Service Quality Measurement in the Budget Accommodation Sector:

A case study of backpackers and hostels in Phuket

Patchawan Anuntakitsopon

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Author   Ms.Patchawan Anuntakitsopon

Major Program Hospitality and Tourism Management (International Program)

Major Advisor   **Examining Committee:**

…………………………………….   ……..…………………………..Chairperson

(Dr. Prateep Wetprasit)   (Assoc. Prof. Manat Chaisawat)

             …………………………………Committee

             (Dr. Pornpisanu Promsivapanlop)

             …………………………………Committee

             (Dr. Prateep Wetprasit)

  The Graduate School, Prince of Songkla University, has approved this thesis as partial fulfilment of the requirements for the Master of Business Administration Degree in Hospitality and Tourism Management (International Program)

            ....

            (Assoc. Prof. Dr. Teerapol Srichana)

              Dean of Graduate School

This is to certify that the work here submitted is the result of the candidate's own investigations. Due acknowledgement has been made of any assistance received.

....Signature

(Dr.Prateep Wetprasit)

Major Advisor

....Signature

(Ms.Patchawan Anuntakitsopon)

Candidate

I hereby certify that this work has not already been accepted in substance for any degree, and is not being concurrently submitted in candidature for any degree.

....Signature

(Ms.Patchawan Anuntakitsopon)

Candidate

ชื่อวิทยานิพนธ์   การวัดคุณภาพการบริการในที่พักอาศัยแบบประหยัดงบประมาณ
กรณีศึกษาในกลุ่มนักท่องเที่ยวแบบแบ๊คแพ๊คเกอร์และโฮสเทลในจังหวัดภูเก็ต

ผู้เขียน   นางสาวพัชญ์วัญญ์ อนันตกิจโสภณ

สาขาวิชา   การจัดการการบริการและการท่องเที่ยว (หลักสูตรนานาชาติ)

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บทคัดย่อ

       รูปแบบที่พักอาศัยประเภทแบบประหยัดงบหรือที่เรียกกันว่า "โฮสเทล"นั้น กำลัง
เป็นที่นิยมและได้รับความสนใจเป็นอย่างมากในช่วงหลายปีที่ผ่านมา การเพิ่มความรู้ความเข้าใจใน
การสรรหาคุณภาพด้านการบริการที่ดีต่องานบริการในที่พักอาศัยสำหรับนักท่องเที่ยวกลุ่มนี้จึงมิ
ควรมองข้าม ดังนั้นวิทยานิพนธ์เล่มนี้จึงจัดทำขึ้นเพื่อมุ่งค้นหาคำตอบตามวัตถุประสงค์ โดยการใช้
โมเดล SERVQUAL ในการศึกษาค้นคว้า เพื่อตรวจสอบหาค่าความคาดหวังที่แตกต่างและช่องว่าง
การบริการระหว่างก่อนและหลังการใช้บริการในสถานที่พักเหล่านั้น อีกทั้งเพื่อวัดหาความพึง
พอใจที่เกิดขึ้น เพื่อนำไปพัฒนาและปรับปรุงคุณภาพการที่ดีบริการต่อไป

       ผลจากการสำรวจพบว่า กลุ่มนักท่องเที่ยวมีแนวโน้มของความคาดหวังต่อการ
ได้รับบริการค่อนข้างสูง แม้จะมีรูปแบบข้อจำกัดค่าใช้จ่ายในการเดินทางและพักอาศัย อีกทั้งผลจาก
การสำรวจได้แสดงให้เห็นต่อไปอีกว่า มีนัยสำคัญระหว่างความคาดหวังและการรับรู้ต่อเพศของ
กลุ่มนักท่องเที่ยวซึ่งมีทิศทางไปในทางบวกอีกด้วย และผลการศึกษาช่องว่างด้านคุณภาพการ
บริการก็สะท้อนให้เห็นว่า โฮสเทลสามารถจัดสรรคุณภาพด้านบริการได้ตรงตามความต้องการของ
นักท่องเที่ยวซึ่งเป็นตัวชี้วัดที่ดีในการจัดหาการบริการได้ตรงตามความต้องการของลูกค้าเป็นอย่างดี

       วิทยานิพนธ์ชิ้นนี้เป็นประโยชน์อย่างยิ่งต่อกลุ่มนักลงทุนหรือผู้ที่สนใจเกี่ยวกับ
ธุรกิจแบบประหยัดงบประมาณ (โฮสเทล) อีกทั้งยังสามารถนำผลที่ได้จากการค้นคว้านี้ไปปรับปรุง
พัฒนาและใช้ให้ก่อประโยชน์ในด้านการพัฒนาคุณภาพการให้บริการในสถานที่พักนั้นๆต่อไปได้
รวมทั้งเพื่อตอบสนองความต้องการของลูกค้าให้เกิดความพึงพอใจต่อการบริการสูงสุดต่อไป

คำสำคัญ : แบ๊คแพ๊คเกอร์, ความคาดหวัง, การรับรู้, ช่องว่างคุณภาพการบริการที่ 5, โฮสเทล, ภูเก็ต,
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ABTRACT

The new trend of budget accommodation as "hostel" is increasing rapidly in recent years. This is according to people who tend to travel more but are budget conscious. Therefore, understanding how to provide better hostel services toward the target group as "backpackers" should not be overlooked in this rapid growth of hostel business. This study aims to measure a hostels' service quality by using the SERVQUAL instrument among backpackers in order to learn the customer's different expectations and perceptions as well as identify the Gap 5 in service quality model. Additionally, providing overall satisfaction of customers is also discussed. Purposive and convenient sampling methods were used in choosing of backpackers who spent at least one night at target hostels, particularly in Patong and Phuket town areas. The results indicated that the respondents tend to have high expectation toward service quality provided. This means that even customers who pay less in accommodation, expected quality hostel services. Further investigation also present that there is significant differences between the perceived and expected service quality among genders. Gap scores reveals positive ways which indicates a good sign towards service providers which eventually lead to positive customers' satisfactions. The study is beneficial for hostel marketers to develop, utilize and improve their hostel performances in service quality in order to fulfill customers' expectation and perception toward their properties.

ACKNOWLEDGEMENTS

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Chapter 1

Introduction

1.1 Background

Tourism is now one of the world's largest industries and one of its fastest growing economic sectors. For many countries tourism is seen as a main instrument for regional development, as it stimulates new economic activities (Creaco & Querini, 2003). The Tourism Council of Thailand (TCT) is confident that the country's tourism industry will bounce back in the second half of 2014 and that it would reach the targeted 26.2 million visitors by the end of the year. The TCT believed the number of tourist arrivals would hit the target of 26.8 million and generate about baht 1.9 trillion by the end of 2014 (Thaivisa, 2014). From the expecting revenue of coming tourists visiting Thailand, the result implies that more tourists are getting through the country which relates to the previous statistic of the growth of tourist as shown in the table below.

The Table 1.1 reports the growth of tourists from 2010 - 2014 by Tourism Authority of Thailand. Number of the tourists has been increasing every year by a total of 23.16% at the end of 2013, but due to political crisis, the economic growth downturn to minus 6.66 % by the end of 2014. However, the situation is getting better and similar trends are expecting expansion in the year of 2015. This result suggests that Thailand continues to become an interesting tourist destination to the international community.

Table 1.1 The growth of international tourists visiting Thailand from 2010 – 2014

Month	2010	2011	2012	2013	2014	% (+)
January	1,605,505	1,805,947	1,992,158	2,318,447	2,282,568	-1.55
February	1,614,844	1,802,476	1,853,736	2,367,257	2,075,304	-12.33
March	1,439,401	1,702,233	1,895,560	2,322,200	2,018,008	-13.10
April	1,108,209	1,552,337	1,686,268	2,057,855	1,934,841	-5.98
May	826,610	1,407,407	1,546,888	1,943,968	1,670,860	-14.05
June	964,959	1,484,708	1,644,733	2,061,782	1,491,300	-27.67
July	1,275,766	1,719,538	1,815,714	2,149,173	1,914,582	-10.92
August	1,270,883	1,726,559	1,926,929	2,355,660	2,076,444	-11.85
September	1,214,810	1,486,333	1,611,754	1,995,343	1,855,626	-7.00
October	1,316,806	1,422,210	1,801,147	2,054,548	2,180,601	+6.14
November	1,478,856	1,291,548	2,143,550	2,378,112	2,438,301	+2.53
December	1,819,751	1,829,174	2,435,466	2,542,380	2,841,333	+11.76
Total	**15,936,40**	**19,230,470**	**22,353,90**	**26,546,725**	**24,779,768**	**-6.66**

Source: Tourism Authority of Thailand http://tourism.go.th/uploads/Stat/2065.pdf

In addition, Table 1.2 as shown below reports the growth of internal tourists especially in Phuket during January - December comparing in the past 2 years of 2011 and 2012. The number of the tourists have been increasing every year, according to the interview of the officers in Department of Tourism, Ministry of Tourism and Sports Phuket has revealed the statistic that there are around 25% of backpackers who travels to Phuket as a tourism destination and can further grow more in the future. Furthermore, the result from the interview implies that this increasing number is such a great growth that every business aspect can be taken as an opportunity.

