlate with each other. Since the determinant indicates a value of 0.135, which is above the recommended value of 0.0001 of Hair et al (2014), it is deemed that the variables are correlated. The results of the total variance explained, communalities and correlation matrix can be found in Appendix 2.

Table 8. Factor Matrix

	Factor 1	Factor 2	Factor 3	Factor4	Factor 5	Factor 6
T1	0.774					
T2	0.886					
T3	0.670					
T4	0.815					
RL1		0.737				
RL2		0.688				
RL3		0.639				
RL4		0.868				
RL5		0.722				
RS1			0.538			
RS2			0.737			
RS3			0.831			
RS4			0.662			
ASS1				0.753		
ASS2				0.819		
ASS3				0.842		
ASS4				0.612		
EM1					0.787	
EM2					0.800	
EM3					0.743	
EM4					0.745	
EM5					0.559	
WB1						0.895
WB2						0.895

**Extraction Method: Principal Axis Factoring.** Note. The factors represent the variables (Factor 1 = Tangibles, Factor 2 = Reliability, Factor 3 = Responsiveness, Factor 4 = Assurance, Factor 5 = Empathy). Vertically the items are represented (T1-T4 pertain to Tangibles, RL1-RL5 pertain to Reliability, RS1-RS4 pertain to Responsiveness, ASS1-ASS4 pertain to Assurance, EM1-EM5 pertain to Empathy, WB1-WB2 pertain to Wellbeing).

### **Reliability Analysis**

The results of the reliability analysis using Cronbach's Alpha can be found in Appendix 3. The reliability for the variables is found to be 0.864 for tangibles, 0.848 for reliability, 0.784 for responsiveness, 0.833 for assurance, 0.846 empathy and 0.887 for

wellbeing. Since the values are higher than the value of 0.70, as recommended by Hair et al (2019), all constructs are found to be reliable.

### **Assumptions in the Regression Analysis**

Since the validity and reliability of the dimensions so far show sufficient results, the regression analysis can be performed. The statistical method used for the regression analysis is a multiple regression since the dependent variable (wellbeing) is predicted by five independent variables (SERVQUAL dimensions). By conducting a multiple regression analysis, the contribution of each SERVQUAL dimension on wellbeing is explored. For the multiple regression analysis to proceed, five assumptions are tested according to Hair et al (2005):

- Linearity of the Phenomenon Measured
- ❖ Constant Variance of the Error Terms
- ❖ Independence of the Error Terms
- ❖ Normality of the Error Term Distribution
- Multicollinearity of the Independent Variables

### Assumption 1: Linearity of the Phenomenon Measured

The linearity of the regression model is tested by a scatterplot (entered: ZRESID on the y-axis vs ZPRED on the x-axis) which shows whether the points are equally distributed. In Figure 2 it is shown that the dots are fairly widespread and therefore do not form a clear pattern. Hence, it is assumed that the assumption is met and the model can be considered to be linear.

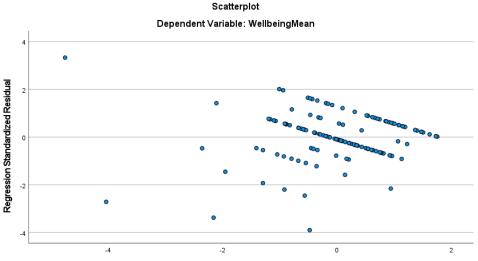


Figure 2: Scatterplot.

Regression Standardized Predicted Value

### Assumption 2: Constant Variance of the Error Terms

The constant variance of the error terms is examined to check if the data is homoscedastic. According to Hair et al (2005), homoscedasticity indicates whether the variance of the data is consistent and can be tested by looking at the scatterplot (Figure 2). Since no clear pattern can be found, it is assumed that the data is homoscedastic. Therefore, assumption 2 has met the required condition.

