

# Looking into the Hospitality Service Quality in China: A Review

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## Abstract

Global economic is driving the development of tourism, and China is working to accelerate development through strategic measures. A boom in tourism may increase competition for hotels and make it more difficult to keep guests. Various scholars have concluded that service quality plays a crucial role in maintaining hotel guests, as this is key measure of their satisfaction. China's hotel industry has rapidly grown in the past years and continues to grow since the government began opening business opportunities for international hotel chains. With the current increase of accommodation units, hotels face stiff competition on how to attract, satisfy and ultimately encouraging guests to return to their properties. This review aims to examine the service quality of the hotels in China based on studies conducted by their domestic scholars from 2019 to the present, the data were accessed by the authors from Chinese Academic Journal Electronic Publishing House. Based on the literature review, scholars agree that service quality influences customer satisfaction. Therefore, hotels in China must develop with strategies to improve their service quality to remain competitive. Additionally, it is observed that while there are several studies service quality, few scholars have explored measuring it through its five dimensions. Measuring service quality through these dimensions may provide the hotel sector more precise outcomes.

**Keywords:** China; hospitality service quality; tangibility, reliability; responsiveness; assurance, empathy;

## 1. Introduction

Many countries around the world emphasized tourism's contribution to improving standards of living since it boosts revenue and foster domestic growth. Since the global tourist industry is directly connected to the hospitality industry, service quality and customer satisfaction are critical factors in order to keep the guest's loyalty. Therefore, the hospitality sector must provide exceptional service (Ali et al., 2021). In the recent years, according to Ismael et al., (2021), the hotel industry witnessed a significant surge in new hotel investments, drawing travelers from all over the world which drive nations to consistently make investments in the accommodation sector. In the fourth quarter of 2022, according to the report of Statista (2023), China is one among many countries with the great number of hotel rooms under development. About 675, 000 hotel rooms were being built during that time. Next to this is the United States with about 650, 000 hotel rooms under construction.

Over the past forty years, China's hotel industry has evolved from a weak, government-controlled sector into one that is extensive and dominated by market consumers. From a sector under government control, it diversified into hotels that offer star, economy and non-standard accommodation (Gao & Su, 2019). However, after such development, the hotel industry in China experienced a decline by 9.6% due to the COVID-19 pandemic as reported by the China Hotel Association in 2020. Despite the challenge that the

pandemic has brought, chain hotels in China demonstrated resilience with rates increasing by 35%. The hotel sector in mainland China recovered in 2023, reaching 68.4% occupancy, primarily in lower-tier cities because of leisure tourism following the epidemic (Xie, 2023). Research and Markets (2023) reported that hotel chains are dominant players in the Chinese hotel industry because of their strong marketing campaigns, controlled quality, well-known brands, and consumer benefits including loyalty programs. Business clients and visitors can take advantage of these wide range of services offered by these franchises. Mainly, there are three categories in the Chinese hotel industry: low-cost, mid-range, and high-end hotels which are further divided by star counts, ranging from one to five.

The hotel industry's ability to compete in the market lies in value consumption on guest satisfaction. Gao & Su (2019) underscored the necessity of adaptable product designs and Chinese marketing. The hospitality spirit in China must be preserved while AI advances in order to set it apart and make its value fundamental.

In view of the matter, this review paper aims to analyze the evolving service quality of China's hospitality industry, intending to establish research gaps to further improve the quality of service of the industry.

## 2. The Review

### a. Service Quality of Hotels in China

The combination of attributes and qualities of goods or services generated and rendered by a business that satisfy clients' demands is referred to as service quality (Zhou & Zhang, 2021; Min, 2023). It is the distinction between what customers expect from what is actually provided in terms of service (Sugiarto & Octaviana, 2021; Bao & Zhang, 2021). Furthermore, service quality is the ability of a service provider to efficiently please customers in order to improve and succeed in business (Ramya et al., 2019), and it is an important element influencing customers' trust to service providers (Albalushi, 2021).