Table 1.2 The growth of internal tourists in Phuket during January-December comparing in

the past 2 years of 2011 and 2012

Internal tourism in Phuket	January-December		
	2012	2011	D (%)
Visitor	**10,789,647**	**9,467,248**	**+ 13.97**
Thai	3,233,542	2,844,472	+ 13.68
Foreigners	7,556,105	6,622,776	+ 14.09
Tourist	**10,211,885**	**8,891,039**	**+ 14.86**
Thai	2,994,910	2,600,462	+ 15.17
Foreigners	7,216,975	6,290,577	+ 14.73
Excursionist	**577,762**	**576,209**	**+ 0.27**
Thai	238,632	244,010	- 2.20
Foreigners	339,130	332,199	+ 2.09
Average Length of Stay (Day)	**4.46**	**4.33**	**+ 0.13**
Thai	3.00	2.98	+ 0.02
Foreigners	5.06	4.90	+ 0.16
Average Expenditure (Baht/Person/Day)			
Visitor	**4,964.25**	**4,827.50**	**+ 2.83**
Thai	3,279.38	3,118.38	+ 5.16
Foreigners	5,386.15	5,265.81	+ 2.29
Tourist	**4,996.49**	**4,862.09**	**+ 2.76**
Thai	3,310.41	3,146.54	+ 5.21
Foreigners	5,411.58	5,293.20	+ 2.24
Excursionist	**2,422.53**	**2,514.20**	**- 3.65**
Thai	2,109.02	2,225.13	- 5.22
Foreigners	2,643.15	2,726.53	- 3.06
Revenue (Million Baht)			
Visitor	**228,984.88**	**188,822.46**	**+ 21.27**
Thai	30,291.58	24,895.31	+ 21.68
Foreigners	198,693.30	163,927.15	+ 21.21
ACCOMMODATION ESTABLISHMENTS			
Rooms	**53,814**	**57,679**	**- 6.70**
Occupancy Rate (%)	**61.41**	**56.47**	**+ 4.94**
Number of Guest Arrivals	**9,569,786**	**8,271,722**	**+ 15.69**
Thai	2,780,374	2,375,725	+ 17.03
Foreigners	6,789,412	5,895,997	+ 15.15
	92.83664618	91.3578049	

Source: Tourism Authority of Thailand http://www.tourism.go.th

According to the growth of tourists visiting Thailand, as mentioned, the business could take an opportunity on those coming growth particularly the new trends of budget accommodation as hostels which have been provided to support the budget tourists. In addition, people tend to travel more and because of the global economic downturn that pinched the traveler's budgets which brought growth to the hostel industry in recent years. Stay Wyse, tracks and researches accommodation trends among young traveler, mentioned further that the hostels have improved and moved away from the traditional, unrefined idea to new concept, with enhanced facilities and services around 2004. (Mohn, 2013).

There is still some unclear statistically figure of hostels in Phuket provided; however, this study had conducted the amount by gathering from booking.com and hostelsworld.com which indicated that the growth of hostel is increasing continually particularly in Patong and Phuket town. As a result, it can be said that this kind of business has become an outstanding investment in this era.

1.2 Problem of statement

"There is increasing competition in tourism destination marketing and there is an opportunity for destinations to focus on the youth and backpacker markets that have been neglected by researchers" (Reisinger & Mavondo, 2002, p.55)

Brotherton (2004) has explained the change of economic circumstances and journey aspect affecting the luxurious hotels which have been designed to meet the tourists' consumption, but those do not match their needs directly. Particularly, the other groups of customer, called backpackers, might come to visit for a short stay and then bounding through another destination.

This group of customer tends to have in difference of service's requirement with an economic price stated by Brotherton (2004). Therefore, the budget accommodation seems to be a superior alternative that not only attract the backpackers easily but also increase an opportunity in expanding the backpacker hostels business in the future. The budget accommodation supports the middle-purchasing power customers who do not require much on any convenience during the stay.

The concept of budget accommodation by Brotherton (2004) resembles the guest house but better differences in term of the amount of rooms, price and service. Normally, the starting price is less than 1,000 baht for a night and could be changed depends on the location and surrounding area. However, so as to accomplish in the budget accommodation industry beside of the location and surrounding area, it should compose of other various factors such as service quality.

Service quality still becomes a concept which is interesting and debating by several of researchers in both defining and measuring (Wisniewski, 2001). The word "service quality" is definite in many terms as to what it actually means. The common definition used as the extent to which a service meets customers' needs or expectations (Lewis and Mitchell, 199; Dotchin and Oakland, 1994a; Asubonteng et al., 1996; Wisniewski and Donnelly, 1996). Therefore, to summarize the definition of service quality in this study, can be described as the difference between customer's expectation and perception. In this case, if the expectations are greater than performance, then perceived quality is less than satisfactory and, therefore, customer dissatisfaction happens (Parasuraman et al., 1985; Lewis and Mitchell, 1990).

The question that "why should service quality be measured?" still exists as an important question, and this is due to the fact that the measurement allows the before and after changes in the part of comparison, for the location of quality related problems and for the establishment of clear standards for service delivery. From the experiences of Edvardsen et al. (1994) stated that in order to develop service quality, it should begin with analyzing and measurement. Therefore, the approach of the SERVQUAL model has been used as the most common method of measuring service quality in this paper.

Moreover, there is no previous literature that has discussed and (assessed or accessed) the measurement of service quality in budget accommodation of backpackers' in Thailand. Therefore, this study will explore further on this aspect as well as figure out what backpackers expect and perceive from service quality of budget accommodation they are staying and what the difference between backpacker's expectation and perception are towards budget accommodation by selecting the hostel samples only from Phuket town and Patong area based on agoda.com and booking.com.

The representative group in the study were specified on backpacker tourists who Loker-Murphy and Pearce (1995) has defined the meaning as young and budget-minded tourists who exhibit a preference for inexpensive accommodation, an emphasis on meeting other people (locals and outsiders), an independently organized and flexible itinerary, longer rather than brief vacations, and an emphasis on informal and participatory recreation activities.

Furthermore, this research will also identify the Gap 5 of service quality towards budget accommodation in Phuket. The data collection will be distributed by quantitative methods which will be further analyzed. In addition, the finding can contribute to the investors to have thorough knowledge and understanding how to provide the customer's need in the backpacker segment, to become more satisfied in services quality.

1.3 Aim and Objectives

Aim: To examine service quality in the budget accommodation in Phuket by using SERVQUAL model

Objectives:

- To measure the backpackers' expectations and perception in the budget accommodation by using SERVQUAL model

- To identify the Gap 5 in service quality toward budget accommodation

- To investigate the relationship of service quality through gap analysis of expectation and perception in the budget accommodation among backpackers

- To assess overall customer's satisfaction to the service quality provided in the budget accommodation

1.4 Research Questions

1.What do backpackers expect from service quality of budget accommodation?

2.What do backpackers perceive from service quality of budget accommodation?

3.What is the difference between backpacker's expectation and perception towards budget accommodation?

4.Is there a significant difference between the perceived and expected service quality in the budget accommodation among backpackers?

5.Are backpackers satisfied with the overall service provided in budget accommodation?

1.5 Significance of the study

This research aims to provide information about the backpacker's expectation and perception toward the service quality in the budget accommodation as a case study of hostels in Phuket. The study will be useful for hostels in several ways

1. To have better understanding of the backpacker's need: This study helps the investors to have better understanding of the backpacker's need as it emphasizes on the survey of the backpacker's expectation and perception as well as their feedbacks toward service quality of hostels' business.

2. To develop and improve the existing market of budget accommodation of backpacker's: This study can be used as a guideline for developing and improving hostel's business in term of services, because it focuses on the reach of the customer satisfaction and feedback which are important part in this business in order to provide the better service quality.

3. To be a guideline for other related businesses to develop their products and services: The result of this study can be used by the budget accommodation's owners or any new investors who are interested in doing this kind of business for having a better idea on how to manage and provide the backpacker's services by fulfilling their needs and reach to the market segments.

1.6 Scope of the study

Scope of time

This study has been conducted from January - December 2014. The 400 questionnaires were distributed which targeted backpackers in Phuket area, especially in Phuket town and Patong area. The time to distribute all questionnaires was conducted from October - December 2014.

Scope of research area

This research is limited, specifically in Phuket town and Patong area, due to the statistic from agoda.com and booking.com showing that budget accommodation mostly base on

these two areas. The target accommodations in this study were hostels and those were taken to measure the service quality.

Scope of demography

Target populations in this study were specified as backpackers segment that spend at least one night in hostels during the stay in Phuket. This study aims to measure the service quality and get the response of the backpacker's expectation and perception.

Scope of Geography

The data in this study were collected from backpackers staying at hostels in Phuket town and Patong area. Sampling was undertaken during morning or late afternoons when backpackers were either having breakfast or having tea after returning from trips.

1.7 Definition of key terms

Backpacker: Murphy (2001) has defined the word "backpackers" as tourists with young and budget-minded who have a preference of inexpensive accommodation and participate in meeting other people both locals and outsiders, these group of tourists tend to have independently organized and flexible itinerary, longer vacation, as well as attend to informal and recreation activities.

Budget hostel: hostels offer a budget accommodation and specific target tourist segment commonly known as backpackers (Nash, Thyne and Davies, 2006). Moreover, the hostels also provide a comfortable night's sleep in friendly surroundings at an affordable price. In addition, many hostels would offer careers to some long-term residents who work as exchange for free accommodation (Brochado, 2013).

Service Quality: The well-know concept of service quality definition has been provided by Parasuraman, Zeithaml, and Berry (1986, 1988) that the difference between customers' expectations of service provider's performance and their evaluation of the services they received. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman, Zeithaml, and Berry, 1985).

1.8 Research Flow Chart

Purpose of data collection

To examine service quality in the hostels in Phuket by using SERVQUAL model

⇩

Target Population

Backpackers who stay in hostels

⇩

Research Instruments

400 Questionnaires

⇩

Sampling Method

Convenience and Purposive sampling

⇩

Actual Sample Size

400 respondents

⇩

Data Generation

Code and enter data into statistical analysis

⇩

Data Analysis

Analyze data with statistical tests and interpret

⇩

Conclusions

Identify the difference between customer's expectation and perception towards budget accommodation

1.9 Conceptual framework

Figure 1.1 Research Model

1.10 Hypotheses

Based on above research model, the following hypothesis is developed as below;

Hypothesis 1

H_0: There is no significant difference between the perceived and expected service quality in the budget accommodation among backpackers?

H_A: There is significant difference between the perceived and expected service quality in the budget accommodation among backpackers?