### Assumption 3: Independence of the Error Terms

The Durbin-Watson test is used to measure autocorrelation in the residuals from the regression analysis. The test suggests that statistical values in the range of 1.5 to 2.5 are deemed relatively normal. In Appendix 4, the results of the Durbin-Watson test can be found. Given that the Durbin-Watson has a value of 2.157, it is expected that the error terms have no correlation with the independent variables. This means that assumption 3 for the regression analysis is sufficient.

### Assumption 4: Normality of the Error Term Distribution

The normal distribution of the errors is checked through the normal probability plot of residuals. In Figure 3 the plot indicates that all dots are centred around the diagonal line. Therefore, it is assumed that the error terms are normal distributed and assumption 4 can be confirmed.

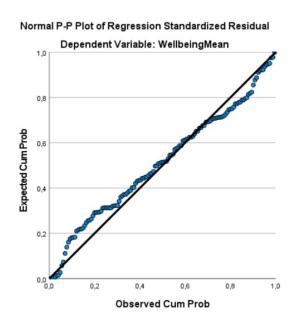


Figure 3: Normal probability plot of the standardized residual.

### Assumption 5: Multicollinearity of the Independent Variables

The Variance Inflation Factor (VIF) is used to examine whether there is multicollinearity between the independent variables. According to Hair et al (2019), a VIF value of less than 5 is recommended. This is explained, as a higher value of VIF indicates a higher degree of multicollinearity. In Appendix 4 the table of Coefficients can be found. From this table, it is evident that for all independent variables the VIF value is less than the recommended value of 5. Hence, it is concluded that the assumption of multicollinearity is satisfied.

### **Regression Analysis**

Since the results of the assumption testing so far show that the conditions have been met, the regression analysis is conducted. First, the goodness of model fit is tested to measure whether the observed data corresponds to the assumed model. Second, the multiple regression analysis with an enter method is performed, which provides insight into the results of the conducted research.

### Goodness of Model Fit

The goodness of model fit in this research is tested with the adjusted  $R^2$  and the F change. The adjusted  $R^2$  is used to assess the significance of the model. According to Hair et al (2019), values of below 0.3 indicate no effect, values of 0.3 < r < 0.5 induce a low effect and values of 0.5 or above are considered as large effects. Since the  $R^2$  has a value of 0.350, it is deemed that the independent variables explain a well proportion of the variance in the dependent variable. In addition, the F change is used to evaluate the overall model fit and has to be significant (Hair et al., 2019). Since the F change has a value of 0.000, it implies that the model has a good overall fit for the regression analysis to proceed. The following estimation model is underlying the analysis:

 $WB_y = \beta_0 + \beta_{1*}T + \beta_{2*}RL + \beta_{3*}RS + \beta_{4*}ASS + \beta_{5*}EM$ 

where

 $WB_y$ = dependent variable wellbeing

 $\beta_0$  = constant value of WB<sub>y</sub>

 $\beta_1$  = absolute change in WB<sub>v</sub> for an increase in T

T = independent variable tangibles

 $\beta_2$  = absolute change in WB<sub>v</sub> for an increase in RL

RL = independent variable reliability

 $\beta_3$  = absolute change in WB<sub>v</sub> for an increase in RS

RS = independent variable responsiveness

 $\beta_4$  = absolute change in WB<sub>v</sub> for an increase in ASS

ASS = independent variable assurance

 $\beta_5$  = absolute change in WB<sub>y</sub> for an increase in EM EM = independent variable empathy

### Results of the Regression Analysis

The multiple regression analysis is conducted to test whether the hypotheses are correctly formulated and therefore can be confirmed. The 'purpose of stay' is used as the selection variable in order to get the results for business- and private guests. Here, entering 'purpose of stay = 1' in selection variable demonstrates the results for business guests, whereas entering 'purpose of stay = 2' provides the results for private guests.

From Table 9 it is evident that for both segments other dimensions have significant effects on wellbeing. Responsiveness ( $\beta$  = 0.429, p<0.05, t = 2.313) is the only dimension found significant to wellbeing for business guests. Meanwhile, for tangibles ( $\beta$  = 0.115, p>0.05, t = 0.760), reliability ( $\beta$  = 0.233, p>0.05, t = 1.299), assurance ( $\beta$  = -0.050, p>0.05, t = -0.248) and empathy ( $\beta$  = 0.299, p>0.05, t = 1.944) no significant is found. This implies that for business guests 'responsiveness' is the only predictor of wellbeing.

