

Service Quality Dimensions in Portuguese Hotels: A Pilot Investigation with Critical Incident Technique

Isabel M. João^{1,2}, Carlos A. Bana e Costa¹

¹Centre of Management Studies, Instituto Superior Técnico –Tagus Park, Technical University of Lisbon.
Avenida Professor Cavaco Silva, 2780-990 Porto Salvo, Portugal.

²Department of Chemical Engineering, Instituto Superior de Engenharia de Lisboa, Rua Conselheiro Emídio Navarro, 1959-007 Lisboa, Portugal.

Abstract: *Service customers perceive quality in the moment of interaction with the service provider and particularly valuable is to define and understand customers' requirements. This paper explores the dimensions of service quality in hospitality and recognises the dimensions which tend to be primarily a source of satisfaction and others that tend to be a source of dissatisfaction. To obtain the information it was conducted a pilot study applying the critical incident technique (CIT). The paper provides an overview of the critical incident technique, their strengths and weaknesses and its use in service research. Using CIT, data were gathered from two Portuguese hotel guests in Algarve, regarding satisfying or dissatisfying episodes with the service provided. The identification of the service quality dimensions is very important to develop measures to assess these quality dimensions allowing hotel managers to improve the delivery of customer perceived quality during the provided service and also to have greater control over the outcome.*

Keywords: customer satisfaction, service quality, critical incident technique, case study

1. Introduction

Knowledge of customers' perceptions and attitudes about an organization's business will greatly increase the opportunity to make better business decisions. It is necessary to use measures to establish customers' requirements concerning the quality of the provided service. In order to do so, organizations use several measures to gain a more comprehensive understanding of their customers' perceptions which include customer satisfaction questionnaires.

The customer requirements are those characteristics of the product or service that represent important quality dimensions, that is the dimensions on which customers base their opinion about the product or service being evaluated. The knowledge of customer requirements is essential mainly for two reasons (Hayes, 1998). In first place it provides a

better understanding of the way that customers define the quality of the service being provided setting the organization in a better position to know how to satisfy their customers. Secondly the knowledge of customer requirements will make easy the development of customer satisfaction questionnaires to monitor information relating to customer perception as to whether the organization has met customer wants and desires. The questions should access the extent to which customers are satisfied on each of the quality dimensions. If one important customer requirement is overlooked the resulting customer satisfaction questionnaire would be deficient in measuring all customer needs. The customer satisfaction surveys are fundamental to determine customer attitudes and perceptions of the service quality they are receiving. To be successful, a customer satisfaction measurement programme must come from and be incorporated into the firm's corporate culture (Hill, 1996). In today's competitive environment one of the most important goals of the organizations is to retain the existing customers and acquire new customers, but only consumer oriented organizations are able to achieve this goal. These companies focus on the needs and wants of their customers and work hard to maximize satisfaction with the product or service being offered. Instead of waiting for customer complaints to let them know when something is wrong, a consumer oriented corporate culture seeks continuous feedback from its customers through repeated customer satisfaction measurements (Vavra, 1997).

1.1. Service quality Dimensions

The identification of service quality dimensions is essential in order to be able to specify, measure, control and improve customer perceived service quality and consequently customer satisfaction. There are some dimensions that will tend to be primarily a source of satisfaction and others that tend to be a source of dissatisfaction and if they can be identified, service managers should be able to improve the delivery of customer perceived quality during the service being provided and have a greater control over the overall outcome (Johnston, 1995).

Several researchers agree that customers' expectations are rarely concerned with a single feature of the service package but rather with many features and it is a fact that most service researchers agree in measuring service quality and customer satisfaction based on multicriteria scales that reflect the multifunctional nature of the services (Churchill, 1979; Parasuraman *et al.*, 1985, 1988; Hill, 1996; Hayes, 1998). The development of the quality dimensions involves the study of the service being provided and will result in a list of quality criteria, each defined by specific statements.

Parasuraman *et al.* (1985) provided a list of ten dimensions of service quality as a result of their focus group studies with service providers and customers: tangibles, reliability, responsiveness, security, understanding, access, communication, competence, courtesy, and credibility. The exploratory research carried out by Parasuraman *et al.* (1985) was refined with their subsequent instrument named SERVQUAL for assessing customer perceptions of service quality in service and retailing organizations (Parasuraman *et al.*, 1988). At this point the original ten dimensions collapsed into five dimensions of service quality that must be present in the service delivery in order for it to result in customer satisfaction: reliability, responsiveness, assurance, empathy, and tangibles.

Since its introduction in 1988, SERVQUAL model has been applied in numerous studies including several studies in the hospitality and tourism industries (Fick and Ritchie, 1991; Saleh and Ryan, 1991; Luk *et al.*, 1993; Ryan and Cliff, 1997).