1.11 Organization of the thesis

An outline of the organization of this dissertation is presented as follows:

Chapter 1 provides the background of this study by providing the significant details of statistic from many sources. Additionally, there are problem statement, aim and objectives, research questions, significance of the study, scope of this study, definition of key terms and research flow chart.

Chapter 2 reviews the ideas, theories and related literature which concerns mainly about service quality, customer's expectation and perception in budget accommodation of backpacker's segment, gap and service quality model and other concerning factors.

Chapter 3 describes the methodology used to achieve the research objectives of this study. This section discusses the study area, the selection of the sample, the collection of data, and data analysis procedures. The study attempted to examine the service quality of the budget accommodation by using SERVQUAL model in the case study of hostels in Phuket, and to identify the Gap in service quality, including of backpackers' demographic and their behavior characteristics and including of the hypothesis testing.

Chapter 4 presents the result from the survey by using descriptive method on the demographic of the respondents as well as using the Statistical Package for Social Sciences (SPSS) in order to identify other details from the respondents in this study.

Chapter 5 summarizes all the results along with practical, limitations and suggestions for future research.

Chapter 2

Related Literature

This chapter reviews all about the overview of theories and related literature concerning service quality, customer's expectation and perception toward budget accommodation among backpacker's segment and is organized as follows:

2.1 Backpackers

Definition and Types of backpackers

2.2 Hostel Concept

2.2.1 The distinction of hostel and hotel

2.2.2 Advantages and Disadvantages of staying at a Hostel

2.3 Service quality

2.3.1 Concept of service

2.3.2 The meaning of service quality

2.3.3 Expectation and Perception

2.3.4 Dimensions of service quality and its instrument

2.3.5 Gap model in service quality

2.3.6 Price and perceived value

2.4 The relationship between customer satisfaction and service quality

2.1 Backpackers

The word "Backpackers" has been defined in various terms but the simply understandable one provided by Hiransomboon (2012) that the tourists who prefer arranging everything such as time schedule and searching for information and also making decision about their own travelling program. The specification of backpackers' character comes from the way they travel by carrying out with their own baggage to everywhere and do not use any one-stop service from travel agency. The main purposes of travelling pattern in this tourist segment are for economical budget and enjoy the local lifestyle. The new trend of travelling as backpackers from other countries enhances directly toward the accommodation service business such as guesthouse, hostel, apartment and etc. Moreover, these kinds of business has increased rapidly every year, this

is because of the investor do not need much on investment at the same time customers' demand keeps on rising.

Definition, types of backpackers

In the early 70s, Cohen (1972, 1973) described the drifters of the 60s who aspired to immerse themselves in the host societies. Backpacker tourism and academic interest in this phenomenon have grown rapidly since then (Maoz, 2007).

There still have some considerable points in the definition of the word "backpacker" and "tourists" from which remains unclear how each word differ. In this chapter, this research will provide more information of these two terms in order to have a better concept and better understanding before moving to part of "backpackers" definition afterward. The difference between backpackers and any general tourists such as mass tourists which can be generated the characteristic suggested by Moshin and Tyan (2003), Noy, (2004), Suvantola, (2002) and Keeley, (1995). Moreover, there are a comparison of backpacker' characteristics and mass tourists which has been derived from many previous researchers and demonstrated by Leslie & Wilson, (2005) presented in Table 2.1

Table 2.1 Comparison of backpackers and mass tourists' characteristics

Characteristic	Backpackers	Mass Tourists
Age	Generally between 18 – 30 years old	Any age group, wide range
Accommodation Used	Low Tariff, Hostels, Camping, Backpacker Hotels, Homes of friends and family	High Tariff, Hotels etc., Self-Catering Apartments, All Inclusive Resorts
Transport Used to get to Destination	Public transport, e.g. local train and bus services.	Private care, private coach.
Trip Duration	Longer than brief holiday, length varies greatly, from 1 month to 1 year	1 - 2 weeks

Table 2.1 Continued

Characteristic	Backpackers	Mass Tourists
Degree of Organization	Independently organized, flexible travel plan. Must elements are not pre-booked, only outbound flight	Packaged, organized by tour operator, inflexible. Components of holiday product are pre-booked at home
Holiday Activities	Emphasis on informal and participatory holiday activities. Participate in wide range of activities	Day trip organized by tour operator. Sightseeing
Expenditure	Limited, travel on a budget	Comparatively large amount of money to spend

However, many previous academic literatures did not provide clear information on how the "backpacker" segment can be explained. And because of little information of the word "backpacker", there is still a considerable argument concerning with defining what or who a backpacker actually is. This is due to the fact that backpackers are not easily distinguished economically or demographically. Therefore, there are various meaning that the authors have described a word "backpackers" are shown in Table 2.2. (Nash et al., 2006)

Table 2.2 The various definitions of backpacker from many authors

Author for various definitions of the backpacker	
Terminology	Author (Year)
Backpacker	Loker-Murphy (1995)
	Keeley (2001)
	Ryan and Moshin (2001)
	Reisinger and Mavondo (2002)
Youth tourist	Loker-Murphy (1995)
	Reisinger and Mavondo (2002)

Table 2.2 Continued

Author for various definitions of the backpacker

Terminology	Author (Year)
Traveler	Vogt (1976) in Loker-Murphy and Pearce (1995)
Non-institution alised tourist	Uriely et al. (2002)
Budget tourist/economy tourist	Elsrud (2001)

The studies generally define the word "backpacker" as an own self-organized tourists on a multiple journey destination with a flexible schedule (Maoz, 2007). A key motivation toward the tourist segment is having an experience by meeting other people and mostly activities are involving in those natures, cultures or even adventures. "This is associated with the tendency for backpackers to travel more widely than other tourists, seeking unusual or out of the way locations and/or experiences" (Scheyvens, 2002).

However, the above explanation should not be used to examine as a tool of separating backpackers from other tourists. As these days the word "backpacker" does not match to the description of drifters, deviant, and escapees depicted in some publications from the 1970s. (Sorensen, 2003) In term of companions, sometime they prefer to travel alone or with one person, and they mostly spend time in groups along their way at the famous places (Loker-Murphy, 1996).

There are further explanation by Riley (1988) said that "the backpackers are escaping from the dullness and monotony of their everyday routine, from their jobs, from making decisions about careers, and the desire to delay or postpone work, marriage and other responsibilities." Moreover, there are the added and argued details by Bradt (1995) explained further that these independent travelers prefer spend less than US $15 a day. They travel by carrying their own stuffs and use local transport, and bargain for goods and services and also tend to explore other interesting places. Moreover Pearce et. al. (2009) has added three more characteristics in their own study definition: an age dimension (being under 40 years of age), having flexible itineraries, and demonstrating "a willingness to be involved in social and participatory holiday activities" (p.10).

In term of the type of backpackers, many researchers have also established some basic criteria in the literature to identify a backpacker (Loker-Murphy & Pearce, 1995 and Nash et al., 2006) as the aged normally frequently between 20 – 24, but they could be also range from 15 – 60 years old. Backpackers prefer for budget/low cost accommodation options and they emphasis on meeting others travelers in order to have memorable experiences. Flexible and independently arranged travels are one of their plans, and also tend to have longer rather than brief vacation. The preferences of having informal and participatory recreational activities are also one of their options. However, the spending of overall backpackers should not be neglected, due to the larger stay, as they spend less on a daily basis than other tourists (Maoz, 2007)

Oliveira & Gameiro (2013) had explained further that backpackers tend to have more socially activities by meeting and making more friends, trying to get to know new cultures and costumes and sharing interesting experiences. The informal and word-of-mouth communications are the ultimate importance for this group of travelers. Moreover, their journeys mostly consist of multiple destinations and also include guidebook, maps and the internet as assistance.

Nevertheless, the word "backpackers" still cannot be defined exactly by any means, even if there are plenty of definition provided by many previous researchers, there is still an unclear definition until now.

2.2 Hostel Concept

2.2.1 The distinction of Hostel and Hotel

Although the common themes between hostel and hotel are the accommodation they provide to stay. However, there are some different points between hotel and hostel which separate both from the common used. Generally, a hotel will provide a class of accommodation which is mostly more luxurious and expensive one; at the same time, customers can have their own private amenities, maid services, room and bathroom. Whereas, hostels normally provide share rooms, bath and showrooms instead of private one and generally used by many young travelers or backpackers with budget spending, the services provided are also different between both as the hotels' service provide bellboy to carry customers' belonging to rooms, fresh towels and welcomed drinks delivered, and bed made up daily, but none of this are included in a hostel stay (Wynn, 2014).

Hostels offer a budget accommodation and target a particular tourist segment commonly known as backpackers (Nash et al., 2006) looking for inexpensive, temporary shelter as well as a place for a shower and a meal (Wynn, 2014). Hostels provide different types of accommodation, as shared dormitories or private rooms. Whereas customers book a single or a double room in a hotel, they may book an individual bed from a shared room in a hostel. A hostel is more informal and is more adventure oriented compared with a hotel, attracting the younger segment of travelers. A hostel generally offers more and better opportunities for guests to socialize and meet new people from different cultures given the common areas or the dormitories (Oliveira-Brochado, & Gameiro, 2013).