For private guests, positively significant effects on wellbeing are found for tangibles  $(\beta=0.356, p<0.001, t=3.791)$ , assurance  $(\beta=0.344, p<0.01, t=3.251)$  and empathy  $(\beta=0.228, p<0.05, t=2.524)$ . However, no significant effects are found for reliability  $(\beta=-0.18, p>0.05, t=-0.155)$  and responsiveness  $(\beta=-0.130, p>0.05, t=-1.169)$ . This means that for private guests, 'tangibles', 'assurance' and 'empathy' are the predictors of wellbeing.

Table 9.

Regression Results on Service Quality and Wellbeing
Business vs Private Guests

Service Quality	<b>Business Guests</b>		<b>Private Guests</b>	
	t-value	St. Coefficients Beta	t-value	St. Coefficients Beta
Tangibles	0.760	0.115	3.791***	0.356
Reliability	1.299	0.233	-0.155	-0.18
Responsiveness	2.313*	0.429	-1.169	-0.130
Assurance	-0.248	-0.050	3.251**	0.344
Empathy	1.944	0.299	2.524**	0.228
F change		4.128**		14.036***
$\mathbb{R}^2$		0.433		0.415
Adjusted R <sup>2</sup>		0.328		0.385

*Note.* \*p<0.05, \*\*P<0.01, \*\*\*p<0.001

### **Hypotheses Testing**

The results from the regression analysis manifest different effects for both segments. It turns out that a significant effect of 'tangibles' applies to private guests but not to business guests. Since a stronger positive effect of tangibles was reasoned for business guests, hypothesis 1 is not accepted. 'Reliability' is found to be non-significant for both business- and private guests. This implies that the assumption about a stronger positive effect of reliability for business guests is incorrect, with the consequence that hypothesis 2 is not supported.

For 'responsiveness' the effect is found to be positively significant to business guests, whereas no comparable effect is found for private guests. Hence, it is deemed that hypothesis 3 is supported. With respect to 'assurance', the positive effect was expected to be equal for both segments. However, the results show that the positive significant effect of 'assurance' only applies for private guests. Herewith, hypothesis 4 is not accepted. Finally, 'empathy' proves to be positively significant for private guests. Since this effect is not proven positively significant with business guests, the assumption was formulated correctly. Hence, hypothesis 5 is accepted.

### **Additional Explorative Analyses**

The existence of possible differences in the effects between socio-demographic factors is an avenue worth pursuing. However, in contrast to the main effects hypothesized, the current literature does not provide a solid foundation to develop substantive hypotheses regarding these effects. Therefore, we take a more exploratory stance and investigate whether there are any effects of service quality on wellbeing for the categories of age and gender. In addition, for business guests it is investigated whether there is a difference in the effects with regard to the position.

For business guests no different effects are found for the age categories. Meanwhile, through performing the analysis for the categories of gender, a significant effect of 'empathy' ( $\beta = 0.398$ , p<0.05, t = 2.424) on wellbeing is found for males. Final, for business guests the analysis is performed to investigate whether a difference in the effects can be found with regard to the position. The results show that for business guests with a managerial position, significant effects of 'reliability' ( $\beta = 0.525$ , p<0.05, t = 2.516) and 'empathy' ( $\beta = 0.450$ , p<0.05, t = 2.373) on wellbeing are found.

For private guests, the analyses were performed for the categories of age and gender.

The results prove that no difference in the effects can be found for these categories. Given that

no hypotheses have been formulated prior to these exploratory analyses, the results are not included in the discussion and conclusion.

# **Discussion and Conclusion**

### Introduction

In this section, the findings of the research are interpreted and critically reflected on. Furthermore, a conclusion is provided that gives answer to the research question.