The five dimensions reported by the original SERVQUAL instrument have been subject of criticism by several authors, despite the great amount of research and application in several areas of service management. A few researchers have applied the SERVQUAL model in hospitality research including Bojanic and Rosen (1994) and Lee and Hing (1995) in restaurants, Johns and Tyas (1996) in industrial foodservice restaurants. In all these studies the researchers have introduced a modified version of the SERVQUAL model in their surveys. Finn and Lamb (1991) found that the five dimensions were insufficient to cover the quality dimensions in a retailing setting. Johns and Tyas (1996) highlight the structural problems of SERVQUAL when applied to catering and restaurant situations by commenting that the model avoids assessing the tangible aspects of service in foodservice operations. A review of related literature pointed out that customer satisfaction investigations involving a high level of tangible products, such as restaurants and catering have persistently failed to replicate the original SERVQUAL five factor structures. In other service areas the same problem occurs and an example is the study developed by Johnston (1995) that make use of eighteen determinants of service quality in bank industry instead of the five proposed by Parasuraman *et al.* (1988) access, aesthetics, attentiveness/helpfulness, availability, care, cleanliness/tidiness, comfort, commitment, communication, competence, courtesy, flexibility, friendliness, functionality, integrity, reliability, responsiveness and security.

Quality dimensions applicable to many service organizations frequently include the five dimensions of Parasuraman *et al.* (1988). These quality dimensions seem applicable to many service industries, nevertheless it is important that each company identify the list of all quality dimensions to ensure understanding of the service provided. There are several methods that

can be used to identify the key quality dimensions of products and services (Hayes, 1998). One of the methods is the critical incident technique (Flanagan, 1954) and involves customers in assessing the service quality dimensions, being a good method to develop a customer satisfaction questionnaire (Hayes, 1998). This method is not only applicable in the development of customer satisfaction questionnaires but is equally valuable in any business process analysis in which companies attempt to define and understand their customers requirements. The critical incident approach focuses on obtaining information from the customers about the products and services they receive. Customers are in a good position to help the organization to understand the requirements because they are the receivers of the products and services provided by the organization and that fact is one of the strengths of the method. Relying solely on organization in determining customer requirements might lead to a poor list that does not include all criteria essential to customers.

2. The critical incident technique

2.1. Overview

The critical incident technique (CIT) is a method that relies on a set of procedures for collecting direct observations of human behaviour in such a way as to facilitate their potential usefulness in solving practical problems and was introduced to the social sciences by Flanagan (1954). The critical incident technique can be regarded as an outgrowth of the studies in the Aviation Psychology Program of the United States Army Air Forces in the World War II and can be regarded as a flexible set of principles, to be modified for the situation under study.

Flanagan (1954) advocated five steps:

1. Determine the general aim of the activity;
2. Develop plans and specifications for collecting factual incidents regarding the activity;
3. Collect the data either through interview or written up by the observer;
4. Analyze, as objectively as possible;
5. Interpret and report on the requirements, particularly those that make a significant contribution to the activity.

Initially, Flanagan conducted a series of studies focused on differentiating effective and ineffective work behaviours; in the beginning his research teams observed events or “critical incidents” and over time reports provided by research subjects were used in place of direct

observation. Critical incidents can be gathered in several ways, but in service research, the approach is generally to ask the respondents to tell their own stories. The critical incidents can be defined as specific interactions between customers and service quality provided by the firm and the service incidents that are classified are the ones that customers found memorable because they were particularly satisfying or dissatisfying. Examining the events reported by the customers is essential to gain insight into the fundamentally necessary factors leading to customers' satisfactory/dissatisfactory evaluation.

A critical incident is required to meet several criteria (Bitner *et al.*, 1990):

1. Involving customer interaction with the service being provided;
2. Being satisfactory or dissatisfactory from the customer point of view;
3. Being a discrete episode;
4. Having sufficient detail to be visualized by the interviewer.

Through interviews or observation, the CIT records events and behaviours that have been observed to lead to success or failure in accomplishing a specific task (Ronan and Gary, 1974). The specific descriptions of events and behaviours are identified as critical incidents.

2.2. CIT in service research

Since its introduction CIT method has been used in a wide range of disciplines, including education research (Angelides, 2001), nursing (Keatinge, 2002), social work (Banach, 1998) and a lot of studies in service research being the article of Bitner *et al.* (1990) the catalyst of the proliferation of studies in the area. Bitner *et al.* (1990) collected incidents in hotels, restaurants and airlines to isolate the particular events and related behaviours of contact personnel that cause customers to distinguish very satisfactory service encounters from very dissatisfactory ones. Although it was Swan and Combs (1976) who introduced critical incident technique in marketing literature in the mid-1970's it was indeed the seminal article of Bitner *et al.* (1990) the responsible for the proliferation of CIT studies in service research. According to Gremler (2004) which reports the results of a research synthesis conducted of CIT studies appearing in service marketing and management publication, 101 of the 125 studies published after 1990 cite the Bitner *et al.* (1990) article. From the total of 141 CIT studies reported by Gremler (2004) since 1975 until 2003, nearly all (n=134 or 95%) can be considered service contexts and examples of such services include hotels, restaurants, airlines and amusement parks in the hospitality service but also retailing, banking, education, public transportation and cable television, for example.