In terms of domestic studies, there is a lack of comparable investigations about the hotel service quality in China as opposed to international studies. Most domestic researches delved heavily on theories and validation results of foreign researchers (Wang et al., 2021; Hu & Liang, 2022). China's expanding hotel sector including star-rated hotels emerging nationwide continuously grow (Gong & Liang, 2021). In order to sustain this growth, improving service quality is crucial for market competition and customer satisfaction (Gao & Yao, 2022; Heuvel, 2022). In view of the matter, studies exploring the improvement of hotel service quality in China must be widened. The hotel industry in China expanded due to its strong economic growth, showing guests' preference for economy hotels because of its affordability (Liu & Huang, 2020). Conversely, in 2023, mid-range and high-end chain hotels became more prevalent in the industry (He & Yang, 2023). Nonetheless, despite significant infrastructure progress, China's hotel industry still lags in terms of customer service compared to Western nations, which requires a shift to personalized services and enhanced quality for growth and global competitiveness (Wang et al., 2021). Thus, China's hospitality sector must strive to be at par with the services provided by international chains. In the recent years, Liu (2022) reported that due to the booming hotel industry in China, domestic researchers started exploring the improvement of hotel service quality by learning from advanced foreign experiences and creating a China-compatible service strategy. These investigations yielded fruitful results and provided a strong theoretical guideline for enhancing hotel service quality in China (Min, 2023).

China's hotel industry faced significant challenges in terms of service quality. Yu and Sun (2021) highlighted issues with equipment and employee performance, leading to the recommendation of upgrades, efficiency improvements, quality management teams, and control measures. Among hotel chains in China, Gong and Liang (2021) noted a decline in service quality and low customer satisfaction which posed a

risk in guest loss, revenue decline, and brand trust erosion. In view of the concerns, Xu (2020) suggested enhancing service quality and offering comprehensive services to achieve sustainable growth and competitiveness. An exceptional service is valued for its relevance and adaptability, being a crucial factor in building a positive reputation and generating revenue. Therefore, improving service quality is necessary for the long-term success of China's hotel industry (Saeed et al., 2021).

On a closer look, studies regarding the factors influencing hotel service quality highlighted the difference between actual and expected value in terms of hardware quality influenced by equipment and location and software quality referring to customers' satisfaction (Huang & Chu, 2020; Zhang, 2019). Hardware facilities refer to tangible dimensions of service quality while software facilities involve the four dimensions of service quality which are reliability, responsiveness, assurance, and empathy (Liu & Huang, 2020). Specifically, this review paper will focus on the five dimensions of the SERVQUAL scale model (Parasuraman, et al., 1985) which is widely used and adapted by different researchers in assessing service quality of hotels in China.

## **b. Service quality dimensions of China's accommodation**

### **b.1. Tangibility**

Tangibles refer to the overall appearance of physical structures or facilities, furnishings and decor, surrounding environment, and the staff of a hotel. Tangibility includes things such as modern equipment, attractive facilities, and visually appealing materials (Parasuraman et al., 1988; Gao & Yao, 2020; Tian & Zheng, 2022). When evaluating tangibility, physical elements and service encounters such as modern facilities, competent staff, strong culture, and consistent service must be prioritized because these are observable elements that customers can easily and directly see or touch (He & Yang, 2023).

Among Chinese hotels, room facilities and security scored the highest while hotel supplies scored lower in terms of service quality. Recommendations such as enhancing amenities, furnishings, bed comfort, noise reduction, and supplier management are to be prioritized for facility improvement and customer satisfaction (Li & Huang, 2020; Zhou & Zhang, 2021).

### **b.2. Reliability**

Reliability, as explained by Parasuraman et al., (1988), is the ability of an organization to provide services as promised with accuracy and consistency. In terms of hotel service quality, reliability is the capacity of a hotel to provide services that are promised (Gao & Yao, 2020). Furthermore, reliability dimension assesses how well a hotel can deliver services in a fast, accurate, and reliable manner with an emphasis on upholding customer privacy, integrity, and providing what was promised (He & Yang, 2020).

In a Chinese hotel study, Zhou & Zhang found a significant gap between expected and perceived reliability, emphasizing the need for cohesive efforts to improve service quality and customer retention. Moreover, reliability, demonstrated through timely service delivery and meeting expectations, is crucial for achieving customer satisfaction and building customer trust since they help in gaining a positive reputation and ongoing business development in the hospitality industry (Gao & Yao, 2020; Tian & Zheng, 2022).