### **Discussion**

This research examined the relationship between service quality and wellbeing of hotel guests. More explicitly, this research examined how the relationship is different for business- and private guests. Table 10 assists in obtaining a clear overview of the results. The findings indicate that the predictors of wellbeing are different for business- and private guests. This supports the idea that the SERVQUAL model is suitable for predicting wellbeing in the hotel industry for the two major guest segments.

The findings of this research indicate that the predictor of wellbeing for business guests is 'responsiveness'. This agrees well with the reasoning made in this research, regarding that more requests will be made by business guests through their higher degree of presence in the hotel which results in a stronger effect of 'responsiveness' on their wellbeing. The reasoning therefore seems to be drawn well from Lockyer (2002) and Masiero et al (2015), whose studies have found that business guests highly prefer the degree to which claims are handled and extra service is delivered.

Furthermore, the findings show that for private guests, the most important predictor of wellbeing is 'tangibles' followed by 'assurance' and 'empathy'. This is inconsistent with the reasoning made in this research that 'tangibles' are evaluated higher by business guests due to more intensive use of the service, and thus have a stronger effect on their wellbeing. Although previous studies (e.g., Lockyer, 2002; Yavas & Babakus, 2005; Umasuthan et al., 2017) found that aspects of the service related to 'tangibles' are high preferred by business guests, it can not be said that 'tangibles' are therefore predictors of their wellbeing. Meanwhile, against the expectations of this research, 'tangibles' is found to be a predictor of wellbeing for private guests.

Then, the findings are somewhat contrary with the reasoning made in this research that 'assurance' is evaluated high by both segments and thus is expected to be a predictor of the wellbeing of business- and private guests. Despite Lockyer (2002) and Yavas & Babakus (2005) evince that both, business- and private guests, prefer aspects of the service related to

'assurance', it cannot be said that 'assurance' is therefore a predictor of the wellbeing of both segments.

In addition, the findings agree with the reasoning made in this research, that 'empathy' is evaluated higher by private guests and thus has a stronger effect on their wellbeing. Therefore, this reasoning seems to be drawn well from previous studies (e.g., Yavas & Babakus, 2005; Lehto et al., 2017; Umasuthan et al., 2017; Zhang et al., 2019), claiming that the personal attention and emotional interaction is especially high preferred by private guests.

Finally, the findings show that 'reliability' is not a predictor of wellbeing for business-and private guests. Although previous studies (e.g., Lockyer, 2002; Fawzy, 2010; Ramanathan, 2010; Kivuva et al., 2014) argue that business guests evaluate the reliability of the service more critically, the results so far show that 'reliability' is not a predictor for their wellbeing. The reasoning made in this research, that 'reliability' is evaluated higher by business guests and thus has a stronger effect on their wellbeing, is therefore not supported.

Among the five hypotheses formulated in this research, three hypotheses are rejected based on the findings. This can be explained by a number of reasons. In this research, the preferences and needs of business- and private guests were studied to reason how both segments evaluate each dimension of service quality. Depending on how the SERVQUAL dimensions were evaluated by business- and private guests, certain effects on wellbeing were expected (i.e., whether a stronger effect for one of the segments or an equal effect for both segments) and corresponding hypotheses were formulated. First, it is possible that based on the preferences and needs, no reasoning can be made about how both segments evaluate the dimensions of service quality. More explicitly, the preferences and needs studied for this research may not fully match with the items of the SERVQUAL dimensions. Another reason can be that service quality is not directly related to wellbeing. This means that potential moderators should be included to see if service quality explains wellbeing better indirectly.

Last, the findings on service quality and wellbeing in this research may not have been representative, due to the fact that data was collected during the covid-19 pandemic. For respondents who had their last stay less than one year ago, service quality could not be measured properly since hotels were restricted in their provision of service. In addition, the covid-19 circumstances may had consequences on how these respondents experienced wellbeing.