2.3. Strengths and weaknesses of CIT

First of all is important to distinguish the strengths and weaknesses of the critical incident technique. The CIT method as the advantage that the data are collected from the respondent's perspective and in his own words. In the CIT method there is no presumption of what will be important to the customer because the context is entirely developed by the respondent so the respondents determine by themselves which incidents are the most relevant to them. The CIT method reflects the normal way customers think and does not force them into any given framework. During the interview customers are asked to recall events which satisfied them or otherwise dissatisfied them. The method produces very concrete information because the respondents use their own terms and language and have the opportunity to give a detailed account of their own experiences and that is the reason why the method is particularly useful in assessing perceptions of customers from different cultures (Stauss and Mang, 1999). CIT method is very useful as an exploratory research method to increase the knowledge about a phenomenon of interest and is very attractive because it does not restrict the observations to a limited set of variables or activities being very effective in studying phenomena for which it is hard to specify all the variables a priori. Nevertheless, as any other method there are also some disadvantages of the method that should be pointed out. The major criticism of the method is that it relies upon the researchers to interpret the stories and identify the specific situation being discussed. The main weakness of the method is primarily that the interviewer can filter, misrepresent or unconsciously misunderstand the respondent, which is true of all verbal methods. According to Busacca and Padula (2005) the difficulty of processing and analysing anecdotal materials makes the critical incident technique an excessively complex method, which may hinder its use by marketing researchers in support of their customer satisfaction programs. Problems may also arise as a result of the ambiguity associated with category labels and coding rules within a particular study. The critical incident technique may also result in some undesirable biases, such as consistency factors or memory lapses. The technique relies on events being remembered by respondents and requires the accurate and truthful reporting of them (Johnston, 1995).

Despite some weaknesses of the method, CIT has been demonstrated to be a sound method since Flanagan (1954) first presented it.

3. Methodology

The main objective of the study consists in exploring the dimensions of service quality in hospitality, identify the customers' requirements and also recognise the dimensions which

tend to be primarily a source of satisfaction and others that tend to be a source of dissatisfaction. The critical incident technique was the method chosen for the pilot study which was conducted in two Portuguese hotels in Algarve. Using the critical incident technique is possible to identify the customer's needs, by insight into incidents and therefore making easier the development of a customer satisfaction questionnaire. The customers perceive deviations from their role of expectations through occurring events, behaviours and remarks. These deviations are episodic in nature and well measured by this technique. The method is well suited to obtain information from hotel guests who usually are from different nationalities because it invites guest to share their perceptions about the service delivered, in their own words instead of indicate their perceptions to researcher questions. That is the reason why Stauss and Mang (1999) claim that CIT is an appropriate method to access perceptions of guests from different cultures. It is important that the behaviours or results observed can be evaluated, classified, and recorded while the facts are still fresh in the mind of the observer.

3.1. Data collection

The critical incidents were gathered using personal interviews with hotel guests from two different hotels in Algarve. Before performing an interview it was explained to the guest who was the sponsorship of the study, the purpose of the study, the average time it takes to perform the interview and also guaranteed the anonymity of the guests.

Each interview lasted between 25-35 min, and was conducted by the one of the authors. The interviewer carried out the interviews in English except with Portuguese guests in which the interviews were conducted in Portuguese. Another exception was with some German guests in which it was appealed for a translator to conduct the interviews. The respondents were, male and female from any nationality with age above eighteen years old and within these population respondents were unsystematic sampled by a convenience sampling method. The interviews were written onto a standard form and no tape recorder was used. Each respondent was asked to provide two or more specific incidents both positive and negative critical incidents. The interviewer took a passive role in the process and encouraged the respondent to highlight the quality dimensions of the hospitality service by asking two specific questions, one concerning positive incidents and the other concerning negative incidents.

In such a way to systematize the interview procedure the questions were made by section. The sections considered in the study were: arrival, reception, room, restaurant, entertainment,

pool, Spa/fitness, sports, kids club, safety and security, infra-structures and other services available. The first question was based in incidents experienced or observed by the guest where the service provided was above the expectations of the guest: "...describe two (or more) specific events that you have observed or experienced at the *section x* of *hotel y* that have impressed you positively". The second question was based in incidents where the service provided was poor or under the expectations of the guest: "...describe two (or more) specific events that you have observed or experienced at the *section x* of *hotel y* that have impressed you negatively".

The interviewer encouraged the respondents to describe the incidents in detail. The objective is to allow the maximum response spontaneity and give the opportunity to the respondent express his/her ideas in a non-directed way. The interviewer also request for some guest characterization details including sex, age, country of residence, and also some questions concerning the frequency of service's utilization to identify if the respondents are regular users of the provided service.