On the other hands, some hostels provide job in exchange as a discount for some guests. While staying at the hotel will be different, as the visitors will mostly check in with cash or a valid credit card as well as the management may deny guests who are less than clean, while hostels owners act indirectly comparing to hotel's management by taking backpackers or even long distance bicycle riders showing up in the need of a shower (Wynn, 2014)

The amenities provide by hotel will be various of mini bar in refrigerators, cable television, internet service, telephones, irons and hair dryers. Whereas, hostel's amenities are totally different as any extras are rarely included or showed up inside the room. However, people who stay in hostels will have some interesting points to share to others as it provides a community room where every customer can associate or watch television. Staying in the hotel, on the other hand, people who choose to stay there are barely known each other as the goal is typically privacy and quiet (Deborah, 2014)

The common theme between hotels and hostels are providing tour desk within the services; however, getting the service for travelling by hotel who tend to act as a middleman for tour companies while hostels will offer own activities put on by staffs.
When checking in hostels, staff will provide customer a map, detailing where to go, and see in the city as well as offer local experiences such as city tours, comedy nights, pub and live music show for free or a small fee to backpackers who fell in love with the city and do not want to leave to other places, then guests will have excellent tour guides accessible at all times (Festa, 2014)

Furthermore, there are a famous hostel booking website, Hostel bookers, provides some interesting definition for other types of hostels as "family hostels" which offer low budget rates

and clean and comfortable rooms in order to attract parents looking for a cheap family holiday in a destination. Also, "Activity hostels" are the ones that focus on providing a wide range of activities for guests such as surfing, skiing, hiking, biking, scuba diving, amongst many other possible activities. "Party hostels" are perfect for travelers looking to party and to experience the night scene of a city. These hostels have no curfew, usually have a bar in the hostel providing drinks and snacks, and organize activities like pub crawl, where guests get together with a local guide for a bar tour of the city (Oliveira-Brochado & Gameiro, 2013)

2.2.2 Advantages and Disadvantages of staying at a Hostel

Slide (2014) has provided further different point of view in term of staying in hostel where offers advantages and disadvantages; the following details show what the hostel can provide and how the differences are.

2.2.2.1 Advantages to staying at a hostel

- Economical

    The hostel generally provides lower price compare to staying in a hotel. Although prices vary from country to country, and hostel to hostel but the price still inexpensive as hostels are cheap travel accommodation.

- Travel in groups

    Hostels allow every person to share in large room when travelling as a group. In some hostel allow up to twenty people which travelers could share their fun and experiences, also sharing the room eliminate the argument over who share rooms.

- Located mostly in major cities around the world

    Hostels are prevalent mostly in cities especially in the tourism area where travelers could have convenient space to stay and surrounding by an interesting place to visit.

- Most have fully equipped kitchen

    Many hostels usually provide the equipped kitchen for travelers in order to let them cook by their own which also help them save their budget and also attract to stay with reasonable price.

- Breakfast is served

    Hostels offer a free breakfast which already included in room rate, so traveler do not have to pay more on outside meal.

● Fun activities

Staying in hostels alongside of the reasonable price, it also provides interesting activities from excursions to parties. For instance, some hostels might attach to the nightclub or other attractive areas where travelers would not be bored and have interesting activities to enjoy.

● Meet new people

Meeting and making new friends are one of the most benefits staying in hostel where many interesting people around the world have visited and stay in the same place can share experiences.

● Security

Hostels generally offer a strict policy of not allowing anyone who is not staying at the hostel to go inside and also offer safes to lock up valuable belonging if needed.

2.2.2.2 Disadvantages to staying at a hostel

● Lack of privacy

As sharing room in the hostel, travelers would not have their own room during the stay while some would desire privacy. Some hostels do offer private single and double rooms, but these are usually in high demand, so may not be available during the stay.

● Bathroom limited

Inside the hostels has been designed as a dorm-style which mean that there is one bathroom each floor. Only some hostels offer private bathrooms and showers.

● Risk of theft

As the fact that travelers will be in a shared room; therefore, they have to be careful of their belonging which might be stolen by other guests or hostel staffs.

● Unknown roommates

Under the condition of sharing the room, travelers would not know who they will be with until they are there; therefore, this would make a little anxious to some travelers.

Therefore, what the travelers have to do when staying in hostel is to open their mind as it is lack of privacy and also be careful of the belonging during the stay. However, staying there also is an opportunity for some travelers who enjoy meeting new people around the world and desire to share any experiences which seems to be a good alternative in order to exchange new vision.

2.3 Service Quality

2.3.1 Concept of service

The two main approaches in service organizations are to obtain new customers and hold current customers which always be considered in running business. The studying of quality of service; therefore, has been studied within the discipline of business management for years, this is according to the market is increasingly competitive and marketing management has transferred its focus from internal performance to external interest such as customer satisfaction and customers' perception of service quality (Gronroos, 1992).

Unequally to a product which has exact specification such as weight, size, color, substance etc, whereas a service can have several of inconspicuous or qualitative specifications. In addition, customers' expectation from service can vary measurably based on a range of factors such as prior experience, personal needs and the other people's experience. This may lead to expand the gap between expectations and perceptions of a customer (Akhlaghi et al, 2012). There are various definitions of service provide by many researchers. Table 2.3 below present as following; (Singh, n.d.: 1-3)

Table 2.3 the concept of service definition

Author	Year	Definition
American Marketing Association	1960	"activities, benefits, or satisfactions which are offered for sale, or provided in connection with the sale of goods"
Regan	1963	"Services represent either intangible yielding satisfactions directly (transportation, housing etc.), or intangibles yielding satisfactions jointly when purchased either with commodities or other services (credit, delivery, etc.)". For the first time services were considered as pure intangibles - capable of providing satisfaction to the customer and can be marketed like tangible products"
Judd	1964	"A market transaction by an enterprise or entrepreneur where the object of the market transaction is other than the transfer of ownership of a tangible commodity"
Bessom	1973	"For the consumer, services are activities offered for sale that provide valuable benefits or satisfactions; activities that he cannot perform for himself or that he chooses not to perform for himself".
Blois	1974	"A service is an activity offered for sale which yields benefits and satisfactions without leading to a physical change in the form of a good".
Stanton	1974	"Separately identifiable, intangible activities which provide want satisfaction when marketed to consumers and/or industrial users and which are not necessarily tied to the sale of a product or another service".
Kotler and Bloom	1984	"Any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product".
Gronroos	2000	"An activity or series of activities of more or less intangible nature that normally, not necessarily, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solution to customer problems".

Moreover, Gronroos (2000) stated that customers and service provider can have mostly a process that is composed of many intangible activities that normally take place in interrelation to each other by having physical resources or things or systems, which are provided as customers' problem solution. Fitzsimmons and Fitzsimmon (2004) define the meaning of the service further that a perishable, intangible experience has been performed as a service for customers acting in the role of co-producer as well as the service is composed by three aspects that are different from physical good (Parasuraman et al., 1985) as following;

Intangibility: The indicator which separates the difference between goods and services. As services are the aspect of untouchable objects before they are being consumed while the products are totally different as they are very easy to perceive before they are purchased or consumed. Therefore, the services are clearly seen that they are unable to be perceived before consumed.

Inseparability: This is a unique of the service which cannot be separated comparing to goods. As goods have been produced and followed by storing and then delivered to all kinds of consumers. But the case is different in services, as they are first sold to consumers and the process of being produced and consumed has started at the same time.

Heterogeneous: The performance of a service (especially those with high labor content) often varies from one provider to another, from one customer to another and from day to day.

The previous cited explanations of services make it become unique and this is why the marketers have paid special attention to the services. Also, the agreement that has become the general accord under the acceptance of inherent differences between goods and services exist that they result in unique, or at least different, management challenges for service businesses and for manufacturers that offer services as a core offering. The following table can be best described in the difference between goods and services as shown in Table 2.4 (Gronross, 1990)

Table 2.4 Differences between physical goods and services

Physical Goods	Services
A thing	An activity or process
Tangible	Intangible
Homogeneous	Heterogeneous
Production and distribution are separated from consumption.	Production, distribution and consumption are simultaneous process.
Core value produced in factory	Core value produced in buyer-seller interactions.
Customers do not participate in the production process.	Customer may participate in the production
Can be kept in stock.	Cannot be kept in stock.
Transfer of ownership.	No transfer of ownership.

2.3.2 The meaning of service quality

Service quality is not only an important element in private and public sector but also become an important element in business and services (Seiler, 2004). Moreover, it is a complex, subjective and still become an abstract concept which different people can define in different things. However, the most common used of service quality definition is the difference between customers expectations and perceptions of the received service (Gronroos, 1982)

Mostly of the attemption in defining and measuring quality were focused only in products sector, while the more difficult services sector was ignored. Grönroos (1984) explained further that service quality draw two more distinct aspects of the construct, firstly a technical dimension (the core service provided) and secondly a functional dimension (how the service is provided). The part of product quality was linked to the technical specifications of goods, with most definitions of quality begining from the manufacturing sector where quality control has received attention and research.

Service quality should start from the needs of the customer and ends with customer satisfaction and positive perceptions of service quality. Both consumer and the service provider have a significant influence on the creation and delivery process of a service therefore service was

defined heterogeneous (Kvist & Klefsjö, 2006). The other definition of service quality is simply defined as a consumer's judgment about an entity's overall excellence or superiority (Kang & James, 2004). However, the complete definition of service quality was defined as Lovelock & Wright (2002); A customer' long-term, cognitive evaluations of a firm's service delivery. This can be described that the customers have their own service standards in mind before getting the consumption (their expectations), then observing service performance and compare to what they are expecting and finally form the satisfaction opinion besed on this comparison.

This study reviews existing literature and investigate a theoretical framework for hostel that illustrates the evaluation of service quality in the hostel industry in Phuket. It uses the five dimensions developed by Parasuraman et al. (1985**)** and Zeithaml et al. (1996) which were explained further in next topic below.

2.3.3 Expectation and Perception

The definition of expectations is still a complicated concept (Oliver, 1986). Parasuraman et al. (1988) state that the expectation toward service quality has been provided to clients who wishes or needs, or even what the service suppliers should offer or provide in order to meet customers' expectation. Expectations are important aspect in service quality delivery process (Carman, 1990). From the experiment of Boulding et al., (1993) showed that expectations scores have a direct effect on perception ones.