### Table 10. Overview Hypotheses Testing

Hypotheses Result

H1: The positive effect of tangibles on wellbeing is stronger for business guests	rejected
H2: The positive effect of reliability on wellbeing is stronger for business guests	rejected
H3: The positive effect of responsiveness on wellbeing is stronger for business guests	confirmed
H4: The positive effect of assurance on wellbeing is equal for business- and private guests	rejected
<b>H5:</b> The positive effect of empathy on wellbeing is stronger for private guests	confirmed

### **Conclusion**

The findings of this research provide an answer to the research question: "What is the effect of service quality on the wellbeing of hotel guests during a hotel stay?" In general, it can be concluded that the dimensions of service quality have a different effect on wellbeing for business- and private guests.

The findings of this research suggest that among the five dimensions of service quality, 'responsiveness' has emerged as the predictor of wellbeing for business guests. This means that with business guests, hotel managers should among others focus on the extent to which they respond to business guests adequately and on time. For private guests, the best predictor of wellbeing is 'tangibles', followed by 'assurance' and 'empathy'. Therefore, with private guests it is especially important that the tangibles in the hotel look well maintained and service employees appear well. Besides, hotel managers have to make sure that the service employees are reliable and provide enough attention to private guests.

To conclude, hotels should properly manage the 'responsiveness' of service employees to ensure the wellbeing of business guests. Meanwhile, hotels need to maintain a good provision of 'tangibles', 'assurance' and 'empathy' to contribute to the wellbeing of private guests.

# **Res**earch Limitations and Avenues for Future Research

#### Introduction

The limitations of this research are discussed in this section, which simultaneously provide an overview of the areas for improvement. In addition, the avenues for future research are provided that give other researchers the opportunity to build on.

### **Limitations and Future Research**

The findings may not be representative as this research is conducted during the covid-19 pandemic. Since the data is based on respondent's last hotel stay, a few issues can be questioned. First, for business guests, 65% of the respondents indicated that their last stay was

one to three years ago. This is explained, as hotels have been closed for a longer period. In addition, since it is strictly advised to work from home, business people stayed less in hotels due to work-related reasons. Therefore, a memory bias has to be taken into account, implying that the experiences for these respondents may have been difficult to remember. This can be related to service quality, for instance not remembering whether the hotel had up-to-date equipment, but also to wellbeing when respondents cannot remember whether they felt happy after their last hotel stay.

Given that for private guests, 57% of the respondents had their last hotel stay less than one year ago, the results should also be taken with caution due to the limited service hotels were able to provide. Since it was required to avoid contact between different people as much as possible, hotels had to provide their service at distance. It is plausible that this limitation had consequences for the service quality private guests experienced during their last hotel stay, which possibly also had consequences for the experience of their wellbeing. To be able to generalize findings which are more representative of a normal situation, this research should be conducted again when the covid-19 pandemic is over. This is necessary as hotels will then not be limited in their provision of service quality and the wellbeing of hotel guests will not be affected by the covid-19 circumstances.

Besides, the findings of this research may not be representative for the whole population because of the sampling method used to collect data. By distributing the survey on LinkedIn and Facebook, the respondents for this research are limited to the own network. Despite there were no inclusion criteria regarding the country of origin or residence, it is likely that the majority of the respondents are from the Netherlands. Further research could focus on a variety of countries or regional settings, to see if a difference in the findings can be attributed to this. In this context, the role of culture can also be examined in the relationship of service quality and wellbeing.

Furthermore, despite the SERVQUAL scale has been proven useable for every service organisation, it can be considered whether the composition of the items should be adjusted for the hotel industry. This is explained, as the SERVQUAL scale is developed in the 1980's and can therefore be out-dated. Further research could see whether dimensions should be replaced or added, which are more in line with the values of hotel guests today. This can for instance pertain to food and beverage or more technical aspects such as Wi-Fi.

Next, this research was limited due to the fact that the SERVQUAL model has not often been used in combination with consumer-related outcomes. In all, previous research on service quality and wellbeing could not be built on. It is therefore not known whether the

SERVQUAL model is useful in predicting wellbeing. For the future, it is recommended that researchers first investigate potential predictors of consumer wellbeing in a service context. For this, the SERVQUAL model can be built on. However, it is also possible that alternative models need to be developed.