3.2. Data analysis

Each incident was numbered and recorded as a positive incident or as a negative incident belonging to the sections considered in the interview process. To simplify the sorting process each critical incident was recorded in a card and the cards were sorted in piles such that the incidents representing similar concepts were in the same pile. The analytical induction process consisted of repeated, careful reading and sorting of the incidents into groups and categories according to similarities in the reported experiences. After reading many incidents, similarities among incidents begin to become apparent.

The process of articulating or identifying the exact nature of the similarity forms the basis for the labelling of each category of incidents. The incidents were sorted, combined and resorted until all incidents in a category are more similar to each other than they are to those in any other category (Figure 1).

To establish the headings for major areas, or categories, several considerations were kept in mind:



Figure 1 – Analytical induction process.

1. The concern that the headings have a discernible and easily remembered structure;
2. The concern that the title should have a meaning without the need of detailed explanation meaning that even without a detailed explanation, should still be meaningful to the reader (this does not mean that they should not be defined and explained);
3. Headings for major areas should be neutral, not defining either dissatisfactory or outstanding behaviours;
4. The concern that the list of headings covers all the incidents meaning that the list is exhaustive.

The initial sorting of the incidents resulted in the major areas, and then the incidents within each area were sorted, resorted and combined again to search for similarities allowing for the emergence of some categories within each major area. The four major areas that could account for positive and negative incidents are: tangibles, service provider, service process operation and value for money (Figure 2).

Within the major areas, tangibles, service provider and service process a total of fourteen categories emerged. The major areas and categories are defined as follows:

- **Tangibles:** Include the physical evidence of the service.

- *Access and exterior:* the access and exterior involves the physical approachability of hotel location.
- *Cleanliness:* the cleanliness and the neat and tidy appearance of the tangible components of the service package, including the service environment, facilities, goods and contact staff.
- *Aesthetic:* extent to which the components of the service package are agreeable or pleasing to the customer, including both the appearance and the ambience of the hotel environment, the appearance and presentation of hotel facilities and exterior, goods and staff.
- *Maintenance:* The work of keeping the tangible components of the service package, including the service environment, facilities and goods in proper condition.
- *Safety and security:* includes freedom from those conditions which can cause

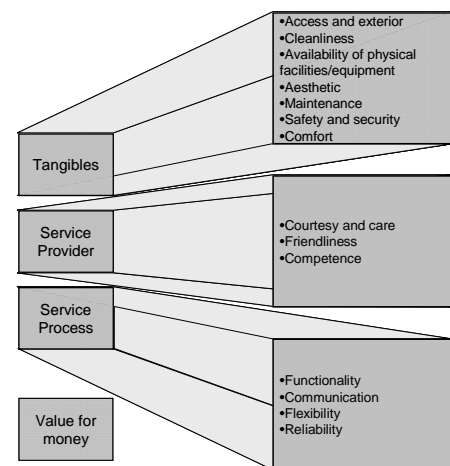


Figure 2 – Identification of major areas and categories

injury to personnel or guests, damage to or loss of equipment or property including the ease of finding one's way around the hotel environment and the clarity of route. It also includes freedom from doubt, anxiety, or fear experienced by the guests and the personal safety of the customer and his/her possessions.

- *Comfort*: the physical comfort of the service environment and facilities including ergonomic conditions.
- *Availability of physical facilities/equipment*: The availability of hotel facilities, equipment and goods to the guest.
- **Service Provider**: it refers to the aspects concerning the service provided by the contact staff.
 - *Courtesy and care*: the extent to which the service, particularly of contact staff, either provides help to the guest or gives the impression of interest in the customer, shows a willingness to serve and also concern, consideration, empathy and serenity shown to the customer. This includes the extent to which the guest is put at ease by the service and made to feel emotionally (rather than physically) comfortable and also the willingness that employees exhibit to promptly and efficiently solve customers' problems.
 - *Friendliness*: The warmth and personal approachability (rather than physical approachability) of the service providers, particularly the contact staff, including cheerful attitude and affection to the guest.
 - *Competence*: The skill, expertise, and professionalism with which the service is executed. This includes the carrying out of correct procedures, correct execution of customer instructions, and degree of service knowledge exhibited by contact staff, the rendering of good, sound advice and the general ability to do a good job.
- **Service process**: it refers to the operation performed by the hotel.
 - *Functionality*: the serviceability and fitness for purpose of service facilities.
 - *Communication*: means keeping guests informed in a language they can understand and listen to them. It may mean that the hotel has to adjust its language for different consumers. This includes the clarity, completeness and accuracy of both verbal and written information communicated to the guest.
 - *Flexibility*: a willingness and ability on the part of the service worker to amend or alter the nature of the service or product to meet the needs of the guest.

- *Reliability*: the reliability and consistency of performance of service facilities, goods and staff. This includes punctual service delivery and promptness of service delivery and an ability to keep the agreements made with the guest. Consistency of performance at the highest standard is crucial to reliability.
- **Value for money**

4. Results and discussion

4.1. Selection of the guest interviewees

The interviews were performed during the first week of September 2006 when the occupation rate was 100%. The sampling of the interviewees was unsystematic. During their stay at the hotel, guests were contacted when making use of the several facilities of the hotel. The guests were mainly contacted in the pool area, in the reception area, in the bars and restaurants and in the gardens, by using a convenience sampling method based in the availability of the guests.