The conceptualization of the role of expectation is about the theories of motivation and satisfaction which the principle models have the expectation at their centre used in the quality measurement. Parasuraman et al., (1985) and Gronroos (1984) had explained that the meaning of service quality is in terms of meeting or exceeding a customer's expectation. It is in the evaluation judgments process which could be implied in two ways; either by comparison of expectation to service providers' behavioral performance (gap theory) or simply by the direct evaluation of performance compared to customers' expectation (disconfirmation theory). In the first case is about the customers' expectations are being measured and then a measurement had been evaluated by the actual performance of the service which causes the 'gap' difference. In the second one, the expectations were being measured if it meets what they expected- better or worse. Moreover, Reeves and Bednar (1994) suggest further that models based on expectations have some inherent weaknesses, such as the dynamic structure of expectations over the short and long-

term. This argument throws doubt on the applicability of expectation statements in measuring instruments but misses the real point which is that expectations are learnt.

On the other hand, the perception of service quality performance differ from expectation referring to service executed at the time of the consumer interacts directly with them (Bitner et al., 2000). Moreover, Gronroos (1984) explains further that the customers' service perception can be divided into technical quality and functional quality. The core of the service evaluation is from the focus on what buyer receives from the seller. Functional quality involves the evaluation of the service delivery process, which reflects customers' experiences of service quality. Parasuraman et al., (1985, 1988a) had conducted a study which aimed to define and measure service quality. They described the meaning of quality that it was about the direction and degree of difference between the customer's expectations and perceptions. In the part of service providers, the most important step to define and delivery quality service is to understand exactly what customers expect (Zeithaml et al., 1990). Therefore, the perception of service quality is a consequence of an evaluative perception of the customer, when interacting with the service at a specific moment in time (Cronin and Taylor, 1994).

2.3.4 Dimensions of service quality and its instrument

One of the well-known service quality instruments in measuring from the customer's perspective is the SERVQUAL model, developed by Parasuraman et al., (1985). The model has been developed time to time by involving in-depth interviews in large company which had been selected in the service segments-appliance repair and maintenance, long distance telephone, retail banking and credit cards. Moreover, the focus groups of customers in each service segments also were conducted. The results revealed the significant conclusion that irrespective of the kind of service, the criteria used by customers to assess perceived service quality will be very similar.

However, from the study of SERQUAL instrument by several of researchers, they have accepted that both of its instrument and service quality's conceptualization would be more benefit from further refinement. For instance, according to the study of Carman (1990), Finn and Lamb (1991), Babakus and Boller (1992) and Brown et al. (1993) have debated further that its instrument should add some specific questions which related to the industry, perhaps by including some dimensions which are associated with its industry. Moreover, other researchers have proposed some underlying disconfirmation paradigm that the conceptualized service quality is the

difference between customer perception and expectation. Indeed, the previous researchers who have first developed instruments to measure service quality based only on customer perceptions. Nevertheless, Parasuraman et al., (1993) have discussed further that relying on only perceptions may not lead to the same results as the implication of the 'gap' score will allow manager to have a better standing whether the customers have higher expectation or lower perceptions which might be responsible for declining service quality assessment over time. At this point, alternative measurements of service quality have yet to demonstrate their superiority over the SERVQUAI scale.

In the original SERVQUAL instrument, 10 categories were proposed by Parasuraman et al. (1985) which the researchers believed captured the dimensions by which consumer's access service quality.
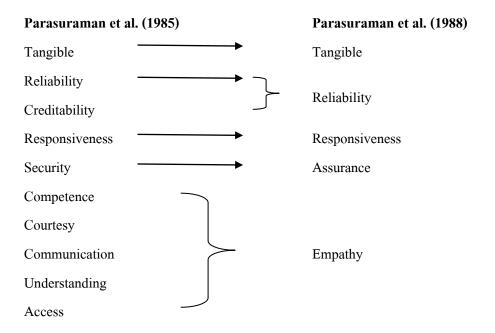
Table 2.5 Ten Dimensions of Service Quality

No.	Dimension	Definition
1.	Reliability	Consistency of service performance and dependability
2.	Responsiveness	The willingness of employee to provide services
3.	Competence	Possession of the required skills and knowledge to perform the service
4.	Access	Approachability and ease of contract
5.	Courtesy	Politeness, respect, consideration, and friendliness of employees
6	Communications	Keeping customers informed in language they can understand and listening to them
7.	Creditability	Trustworthiness, honesty and believability
8.	Security	Freedom from danger, risk, or doubt
9.	Understanding	Understanding customer's needs, providing individualized attention
10.	Tangibles	Physical evidence of the service

From the previous conceptual of definition of service quality and 10 evaluative dimensions from the exploratory research, Parasuraman et al., (1988) begun on a quantitative research in order to develop its instrument for measuring customer's perceptions in service quality by basing on customer surveys in five different service segments: product repair and maintenance, retail banking, long-distance telephone, securities brokerage, and credit cards. After

they have studied over a time and in the last two stages of refinement, they have proposed the new purified instrument that consisted of 22 sets of expectation and perception measuring items and new five dimensions as the initial one consisted of 97 items with the 10 dimensions. They have refined and condensed a lot to the new investigation.

Figure 2.1 Development of SERVQUAL's dimension by Parasuraman et al. (1988)

Parasuraman et al. (1985)   **Parasuraman et al. (1988)**

Tangible ————————————→   Tangible

Reliability ————————————→
                                          Reliability
Creditability

Responsiveness ————————————→   Responsiveness

Security ————————————→   Assurance

Competence

Courtesy

Communication   Empathy
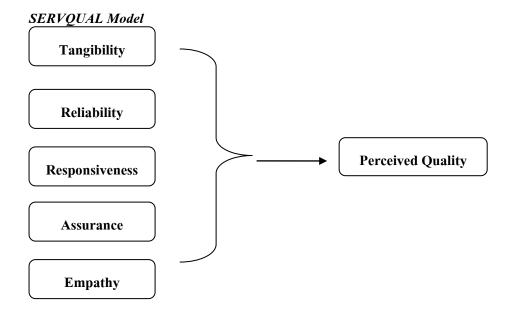
Understanding

Access

Service quality and customer satisfaction are two distinctive constructs but highly correlated. It is concluded that to achieve high customer satisfaction a business must develop a high perception level about service quality (Chandar, 2002). Service quality reflect particular behavior that indicates whether customer remain loyal to product or to leave the organization (Uddinm, 2012). Service quality is important factor to motivate customer. In service quality customer makes comparison (Sattar, 2012). Good service quality is the basic factor of attracting and satisfying customers (Andaleeb, 2006).

One of the most widely used models in Service quality is the SERVQUAL that has been discussed in various literatures. The study of Parasuraman et al. (1995, 1998) suggests that service quality and its dimension become a necessary and important factor that influenced guest satisfaction. The dimension has supported the hotel administrator in order to plan for improving service quality which has been further described as follow;

Table 2.6 The Definitions of the SERVQUAL Dimensions (Parasuraman et al., 1988)

Dimension	Definition
1. Tangibility	Elements that can be observed physically: The aesthetics of physical facilities, tools, employees, and communications items.
2. Reliability	The capacity to deliver the promised services dependably and accurately. This dimension includes meeting promises pertaining to delivery, pricing, and complaint handling.
3. Responsiveness	The willingness to assist customers in a prompt manner. This dimension advocates positive service attitudes and requires personnel to pay attention to customer requests, questions, and complaints.
4. Assurance	The Knowledge and civility of employees and their capability of exercising trust and confidence.
5. Empathy	The caring attitude and individualized attention given by an organization to its customers.

Figure 2.2The theory of determinants of perceived quality: adopted by Parasuraman et al. (1988)
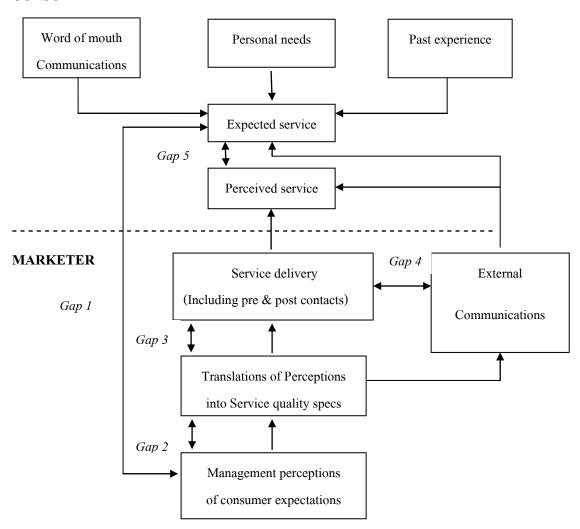

In summary the SERVQUAL model has been investigated from many researchers for a decade which can be said that this is the most tried and tested instrument (Brysland & Curry, 2001). Moreover, this instrument has been widely recognized and become well-known in service quality testing and customer satisfaction (Chang, 2009).

2.3.5 Gap model in service quality

Parasuraman et al., (1988) have explained that using of SERVQUAL model represents the discrepancy between customer's expectation for a service offering and customer's perception of the service received. However, it is still not the same as satisfaction as the use of SERVQUAL instrument measures only an attitude from what customer actually perceived which opposed to actual service received. What have made those differences occur called the 'gap' which is the determinant of customers' perception of service quality as shown on Figure 2.3 below

Figure 2.3 Service quality gap model by Parasuraman et al. (1985)

CONSUMER

The development of conceptualized service quality had been recognized by Parasuraman et al., (1985) which they proposed five gaps that could affect to customer's evaluation toward

service quality in four different industries (retail banking, credit card, securities brokerage and product repair and maintenance). These gaps were;

Gap 1: Consumer expectation - management perception gap

Service firms may not always understand what features a service must have in order to meet consumer needs and what levels of performance on those features are needed to bring deliver high quality service. This results to affecting the way consumers evaluate service quality.

Gap 2: Management perception - service quality specification gap

This gap arises when the company identifies what the consumers want but the means to deliver the expectation does not exist. Some factors that affect this gap could be resource constraints, market conditions and management indifference. These could affect service quality perception of the consumer.