Finally, this research included a domain-specific perspective of wellbeing, implying that the wellbeing of hotel guests is related to the hotel industry. With this, little can be said about how service quality in hotels affects the wellbeing of hotel guests in the longer run. Future research can therefore use a scale which measures the overall wellbeing of respondents. In addition, it is important to note that wellbeing can be conceptualised in multiple ways. This research has been limited to the affective- and cognitive aspects of wellbeing. Further research can therefore focus more on the hedonic- or eudaimonic dimensions of wellbeing. Another recommendation for future research is to explore the effect of service quality on the physical- or mental wellbeing of hotel guests. This is interesting, as it examines whether hotels can contribute to the wellbeing of hotel guests who are in recovery. Herewith, knowledge on the contributions hotels are able to make to the society can be expanded.

# **Implications**

#### Introduction

In this section, the implications on further research regarding wellbeing of hotel guests are provided. Furthermore, the practical actions encouraged by this research are discussed.

### **Scientific Implications**

The scientific relevance of this research concerns the application of the SERVQUAL model to investigate wellbeing as a consumer-relevant outcome of service quality. Since the model is previously used to examine outcomes that are more beneficial to the company (Rosenbaum, 2015), the results of this research differ as it shows how service quality can be important to consumers. This means that the wellbeing of consumers is addressed.

In addition, by investigating the wellbeing of hotel guests, a contribution is simultaneously made to research on transformative services. More specifically, as TSR strives for service organizations to show more interest in the enhancement of consumer wellbeing (Anderson & Ostrom, 2013; Rosenbaum, 2015), with this research it is now known for hotels that the quality of service can have a role in responding to this topic. Herewith, knowledge has been obtained about which dimensions of service quality exactly predict wellbeing.

Furthermore, this research is moderated by the segments of hotel guests, implying that

knowledge has been expanded on the importance for hotels to serve business- and private guests separately. Although the focus of previous research was initially on investigating the different preferences and needs or factors of satisfaction and loyalty for business- and private guests (Amin et al., 2013), it is now proven that the drivers of wellbeing also vary for both segments. For business guests the findings so far prove that 'responsiveness' contributes to wellbeing, whereas for private guests it is now evident that 'tangibles', 'assurance' and 'empathy' are determinative to wellbeing.

### **Societal Implications**

This research obtained interesting knowledge for hotel managers to apply in practice. The findings can help managers in the prevention of failure to recognize the power of service quality on the wellbeing of hotel guests. Subsequently, the findings can encourage managers that the interests of hotel guests should not be overlooked, due to an extensive focus on service quality and managerial relevant outcomes. Therefore, this research helps managers in setting new standards for their provision of service. Additionally, this research emphasizes the importance for hotels themselves, the individual and the society when hotels ensure the wellbeing of their hotel guests.

In the first instance, it is important that hotel managers distinguish between businessand private guests, in providing service quality that contributes to wellbeing. For business
guests, hotel managers should carefully focus on the execution of responsiveness. Hotels can
respond to this by telling when certain services are delivered, but also through a degree of
flexibility. The latter concerns the provision of prompt service on for example requests.
Furthermore, it is important that the service employees show business guests their willingness
to help. Following these recommendations, can enhance the feeling of happiness during the
hotel stay and the satisfaction with the hotel setting of business guests.

Then hotel managers should note that with private guests, the main investment should be in the tangibles of the hotel. This can relate to the appearance of several facilities, the condition of equipment but also to the extent in which service employees neatly appear. Besides, the provision of assurance by the hotel should also be taken into account for private guests. For this, it is especially important that service employees behave reliable and reassure guests that they can be trusted. It is recommended that service employees will be trained to perform reliable and receive adequate support in this. Further, the service employees themselves can contribute to the provision of assurance by being polite in the first place.