4.2. Characterization profile of the respondents

A total of 48 interviews were considered for subsequent analysis as shown in Table 1, 22 interviews from hotel A and 26 interviews from hotel B. Of the respondents of hotel A 54.5% were male, and 34.6% of the respondents of hotel B were male. Globally, 43.8% of the sample was represented by males. According to ages and globally, 52.1% of the respondents were aged between 45-64, so we can conclude that more than 50% of the sample is represented by middle age guests. When looking at the data globally, one can conclude that for most of the respondents, 75%, it was the first time they were staying in that particular hotel and for almost all the respondents the purpose of the visit was pleasure. Globally the length of the stay of half of the respondents was 4-7 nights and almost the other half was 8-14 nights. Concerning the country of residence only 14.6% of the respondents live in Portugal and most of them, 81.3% live in a UE country. However when separately evaluated hotel A and B show some differences concerning the frequencies of hotel utilization. From the totality of guests from hotel A, one can observe that for 40.9% of the guests it is not the first time they are staying in that property contrasting with only 11.5% of guests from hotel B in that conditions. Also concerning the length of the stay one can observe that the length of stay of 68.2% of the guests from hotel A are superior to one week contrasting with the situation observed in hotel B where only 34.6% of the guests have a length of stay superior to one

Table 1 – Guests characterization

Variables	Hotel A	Hotel B	Globally
Gender			
Male	12	9	21
Female	10	17	27
Age			
24 or bellow	0	0	0
25-34	0	5	5
35-44	4	5	9
45-54	5	7	12
55-64	7	6	13
65-74	6	1	7
75 or above	0	2	2
Length of stay			
3 nights or bellow	0	0	0
4-7 nights	7	17	24
8-14 nights	14	9	23
15-21 nights	1	0	1
21 nights or above	0	0	0
Nºstays in the hotel			
First time	13	23	36
2-4 times	6	2	8
More than 4 times	3	1	4
Purpose of visit			
Pleasure	22	25	47
Golf	0	1	1
Business	0	0	0
Other	0	0	0
Freq. Hospitality utilization (last 12 month, excluding the actual)			
0-1 occasion	12	14	26
2-4 occasions	5	10	15
More than 4 occasions	5	2	7
Country of residence			
Portugal	5	2	7
UE (Other than Portugal)	15	24	39
Outside UE	2	0	2

week. Considering the country of residence in hotel A about 22.7% of the interviewed guests have Portuguese nationalities contrasting with only 7.7% of Portuguese interviewed guests from hotel B.

4.3. Classification of the incidents

In hotel A a total of 310 incidents were identified by the sample, with 160 positive incidents and 150 negative incidents. In hotel B a total of 369 incidents were identified by the sample, being 192 positive incidents and 177 negative incidents. Globally, a total of approximately 51.8% were positive incidents and a total of approximately 48.2% were negative incidents. A numerical presentation of the frequency

of the incidents in the major areas and categories is presented in Table 2.

Table 2 – Major areas and category classification by type of incident outcome and by hotel

	Hotel A			Hotel B			Global		
	Incident Type		Total	Incident Type		Total	Incident Type		Total
	Pos.	Neg.		Pos.	Neg.		Pos.	Neg.	
Tangibles	76	99	175	104	83	187	180	182	362
Access and exterior	6	0	6	9	2	11	15	2	17
Cleanliness	12	4	16	16	3	19	28	7	35
Availability of physical facilities/equipment	23	42	65	24	32	56	47	74	121
Aesthetic	12	6	18	22	3	25	34	9	43
Maintenance	8	17	25	8	8	16	16	25	41
Safety and security	8	12	20	7	15	22	15	27	42
Comfort	7	18	25	18	20	38	25	38	63
Service Provider	41	11	52	25	17	42	66	28	94
Courtesy and care	22	3	25	10	4	14	32	7	39
Friendliness	13	5	18	12	7	19	25	12	37
Competence	6	3	9	3	6	9	9	9	18
Service Process	42	36	78	63	73	136	105	109	214
Functionality	27	18	45	30	25	55	57	43	100
Communication	1	11	12	4	19	23	5	30	35
Flexibility	4	1	5	6	1	7	10	2	12
Reliability	10	6	16	23	28	51	33	34	67
Value for money	1	4	5	0	4	4	1	8	9
Total	160	150	310	192	177	369	352	327	679

4.4. Importance of the quality dimensions

Once the process of categorization of the incidents was complete, the importance of each major area and category could be determined. The number of incidents identified by category can be regarded as a simple measure of the importance of the category in question.

A numerical presentation of the frequency of positive and negative incidents by category is presented in Figure 3 for hotel A, B and globally.