Gap 3: Service quality specifications – service delivery gap

Companies could have guidelines for performing service well and treating consumers correctly but these do not mean high service quality performance is assured. Employees play an important role in assuring good service quality perception and their performance cannot be standardized. This affects the delivery of service which has an impact on the way consumers perceive service quality.

Gap 4: Service delivery – external communications gap

External communications can affect not only consumer expectations of service but also consumer perceptions of the delivered service. Companies can neglect to inform consumers of special efforts to assure quality that are not visible to them and this could influence service quality perceptions by consumers.

Gap 5: Expected Service – perceived service gap

From their study, it showed that the key to ensuring good service quality is meeting or exceeding what consumers expect from the service and that judgment of high and low service quality depend on how consumers perceive the actual performance in the context of what they expected.
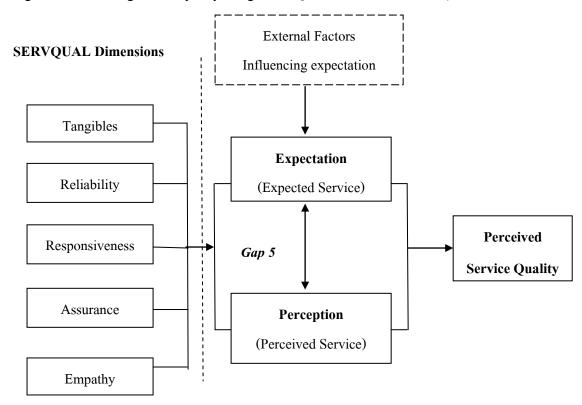
Figure 2.4 Measuring service quality using SERVQUAL model (Kumar et al, 2009)

The above diagram shows how to measure service quality by using SERVQUAL model which starts from the customers' expectations through the service provided as it is an external factor which is under the control of service provider. Gap 5 as shown on Figure 2.4 represents the difference between customers' expectations and perceptions which is referred to the perceived service quality (Kumar et al., 2009). Therefore, this study aims to focus on this gap in order to figure out how backpackers expect and perceive of service provided.

2.3.6 Price and Perceived Value

Magi and Julander (1995) studied about an evaluation of the rewards and sacrifices associated with the purchase of the tourism product and found that the overall tourist satisfaction is not only affected by the quality of what they receive, but also by price and perceived value of the product and/or service.

Peng and Wang (2006) proposed further that if the customers want to buy some products or services, they have to pay some price which affects their financial living. Price has become an important factor to buyers since it decides whether the buying will happen. As it can be said that, when the price is low then the tendency of buying will be easily happening to the products or

services. Whereas, perceived price play a vital role in deciding from whom to get the service. There are many kinds of consumers in the market and they also have their own specific needs and want which cause them in different ways of consumption. This factor yet influences that to what extent the customers want to pay for goods and services. Therefore, it can be said that even the consumers pay for same products and services, the price perception of every customers are still differentiate from each other in one way or another and the customers who perceived high prices may affect their purchasing possibilities.

According to Oliver (1999), explained in more detail about the price that it can be judged by the consumers in accordance to the service quality that is able to turn to create the satisfaction or dissatisfaction which depends on the principle of equity. In the marketing situation, when the consumers want to make a deal with the service provider in the case if the price they paid is being perceived as fairness. Cheng et al., (2008) suggested that the price perception can be calculated into two ways. The first way is price reasonableness, this will tell how the customers perceive the price while comparing to other competitors. The second one is value for money that involves the comparative position of the service provider according to the price. However, the services which have been perceived as high quality are well thought to be of most cost than those which are of low quality (Chitty et al., 2007).

There is lots of debating in the services marketing literature about perceived value and customer satisfaction or future intentions. Most of the arguments as this point tend to pay attention only on the value with the agreement that it causes a direct impact on how satisfied customers are with a supplier (Anderson et al., 1994) and that satisfaction depends on value (Ravald and Gronroos, 1996), and there is little attention has been paid to customer value in evaluating services (Lemmink et al., 1998). Moreover, there is some proposed point by Bolton and Drew (1991) that the future intentions will be determined in part by perceived value. In the part of service provider, the customers tend to consider whether they received "value for money" on the products or services they have paid. Additional, it can be implied that the customer satisfaction may be based on each customers' service experience (i.e. service quality dimensions) and that perceived value is more critical with respect to future intentions. However, for this investigation, it is proposed that perceived value contributes directly to customer satisfaction which, in turn, leads to future intentions.

In the service sector, Chen et al., (1994) explained that both price and service quality are used to indicate the service's value to the customer where the tradeoff is between product quality and price. Hence, for being competitive in tourist destination, both tourism services and products should know of being better than those of other similar destinations as of a quality similarity. The product as well as services price should be perceived as being competitive and appropriate to the perceived value of the product (Stevens, 1992). According to Stewart et al., (1998) described within this regard that quality may be taken as one of a component in value aspect, however, value itself is not equivalent with quality. Consequently, value can be conceptualized to encompass both the functional benefits of performance as well as non-functional benefits of a tourism product.

2.4 Relationship between Customer Satisfaction and Service Quality

The study of relationship between service quality and customer satisfaction has been an interest by many of academics and researchers during past few decades.
Oliver et al., (1989) mentioned that in terms of customer satisfaction and service quality, it is being considered as a vast subject in service research area and many studies related to customer satisfaction are conducted in the research setting.

As today's world is changing and also developing economies to become service oriented which mean that the customer impression plays an important role in this era. Many companies try to deliver their services to customer while most of the customers' attitude comes from being defined in relationship between service quality and customer satisfaction. Jajaee et al., (2012) stated that some of the researches were done on the positive relationship between service quality and customer satisfaction. While the opposite site can be implied that if service quality decreases quickly, customer satisfaction declines dramatically and if service quality grows radically, customer satisfaction rises rapidly too.

A review of literature implies that service quality is one of the main antecedents of customer satisfaction. The relationship is positive, suggesting that higher service quality is likely to increase customer satisfaction. The relationship was examined in different service contexts and in different countries (Marković & Raspor, 2013).

In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is abroad concept, whereas service quality focuses specifically on dimensions of service (William, 2002). Although it is stated that other factors such as price and product quality can affect customer satisfaction, perceived service quality is a component of customer satisfaction (Zeithaml et al. 2006). This theory complies with the idea of Wilson et al. (2008) and has been confirmed by the definition of customer satisfaction presented by other researchers.

However, in this research the focus was not to enter into the already well developed debate associated with expectations and quality/performance (Nash et al., 2006). The focus of this study is to identify what characteristics associated with accommodation choice were important to the backpackers and how satisfied they were with the hostel's product.

Chapter 3

Methodology

The purpose of this chapter is to describe the methodology used to achieve the research objectives of this study. This section discusses the study area, the selection of the sample, the collection of data, and data analysis procedures. The study attempted to investigate which attributes satisfy backpackers who stayed in hostel, and to identify the relationship between service quality attributes and backpackers' overall satisfaction, including of backpackers' demographic and their behavior characteristics. It is organized in sections as following:

3.1 Target population, sample size, and sampling method

    3.1.1 Target population

    3.1.2 Sample size

    3.1.3 Sampling Method

3.2 Type of Research

3.3 Research Instruments

3.4 Data Collection

3.5 Data analysis

3.6 Pretest of the survey instrument

3.1 Target Population, Sample Size, and Sampling Method

3.1.1 Target Population

The target population in this research mainly focuses on backpackers who stay in budget hostels in Phuket. Specifically, this research focused on Patong and Phuket town, which was drawn from the availability of data reported in booking.com and hostelworld.com. Also, the number shows that there are lots of budget hostels which are growing rapidly compared to other areas. In total, there are 44 hostels in Phuket, based in Phuket Town (19), Patong (15), Kata (5) and others (5) respectively.

The data was collected from backpackers who stay at least one night to this quantitative research. The researcher also conducted the questionnaire distribution by asking the permission from the hostel's owner and enquiring the receptionist to distribute the questionnaires.

3.1.2 Sample Size

The researcher applies Taro Yamane's theory (1967) to calculate the sample sizes for the target population. The researcher planned to accomplish 400 returned questionnaire responses from the backpackers who stay in hostel at least one night in Phuket. According to Yamane (1967), 400 target sampling size are the good representatives of target population which the confidence interval is at 95%.

3.1.3 Sampling Method

In this research, the researcher used convenient and purposive sampling method in choosing of the hostels in Phuket based on booking.com and hostelworld.com, specifically in Patong and Phuket town where hostels are mostly located and focused only on price less than 1,000 baht per room, per night and per person. In total, 30 hostels were taken, based in Phuket Town (15) and Patong area (15) respectively. Moreover; the questionnaires were distributed to backpackers by hands and got participation from hostel's owner and the assistance of the receptionists distributing the questionnaires to their guests. The researcher planned to achieve 400 return responses within a 3 months period of data collection.

3.2 Type of Research

This research applied mainly a quantitative method which aims to achieve the objectives.

Quantitative Method

Quantitative data were collected through a self-completion questionnaire and were undertaken with international travelers staying in hostels at least one night throughout Patong and Phuket town.

3.3 Research Instruments

The questionnaires were used as an instrument to collect the data from backpackers' perspective to measure expectation and perception of the service quality in hostels. It was distributed to the backpackers who stay at least one night during October - December 2014. The questionnaires consisted of 4 pages comprising and many of the questions required the respondent to complete a 7 – point Likert scale, usually to indicate the expectation and satisfaction of a particular part of the hostel/backpacking experience. The overall sample means, standard

deviation and size of the sample for each scale item were checked. These were considered satisfactory, with no major discrepancies apparent between the standard deviation.