Finally, hotel managers have to assure that the service employees show enough

empathy towards the private guests. Here, it is mainly important that service employees are consciousness about the needs and interests of the guests, in such a way that personal attention can be provided. The proper maintenance of tangibles, together with a good provision of assurance and empathy, can make sure that private guests feel happy during the hotel stay and are satisfied with the hotel setting.

These findings assure that hotels are now well-prepared that the quality of their service plays an important role for the wellbeing of hotel guests. It is encouraged that hotels invest in those dimensions of service quality that uplift the wellbeing of hotel guests. Herewith, it is especially important to distinguish between business- and private guests. Besides, it is made clear that not only the hotels as a whole, but every service employee is important in delivering service quality. Therefore, it is recommended that hotels understand how the service employees perform and offer additional trainings to them if necessary.

When hotels are known for their interest in the wellbeing of the hotel guests, this can be good for their image. This relates to the fact that hotels not only operate in managerial interest but also in interest of the society. With this reputation, hotel managers are better able to attract employees who have the same concerns as the hotel. Hence, it is plausible that hotels can save time on the selection of employees, but also on providing trainings. In addition, a good fit between employees and the hotel can also save time on employee retention. Furthermore, when hotels take social responsibility, it can potentially help them excel in the growing hospitality industry.

Then, the responsibility taken by hotels for the wellbeing of hotel guests is also important for the individual and the society. Hotels can this way prevent that they cause negative consequences for the work- and private lives of their hotel guests. These negative consequences may relate to absenteeism, implying that the hotel guests call in sick for a longer period of time, which also has consequences for the organization they work for. Besides, the negative consequences can also concern the private circumstances at home with spouses, children and family which can result in home crises. Moreover, the negative consequences can pertain to other close networks such as associations, committees and clubs the hotel guests are part of. Here, hotel guests can also be out of the running for a longer period of time.

Finally, when harming the wellbeing of many hotel guests this can put pressure on care providers. For hotels as a widely used service organization, it is thus also important to ensure the wellbeing of hotel guests to prevent the major implications for the individual and society.

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# **Appendices**

### Appendix 1. Design of the survey

### Q1. Did you stay in a hotel for at least once?

- Yes
- No

### Q2. Was the last time you stayed in a hotel due to work-related matters?

- Yes
- ❖ No  $\rightarrow$  skip to Q7

### Q3. When was the last time you stayed in a hotel due to work-related matters?

- One to three years ago
- Three to five years ago
- More than five years ago

### Q4. Do you have managerial position?

- Yes
- No

### Q5. What was the duration of your stay?

- One to three days
- Three to five days
- Five to seven days
- More than a week

### Q6. What level of service characterized the hotel?

- ❖ World-Class Service (Luxury Five stars hotel)
- Mid-range Service (3 to 4 stars hotel)
- Budget/Limited Service
- → Skip to Q10

### Q7. When was the last time you stayed in a hotel?

- Less than one year ago
- One to three years ago
- Three to five years ago
- More than five years ago

### Q8. What was the duration of your stay?

- One to three days
- Three to five days
- Five to seven days
- ❖ More than a week

### Q9. What level of service characterized the hotel?

- ❖ World-Class Service (Luxury Five stars hotel)
- Mid-range Service (3 to 4 stars hotel)
- Budget/Limited service
- → Skip to Q10

### Q10. To what extent do you agree with the following statements:

(Strongly Disagree – Disagree – Somewhat agree – Neither agree nor disagree – somewhat agree – agree-strongly agree)

During my last hotel stay:

The hotel had up-to-date equipment

The physical facilities were visually appealing

The service employees were well dressed and appeared neat

The appearance of physical facilities was in keeping with the hotel

### Q11. To what extent do you agree with the following statements:

(Strongly Disagree – Disagree – Somewhat agree – Neither agree nor disagree – somewhat agree – agree-strongly agree)

During my last hotel stay:

The service employees were doing things by the time they promised me

Whenever I faced a problem, the service employees were sympathetic and reassuring

The service employees were dependable

The hotel provided the service at the time they promised me

The hotel kept accurate records

### Q12. To what extent do you agree with the following statements:

(Strongly Disagree – Disagree – Somewhat agree – Neither agree nor disagree – somewhat agree – agree-strongly agree)