The number of incidents in a category provides an indication of the importance of that area.

The total number of positive incidents is approximately equal to the number of negative incidents and that situation occurs in both hotels meaning that the positive mentions made by the guests regarding the determinants of quality is almost equal in number to the negative mentions that are only a little inferior. Nevertheless, when analysing for the three major areas one can observe that for the area service provider the number of positive incidents is much higher than the number of negative incidents meaning that the positive events relating to courtesy and care, friendliness and competence are much higher than the number of negative incidents reported by the guests. Analysing the number of incidents globally one can conclude that the tangibles account for the major quantity of incidents. It is interesting to note globally that almost 45% of quality determinants account for almost 70% of incidents and they are mainly tangibles comprised of availability of physical facilities/equipment, comfort, aesthetic, safety and security, maintenance and also service process comprised of functionality and reliability. Reliability is the third more relevant criterion in the global list of reported incidents which is in concordance with Berry et al. (1985) who identified reliability as the main source of service quality.

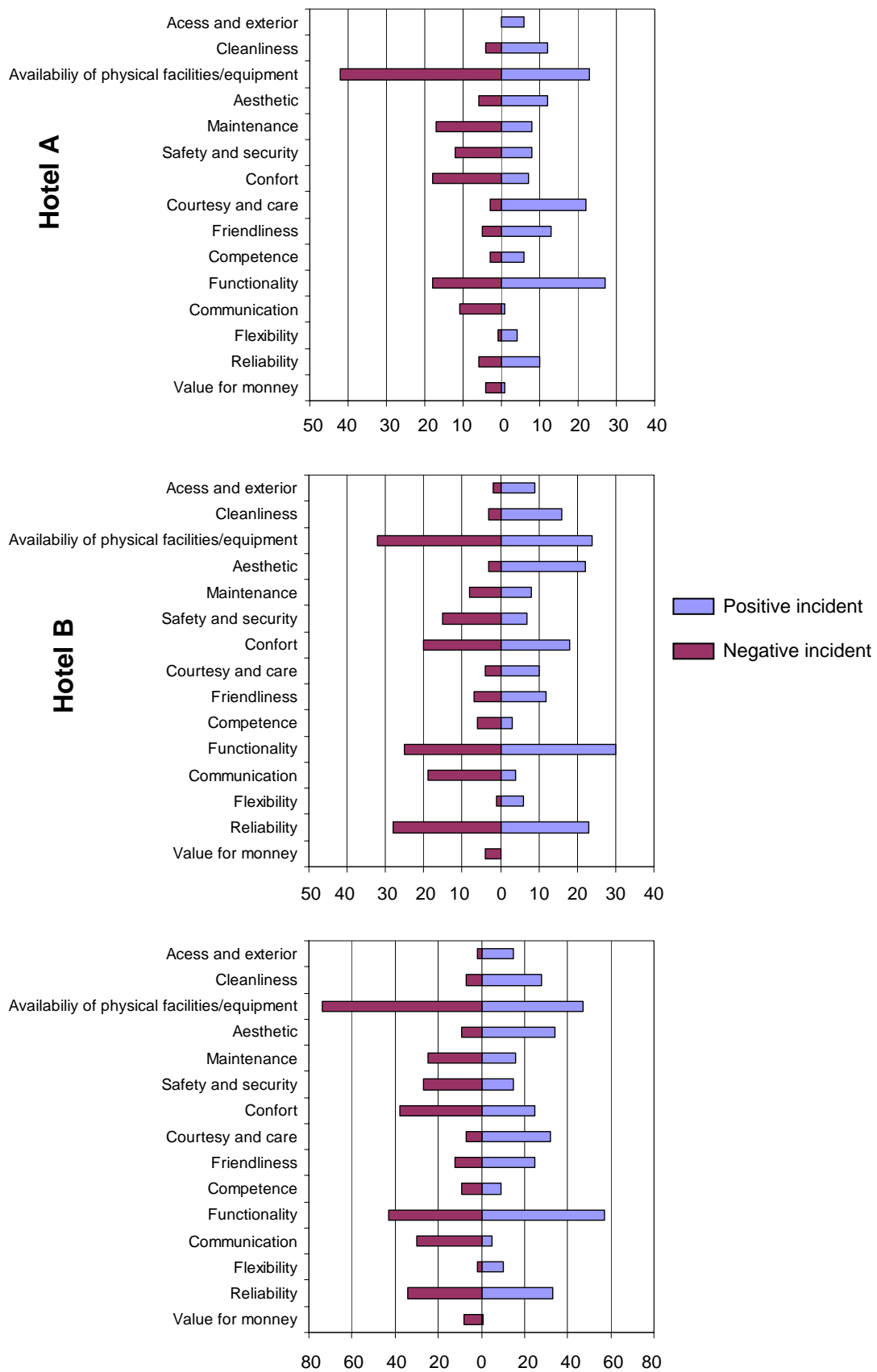


Figure 3 – Frequency of positive and negative incidents by category for hotel A, B and globally.