### **b.3. Responsiveness**

Responsiveness is the readiness to assist clients and provide timely service. It is immediately dispersed whenever clients have requests, complaints, questions, needs, difficulties, or issues (Saeed et al., 2021). A hotel's responsiveness is measure by how quickly, proactively, and efficiently can they attend to the demands and requests of its guests. This entails being alert, prompt, and effective when offering support or resolving problems in order to increase client happiness and loyalty (Gao & Yao, 2020). Furthermore, responsiveness is the capacity to accurately and swiftly ascertain what customers want and fulfill those needs which requires gathering, assessing, and reacting to feedback, requests, and future needs of

customers (Ye & Zheng, 2022). Evaluating responsiveness among hotels look at how well hotel staff members are able to anticipate guests' requirements, provide prompt assistance, and attentiveness to clients' needs to increase customer satisfaction (He & Yang, 2022).

Considering responsiveness is critical in ensuring customers' positive experience, it is important for hotels to reduce waiting times, improve service efficiency, and skillfully handle complaints through proactive communication and prompt, accurate solutions (Gao & Yao, 2022; Ye & Zhang, 2022).

#### **b.4. Assurance**

Assurance refers to the aptitude and attitude of hotel service staff. Personnel's knowledge to guarantee service provision, positive attitude, reliability, and capability are the main areas of service assurance, emphasizing competence and dependability in providing satisfactory service (He & Yang, 2023). Hotel service quality assurance in accordance to Gao and Yao (2020) encompasses the staffs' manners during the service process including their knowledge and abilities. Moreover, it is the capacity of the service personnel to interact positively with customers, ensuring superior service and building customer trust (Tian & Zheng, 2022).

In a Chinese hotel assurance survey, Zhou & Zhang (2021) found a dissatisfaction with staff service abilities which resulted in complaints over room access and hospitality. Insufficient comprehension of protocols, inappropriate utilization of facilities, and impolite conduct deteriorated the caliber of services and decreased hotel occupancy. In view of this, it is important to provide high-quality service assurance to foster customers' trust and confidence and promote clients' happiness and loyalty (Gao & Yao, 2020).

#### **b.5. Empathy**

In the hospitality industry, empathy is giving customers individualized attention, putting their needs first, and delivering humane treatment. It entails paying close attention, exercising consideration, and adopting a customer-first mindset at all times (Gao & Yao, 2020). In service, empathy is recognizing and satisfying the requirements of the customer by taking on their viewpoint, placing an emphasis on prompt problem-solving and sincere comprehension. It entails adjusting services to meet each client's specific needs, taking into account their preferences, and attentively meeting requests within the allotted time (Tian & Zheng, 2022). Empathy in service must be evaluated to assess how well lodging establishments and staff members are able to understand their clients' needs and concerns, offering individualized services (He & Yang, 2023).

In the hospitality industry, empathy is giving customers individualized attention, putting their needs first, and delivering humane treatment. It entails paying close attention, exercising consideration, and adopting a customer-first mindset at all times (Gao & Yao, 2020). In service, empathy is recognizing and satisfying the requirements of the customer by taking on their viewpoint, placing an emphasis on prompt problem-solving and sincere comprehension. It entails adjusting services to meet each client's specific needs, taking into account their preferences, and attentively meeting requests within the allotted time (Tian and Zheng, 2022). The empathy component primarily assesses how well lodging establishments and staff members are able to understand their clients' needs and concerns and offer individualized services (He and yang (2023).

In order to improve service quality, adapting a systematic training and skill development with a focus on civility and personalized care is recommended (Liu & Huang, 2020). It entails modifying services, comprehending specific wants, taking interests into account, and meeting needs within service timeframes in order to increase customer satisfaction and loyalty (Tian & Zheng, 2022).

### 3. Conclusion and future research directions

Based on the review of different studies conducted by researchers and scholars in China regarding service quality, only a few delved into measuring the five dimensions of the SERVQUAL scale model. Future studies could further examine the effects of the five service quality dimensions—tangibles, assurance, responsiveness, and empathy—on customer satisfaction and loyalty in Chinese hotels. Examining the ways in which cultural coincidences affect these aspects and considering creative methods to raise the caliber of services provided may give insightful information. Furthermore, analyzing how sustainability programs, new technologies, and individualized service offers contribute to each dimension's improvement might offer useful suggestions for hotel management. In order to improve overall service quality and promote long-lasting visitor happiness, customized ways can be developed with guidance from an understanding of the interactions between these dimensions and client perceptions.

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