During my last hotel stay:

The hotel told me when the services will be performed

The service employees provided prompt service

The service employees were willing to help me

The service employees were not too busy to respond to my requests promptly

#### Q13. To what extent do you agree with the following statements:

(Strongly Disagree – Disagree – Somewhat agree – Neither agree nor disagree – somewhat agree – agree-strongly agree)

During my last hotel stay:

I had trust in the service employees

I felt safe in the transaction with the service employees

The service employees were polite

The service employees were provided adequate support to do their jobs well

### Q14. To what extent do you agree with the following statements:

(Strongly Disagree – Disagree – Somewhat agree – Neither agree nor disagree – somewhat agree – agree-strongly agree)

During my last hotel stay:

The hotel gave me individual attention

The service employees gave me personal attention

The service employees knew what my needs were The service employees had my best interest at heart The service employees had operating hours that were convenient to me

### Q15. To what extent do you agree with the following statements:

(Strongly Disagree – Disagree – Somewhat agree – Neither agree nor disagree – somewhat agree – agree-strongly agree)

After my last stay in a hotel:

I felt happy I was satisfied

Q16. What is your age?

\_\_\_

### Q17. With which gender do you identify yourself?

- Male
- Female
- Prefer not to say

# **Appendix 2. Factor Analysis**

# 2.1 Total Variance Explained

Total Variance Explained

	Initial 3	Initial Eigenvalues		
Factor	% of Variance	Cumulative %		
1	52.798	52.798		
2	13.682	66.480		
3	12.467	78.948		
4	9.185	88.133		
5	6.503	94.635		
6	5.365	100.00		

Note. The orange marking indicates that the value does not meet the recommended criteria.

### 2.2 Communalities

### Communalities

Variable	Initial	Extraction	
Tangibles	0.282	0.308	
Reliability	0.501	0.588	
Responsiveness	0.499	0.514	
Assurance	0.507	0.610	
Empathy	0.285	0.269	
Wellbeing	0.350	0.354	

Extraction Method: Principal Axis Factoring

### 2.3 Correlation Matrix

Correlation Matrix<sup>a</sup>

Correlation	Tangibles	Reliability	Responsiveness	Assurance	Empathy	Wellbeing
Tangibles	1.000	0.419	0.399	0.425	0.216	0.411
Reliability	0.419	1.000	0.616	0.549	0.462	0.392
Responsiveness	0.399	0.616	1.000	0.617	0.305	0.325
Assurance	0.425	0.549	0.617	1.000	0.375	0.495
Empathy	0.216	0.462	0.305	0.375	1.000	0.413
Wellbeing	0.411	0.392	0.325	0.495	0.413	1.000

a. Determinant = 0.135

Note. The orange markings indicate loadings between unintended constructs.

# Appendix 3. Reliability Analysis

# 3.1 Reliability Analysis

Table 9. Reliability Analysis

Variable	Cronbach's Alpha		
Tangibles	0.864		
Reliability	0.848		
Responsiveness	0.784		
Assurance	0.833		
Empathy	0.846		
Wellbeing	0.887		

# Appendix 4. Assumptions in the Regression Analysis

# 4.1 Independence of the Error Terms

Table 10. Model Summary<sup>b</sup>

Model	R Square	Adjusted R Square	Std. Error of Estimate	<b>Durbin-Watson</b>
1	0.592ª	0.326	0.72425	2.157

a. Predictors: (Constant), Tangibles, Reliability, Responsiveness, Assurance, Empathy

# 4.2 Multicollinearity of the Independent Variables

Table 11. Coefficients<sup>a</sup>

Collinearity Statistics			
Model	Tolerance	VIF	
(Constant)			
Tangibles	0.762	1.312	
Reliability	0.500	2.000	
Responsiveness	0.503	1.987	
Assurance	0.536	1.865	
Empathy	0.764	1.309	

a. Dependent Variable: Wellbeing

b. Dependent Variable: Wellbeing