4.5. Establishment of the priority to improvements

Lockwood (1994) suggested that an alternative approach could be to place the quality dimensions on a matrix where the low scores for both positive and negative incidents can be placed in the *neutrals* quadrant. Those with high scores on negative incidents but a low score on the positive incidents would be placed in the *dissatisfiers* quadrant. The *satisfiers* quadrant would consist of high scores on positive incidents and low scores for negative incidents. The *criticals* quadrant is for high score on both positive and negative incidents which bring praise or complaint rather than neutral acceptance. This type of analysis is based on the work developed by Cadotte and Turgeon (1988) and according to them is possible to allocate each category or sub category to one of the four quadrants. Based on the analysis of the matrix it is possible to establish some order of priority in which improvements could be made. Lockwood (1994) suggests that the priority should be given to the criticals in order to ensure that they are dealt with and then attention can move to improving the dissatisfiers to see if there is any way in which these can be improved to increase the overall level of satisfaction.

The analysis of Figure 4 can be very helpful to management in order to identify priority areas of improvement. For the major area *tangibles* one can conclude that *availability of physical facilities/equipment* is a critical quality dimension for both hotels and in hotel B also *comfort* is considered to be critical so priority should be given to this quality dimensions followed by the dissatisfiers identified in both hotels. The aesthetic and cleanliness categories are satisfiers in both hotels meaning that the clients are satisfied in what concerns to that particular categories. For the major area *service process*, functionality is a critical quality dimension for both hotels and in hotel B *reliability* is also found to be critical, so the priority should be placed in these quality dimensions, as well as in the dissatisfiers observed in both hotels which consist in *communication*. For the major area *service provider* no criticals or dissatisfies were observed for both hotels so one can conclude that the contact personal has high standards of quality concerning *courtesy and care, friendliness* and *competence*.