The questionnaire used in this study consisted of three parts as follows (see Appendix A);

Part 1: Personal Characteristics

This part had altogether 6 questions gathered the respondents' demographic characteristics and some personal information as following;

1. Gender: Male, Female
2. Age
3. Nationally
4. Education
5. Occupation
6. Monthly household income

Part 2: Travel behavior

There were 8 questions to verify the travel behavior as follow;

1. Purpose of visiting
2. Length of stay
3. Frequency for visit
4. Travel companions
5. Food consumption
6. The spending
7. Transportations
8. Information sources when booking hostel

Part 3: Expectation and Perception

The third part had been divided into two sections, the first section relates to the SERVQUAL questionnaires based on Parasuraman et al., (1990) were used to rank by the respondent in order to indicate what backpackers expect and perceive in service quality of budget accommodation in the research area and required the respondent to complete a 7 – point Likert scale, on a 7 points Likert scale ranging from "Extreme low" (1) to "Extreme high" (7). The structured questionnaires were base on the five dimensions of service quality as shown in Table 3.1 below for the original items which consists of 22 questions to verify the service quality.

Table 3.1 List of original SERVQUAL statements for expectations (adapted from Foster (2008))

Dimensions	Items	SERVQUAL Statements
Tangibles	1	XYZ Company should have modern-looking equipment
	2	The physical facilities of XYZ Company should be visually appealing.
	3	The employees of XYZ company should be neat-appearing.
	4	Materials associated with the service (such as pamphlets or statements) should be appealing in XYZ Company.
Reliability	5	When XYZ Company promises to do something, they will do so.
	6	When a customer has a problem, XYZ Company should show a sincere interest in solving it.
	7	XYZ Company should perform the service right the first time.
	8	XYZ Company should provide their services at the time they promise to do so.
	9	XYZ Company should insist on error-free records.
Responsiveness	10	Employees in XYZ Company should tell customers exactly when services will be performed.
	11	Employees in XYZ Company should give prompt service to customers.
	12	Employees in XYZ Company should always be willing to help customers.
	13	Employees in XYZ Company should never be too busy to respond to customers' requests.
Assurance	14	The behavior of employees in XYZ Company should instill confidence in customers.
	15	Customers of XYZ Company should feel safe in their transactions.
	16	Employees in XYZ Company should be consistently courteous with customers.
	17	Employees in XYZ Company should have the knowledge to answer customers' questions.

Table 3.1 Continued

Dimensions	Items	SERVQUAL Statements
Empathy	18	XYZ Company should give customers individual attention.
	19	XYZ Company should have operating hours convenient to all their customers.
	20	XYZ Company should have employees who give customers individual attention.
	21	XYZ Company should have the customers' best interests at heart.
	22	The employees of XYZ Company should understand the specific needs of their customers.

The questions used in this study explored service quality attributes affecting backpackers' expectation and perception levels in relation to a "SERVQAUL" model were divided to seven factors in this study including tangibles, reliability, responsiveness, assurance, empathy, price and perceived value in order to allow for systematic data collection on analysis. Essentially, the structured questionnaire contained most of the SERVQUAL attributes as shown in Table 3.2 Moreover, respondents were requested to give a score to each of the 22 attributes on the levels of satisfaction using a 7-point Likert scale ranging from "Extreme low" (1) to "Extreme high" (7). A final question in this SERVQUAL dimension was asked about respondents' overall satisfaction with the service of hostel's provided.

After finish collecting the questionnaires, its validity is encoded for analysis.

The survey questions were adapted from Fitzsimmons (2006), Alvaro (2010), Ghimire (2012), Tananrat (2012), Chanya (2006), Parasuraman et al. (1988)

Table 3.2 Service quality dimensions: Item labels and wording

Dimensions	Items labels and wording
Tangible	1. The hostel has modern looking equipment
	2. The hostel's physical features are visually appealing
	3. The hostel's reception desk employees are neat appearing
	4. Materials associated with the service (such as guide books, map) are visually appealing at the hostel
Reliability	5. When the hostel promises to do something by a certain time, it does so
	6. When you have a problem, the hostel shows a sincere interest in solving it.
	7. The hostel performs the service right at the first time
	8. The hostel has a little mistake when provides the service
Responsiveness	9. Employees tell you exactly when the services will be performed
	10. Employees give you prompt service
	11. Employees are always willing to help you
	12. Employees are never too busy to respond to your request
Assurance	13. The behavior of employees instills confidence in you
	14. You feel safe in using credit card with the hostel
	15. Employees are consistently courteous with you
	16. Employees have the knowledge to answer your questions
Empathy	17. The hostel gives you individual attention
	18. The hostel has convenient operating hours
	19. The hostel has your best interests at heart
	20. The employees understand your specific needs
Price	21. Reasonable prices charged by hostel (accommodation and facilities)
Perceived value	22. Hostel's services are worth the money you paid

The second section of the questionnaire deals with the degree of importance attached to the five dimensions of service quality: reliability, responsiveness, assurance, empathy, and tangibles. The respondents were asked to give a relative importance score to each dimension while maintaining a total of 100 points. Also, there is one more question which had been used to check the backpacker's overall satisfaction in the service perceived in hostel.

3.4 Data Collection

The Questionnaire

This study had specified in quantitative research conducted by the questionnaire which related to measure the backpackers' expectation and perception level in the budget accommodation. The questionnaires were provided a 7-point Likert scale. Throughout the study of this study, the researcher had focused on what backpacker's expected and perceived during the stay in hostels. The data collected from respondents as backpackers who stay in chosen hostels based in Patong area and Phuket town with reference from booking.com and hostelworld.com reveal that most of hostels are located in these two areas. The researcher distributed questionnaires to target sample group by hands at hostels and also asked the permission from the owner for any assistance in order to distribute the questionnaires. The period of data collection for questionnaire was conducted within 3 months.

3.5 Data Analysis

Questionnaire

After obtaining data from the target population through the questionnaires, the data was coded, computed and analyzed by using the Statistical Package for Social Sciences (SPSS) version 20.

Part 1 and Part 2: Personal Characteristics and Travel behavior

The researcher decided to use descriptive statistics (e.g. frequencies, percentages, average) in these parts and the data were used to analyze respondent characteristic profiles, such as gender, age, nationality, education, occupation and monthly income, and travel behavior of backpackers.

Part 3: Expectation and Perception

This part was used to measure backpacker's expectation and perception toward hostels. Therefore, the Paired t-test, independent sample t-test, and Pearson's product moment correlation r were used for this study. The researcher also provided necessary tables which generated with computer software program. Each section of the questionnaire was applied with proper statistics to analyze the data.

Paired t-test was performed to determine whether there is a gap between backpacker's expectation and perceptions of the service quality offered in the hostels. Analysis was conducted on the 22 attributes of service quality, price and perceived value to determine whether differences in means occur between expectation and perception values. Interpretation of the results was done at 5% level of significance; where the value of $p < 0.05$ was considered as being significant.

Independent Sample T-test was used to compare the difference between two groups. It was further used to compare differences between males and females on the level of expectation and perception in service quality of hostels. Interpretation was analyzed at 95% of confidence level with 5% significance.

Pearson's Product Moment Correlation r was used to investigate whether there is a significant relationship between the perceived and expected service quality in the budget accommodation among backpackers? For data analysis, mean is based on the interval level which was calculated as follows:

$$\text{The interval width} \quad = \quad \frac{Maximum - Minimum}{n}$$

$$= \quad \frac{7-1}{7}$$

$$= \quad 0.86$$

Therefore, the researcher arranged the results of each sub - level as follows: (Brace, 2004)

Mean	Level of Important and Agreement
1.00 - 1.85	Extreme low
1.86 - 2.71	Quite low
2.72 - 3.57	Slightly low
3.58 - 4.43	Neither low or high

4.44 - 5.29	Slightly high
5.30 – 6.15	Quite high
6.16 - 7.00	Extreme high

3.6 Pretest of the Survey Instrument

A pilot questionnaire test was conducted with a small sampling in order to test its validity and understanding. With 15 feedback questionnaires received, the questionnaires were modified and corrections were made with some phasing of the questions and adjusted to make them clearer.

3.7 Reliability Testing

According to George & Mallery (2003), reliability is the degree to which measure are free from error and therefore yield consistent results. The reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to assess the 'goodness' of a measure. The closer the reliability coefficient gets to 1.0, the better it is and those values over .80 are considered as good. Those values in the .70 are considered as acceptable and those reliability values less than 60 are considered to be poor (Sekaran, 1992). All the constructs were tested for the consistency reliability of the items within the constructs by using Cronbach's alpha reliability analysis. Cronbach's Alpha values in respect of all attributes are given in Table 3.3 below. In conclusion, the results showed that the scores of the Cronbach's alpha for all the constructs exceeded the threshold of 0.70 indicating that the measurement scales of the constructs were stable and consistent.

Table 3.3 Cronbach's Alpha Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.892	45

Chapter 4

Results

As mentioned previously, this study was conducted by using a quantitative method, therefore, the questionnaires were used to collect data as well as to analyze by using SPSS version 20 (Statistical Package for the Social Sciences) for descriptive analysis. Moreover, the purpose of this study is to measure the service quality in the budget accommodation especially in hostel business in order to explore the expectation and perception of a backpacker. This chapter was divided into six sections as follows:

4.1: Respondent Characteristic Profiles

4.2: Travel Behavior

4.3: Customer's Expectation and Perception toward hostels

4.4: Gap 5 of Service Quality toward Hostels

4.5: The relationship of expectation and perception in service quality among backpackers

4.6: Overall customer's satisfaction toward hostel's service quality

4.1 Respondent's Profile

A total of 400 completed questionnaires which had been distributed in 30 hostels in Phuket town and Patong area were used to analyze. Results show that 52 percent were males and 48 percent were females. Moreover, 77 percent of the study group was aged between 21-30 years old and 9 percent were between the ages of less than 20 years old. The three most nationality was European, Asian and American as 49, 17.8 and 15.8 percent respectively. The results relating to education level had a high range of those surveyed having completed a bachelors degree (50 percent) followed by high school or lower (27.8 percent), and a small number of diploma, master degree and Ph.D. In addition, the table reported the result of occupation part that they were mostly students as 36 percent followed by employees as 35.5 percent and some of self employed/entrepreneur as 12.3 percent, the rest of those were professionals as 1.8, government employees as 3.8 and retirees as 1.8 respectively. In terms of monthly income, most of the respondents were from $ 1,501 - $3,000 (37.5 percent) followed by less than $ 1,500 (35.8

percent), $3,001 - $ 4,500 (14.3 percent), $ 4,501 - $ 6,000 (5.5 percent) and Over $ 6,001(7 percent).