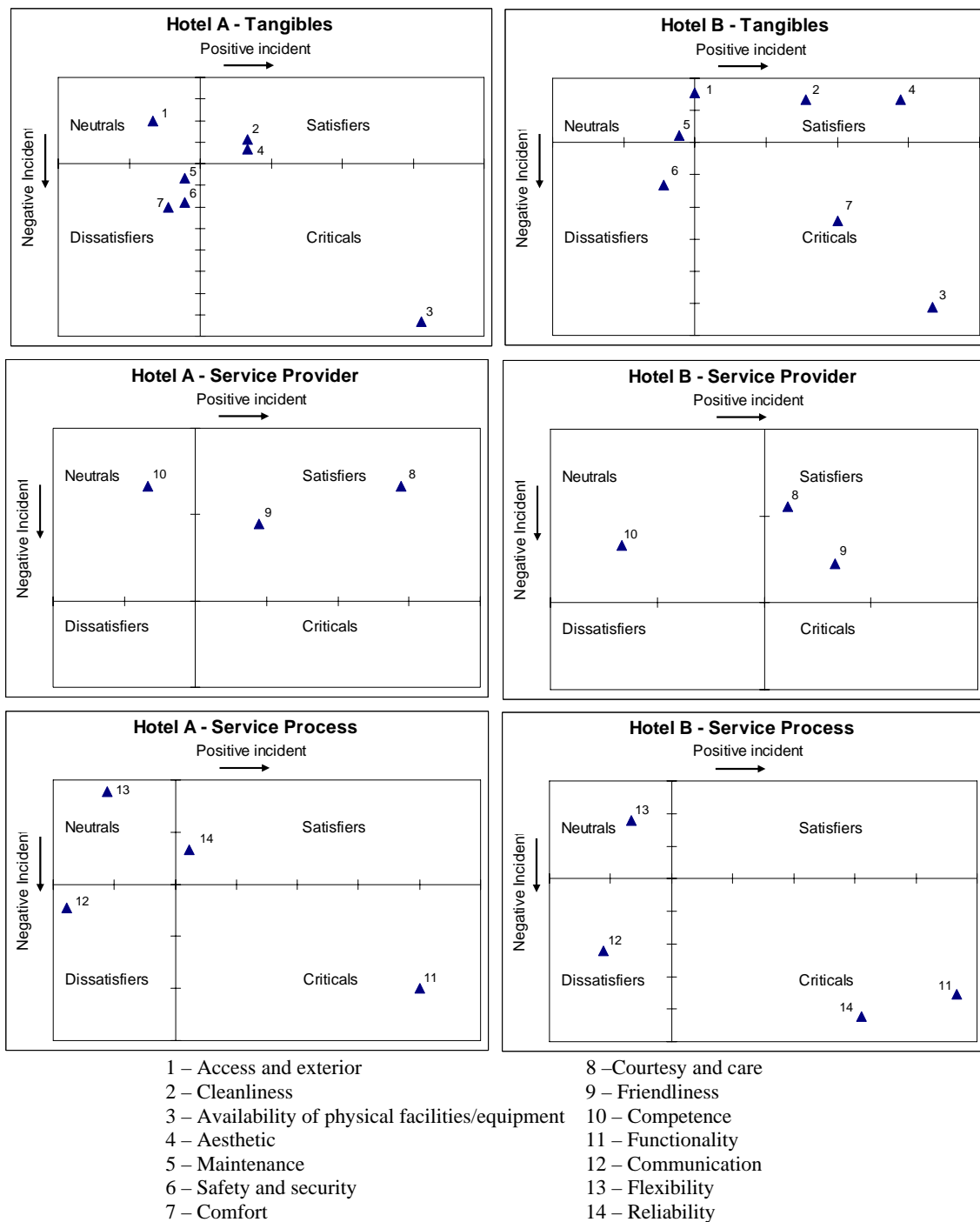


Figure 4 - Matrix for priority of improvements for the major areas of hotel A and B

5. Conclusions

For the hospitality industry, managing quality is a complex issue, combining tangible and intangible features. The hospitality industry face the problem of providing a high quality of food or accommodation and also the problems of service delivery involving high levels of interaction between staff and guests.

For service firm managers seeking to improve customer satisfaction with the service provided the study has implications related to the usefulness of the method. First of all, it was shown that the critical incident technique is a useful tool for assessing the customer satisfaction/dissatisfaction with the service provided, which can be used as a basis for developing customer satisfaction measurement programs, designing service procedures and policies and training contact personnel. The results of CIT study provide a huge detail and depth understanding of customer satisfaction needs and so is a good method to help in the development of a customer satisfaction questionnaire. The data from the study suggests that the proper responses to customers' needs and requests can lead to customer satisfaction. The CIT enables managers to identify what knowledge are needed and what control is required. For the establishment of the priorities for improvement it was very helpful the matrix construction for both hotels and for the major areas of concern. The identified quality dimensions by quadrant is very important to identify quality improvement points which are particular to a single unit or a group of units concerning to the same customer segments.

Reducing the number of dissatisfying experiences is essential. Dissatisfaction was elicited by tangibility or service process areas of concern. Concerning the service process it would appear that guests from those hotels expect and require a better communication, so it may mean that the hotels had to adjust its language for different customers. Safety and security was found to dissatisfy the guests and the problem was not related with the fear experienced by the guests and the personal safety of the customer and his/her possessions because the guests feel very safe in the hotels and they also consider the surroundings as safe places, so there was not any negative event reported by the guests concerning fear or unsafe feeling. The problems are mainly concerned with the clarity of the route in the surroundings. The criticals concern mainly to functionality and availability of physical facilities/ equipment having high scores on both positive and negative incidents meaning that this type of criteria brings praise or complaint rather than a neutral acceptance. So, these quality dimensions are very important to the guests and attention must be continuously taken over these criteria and improvement actions essential. Concerning the factors having high scores on positive incidents it can be concluded that courtesy and care, friendliness and competence are mainly satisfiers meaning that these factors may also create positive, virtuous circles, reinforcing the bond between contact staff and customers. Reducing the number of dissatisfying experiences may be less easy. So it is very important the establishment of a strategy that includes both dissatisfaction removal and satisfaction increase.

This study as has some limitations concerning the assumptions made. The major assumption of the work is the number of quality dimensions considered. The manner in which the incidents are classified is subjective as the researcher chooses the headings or labels under which the incidents are categorized. The categories should be constantly open to change and development as more incidents are collected and the classification of the incidents will only are of value if carefully scrutinized and placed in the correct category, thus optimizing the reliability of the results (Callan, 1998). Other determinants either may have gone unnoticed in the analysis of the reported events or those factors may not have been relevant to the particular service situations included in this study. One dimension not discussed in the conclusions is the value for money. First, because the number of reported events is very low as secondly because value for money was not considered to be a quality dimension under the scope of the study. It is important to realise that the use of other sets of quality dimensions based on alternative definitions would have yielded different results; that is to say, the results are function of the classification scheme (Johnston, 1995).

Another inherent problem of the critical incident technique is that the study collected guests` views of past events and it has been assumed that the customers were telling the truth about their feelings regarding those events. According to Johnston (1995), it is possible that the customers stated feelings, after the event, resulted from *post hoc* rationalization of the event in the context of other events and activities, and may actually not relate to their feelings about the event in question at the time. It does not seem unreasonable, however, to assume that there is a link between what they said and the event itself, e.g., if a customer claims that the room does not have coffee/tea facilities, it would seem reasonable to assume that by adding such kind of facilities will reduce the dissatisfaction experienced by future guests.

It is not appropriate for this study to make a claim that the findings are applicable to all Portuguese hotels. The investigation took place in two hotel units of the same group and both in Algarve, and as one could observe the two units provided similar results, so it could be an interesting study to effectuate a broader based study with several units of the same group within the same region, and also from another regions from Portugal and also for other groups. It is hoped that this study could be reproduced to test the extent of applicability of the findings.

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