Table 4.1 Respondent Characteristic Profiles

Variable	Description	N=400	
		N	Percentage
Gender	Male	207	52
	Female	193	48
Age	Under 20 years old	36	9.0
	21-30 years old	311	77.8
	31-40 years old	26	6.5
	41-50 years old	15	3.8
	51-60 years old	10	2.5
	Over 60 years old	2	0.5
Nationality	Asian	71	17.8
	African	10	2.5
	American	63	15.8
	European	196	49.0
	Middle East	3	.8
	Australian	32	8.0
	Others	25	6.3
Education	High School or lower	111	27.8
	Diploma	51	12.8
	Bachelor Degree	202	50.5
	Master Degree	34	8.5
	Ph.D	2	0.5
Occupation	Self employed/Entrepreneur	49	12.3
	Students	144	36.0
	Employee	142	35.5
	Retired	7	1.8
	Government	15	3.8
	Professionals	43	10.8

Table 4.1 Continued

Variable	Description	N=400	
		N	Percentage
	Less than $ 1,500	143	35.8
	$ 1,501 - $ 3,000	150	37.5
Monthly Income (USD Currency)	$3,001 - $ 4,500	57	14.3
	$ 4,501 - $ 6,000	22	5.5
	More than $ 6,001	28	7.0
Total		**400**	**100%**

4.2 Travel Behavior

Table 4.2 in the second part presented the results of travel behavior which received from the returned 400 completed surveys, the majority of the respondents had a first visit in Phuket as 330 (82.5%) where as there were 70 (17.5%) visiting more than 2 times (Mean = 2). Most of the length of stay of those respondents were less than 10 nights as shown 371 (92.8%) or Mean = 4.96 nights. Moreover, the respondents revealed the budget spending preferred less than $15 USD per night per person as shown 228 (57%) while 129 (32.2%) preferred to spend more around $16-30 USD and 43 (10.8%) spent more than $31 USD overnight respectively (Mean = 20.32).

In addition, the results of other questions presented that the majority of visiting purpose in Phuket were holiday 74.3% as shown, followed by visiting friends 5.3%, shopping 2.5%,, food 13% and culture and others 5% (night life, flight, volunteer, tattoo, English teaching, backpacking, research, and working). Travelling style of respondents showed that preferring of group backpacking were the main pattern in visiting Phuket as shown 50% where as self-backpacking were the second pattern as 37.8%. In terms of living, respondents revealed that having food at local restaurant was the majority alternative during the stay as shown 53.5% followed by street stalls (Hawkers) as 17.5% and 13.8% chose to have at local food court instead where as having fast food and friends or relative's house were rated as 10% and 0.5% respectively.

The use of transportation of the respondents presented the number of 67.3% preferred walking while on Taxi (34.5%), were the second choice in travelling, followed by Tuk Tuk

(29.3%) , public transportation (25.5%), rental bike (19%) and rental car (6%) accordingly. Moreover, the results showed that 82.8% of respondents used the internet searching in order to plan trips and tended to ask friends (39.8%) and reading guide books (37%) as the other choices where as 11.3% made the trip from advertisement and only 3% planned the trips from other sources as word of mouth, travel agent, hostel world and lonely planet.

Table 4.2 Travel Behavior

Factor	Description	N=400		
		N	Percentage	Mean
Is it your first time visiting Phuket?	Yes	330	82.5	
	No	70	17.5	
Average times	less than 10 times	67	16.8	2
	more than 10 times	3	0.7	
How many days for length of stay?	less than 10 nights	371	92.8	
	between 11-20 nights	19	4.8	4.96
	more than 21 nights	10	2.5	
What is your average budget per room per night? (USD Currency)	less than $15	228	57	
	between $16 - 30	129	32.2	20.32
	more than $31	43	10.8	
What is the main purpose of visiting Phuket?	Holiday	297	74.3	
	Visiting friends	21	5.3	
	Shopping	10	2.5	
	Food and culture	52	13.0	
	other	20	5.0	

Table 4.2 Continued

Factor	Description	N=400	
		N	Percentage
Whom do you travel with?	By yourself	151	37.8
	With your spouse	11	2.8
	With business association	3	0.8
	With friends	200	50.0
	other	5	1.3
Mostly, where do you have food?	Hostel's lounge	19	4.8
	Fast-food	40	10.0
	Local restaurant	214	53.5
	Local food court	55	13.8
	Street stalls (Hawkers)	70	17.5
	Friend or relative's house	2	0.5
What kind of transportations do you usually take when travelling in Phuket?	Rental bike	76	19.0
	Rental car	24	6.0
	Public transportation	103	25.5
	Taxi	139	34.5
	Tuk Tuk	118	29.3
	Walk	270	67.3
Which source do you use to plan your trip?	Internet search	331	82.8
	Advertisement	45	11.3
	Friend	159	39.8
	Guide books	148	37.0
	Other	12	3.0
Total		**400**	**100%**

4.3 Customer's Expectation and Perception towards Hostels

4.3.1Objective 1: To measure the backpackers' expectations in the budget accommodation

Table 4.3 showed the results of third part presented the most important factors which had been measured by using SERVQUAL model, including tangible, reliability, responsiveness, empathy, and assurance, as well as price and perceived value in order to investigate what was concerned by customer's expectation during the stay.

The first dimension of the model; tangible – physical facilities, equipment and appearance of personnel, the respondents indicated that the most important factor is "The hostel's reception desk employees are neat appearing" (Mean= 5.05, S.D.= 1.41), followed by "Materials associated with the service (such as guide books, map) are visually appealing at the hostel" (Mean= 4.78, S.D.= 1.38), "The hostel has modern looking equipment" (Mean= 4.69, S.D.= 1.38) and the least important factor was "The hostel's physical features are visually appealing" (Mean= 4.60, S.D.= 1.35) accordingly. It can be said that the customer has a "slightly high" expectation to this dimension as Grand mean equal to 4.78.

In terms of reliability dimension; ability to perform the expected service dependably and accurately, the respondents revealed the most important factor as "The hostel performs the service right at the first time" (Mean=5.29, S.D.=1.34), followed by " When you have a problem, the hostel shows a sincere interest in solving it" (Mean= 5.26, S.D.= 1.42), "When the hostel promises to do something by a certain time, it does so" (Mean= 5.22, S.D.= 1.42) and the least important factor in this part was " The hostel has a little mistake when provides the service" (Mean= 4.69, S.D.= 1.52). Therefore, as revealed Grand mean equal to 5.11, the customers indicated the expectation to this dimension which can be interpreted as "quite high" from the interval scale.

Regarding responsiveness dimension; willingness to provide prompt service, the results of the respondents presented that the most important factor was "Employees are always willing to help you" (Mean= 5.39, S.D.= 1.45), followed by the second important factor as "Employees give you prompt service" (Mean= 5.18, S.D.= 1.36), next with "Employees are never too busy to respond to your request" (Mean= 5.17, S.D.=1.44) and the least important factor in this section was "Employees tell you exactly when the services will be performed" (Mean= 5.04, S.D.= 1.30).

From the result, it can be interpreted that the customer has a "slightly high" expectation to the dimension as shown Grand mean equal to 5.19.

The fourth dimension as assurance; the knowledge and courtesy of employees and their ability to convey trust and confidence, presented the results of the most important factor which was concerned by customer's expectation as "Employees have the knowledge to answer your questions" (Mean= 5.24, S.D.=1.36), followed by the second important factor as "Employees are consistently courteous with you" (Mean= 5.19, S.D.=1.46), as well as "The behavior of employees instills confidence in you" (Mean= 5.15, S.D.=1.38) and the least important factor indicated "You feel safe in using credit card with the hostel" (Mean= 4.97, S.D.= 1.73) respectively. Therefore, it can be concluded that the customer presented a "slightly high" expectation toward this dimension which revealed Grand mean equal to 5.14.

The last dimension of SERVQUAL was "Empathy"(caring, individual attention the hostel provides to its customers) and was concerned with the factor that presented the most important one as "The hostel has convenient operation hours" was the most important factor in this part (Mean= 5.31, S.D. =1.42), followed by "The hostel has your best interests at heart" (Mean= 5.09, S.D.= 1.51), as well as "The employees understand your specific needs" (Mean= 5.01, S.D.= 1.44) and the least important factor was "The hostel gives you individual attention" (Mean= 4.85, S.D. = 1.55). As a result indicated that customer has a "slightly high" expectation as equal to 5.06 to this dimension.

Moreover, the additional factor concerned by customer's expectation in this part were price, "Reasonable prices charged by hostels"; accommodation and facilities, and perceived value "Hostel's services are worth the money you paid" presented the results as Mean= 5.25, S.D.= 1.42 and Mean= 5.31, S.D.=1.43 respectively. Therefore, it can be concluded that the respondent has a "slightly high" expectation toward the price they have paid which presented Grand mean as 5.25, whereas, the expectation toward the perceived value showed a meaning of "quite high" which presented Grand mean as 5.31 from the interval scale.

According to customer's expectation towards hostels, the respondents indicated the importance of dimension in order as "Responsiveness" (Grand mean= 5.19), followed by "Assurance" (Grand mean= 5.14), "Reliability" (Grand mean=5.11), "Empathy" (Grand mean= 5.06) and "Tangible" (Grand mean= 4.78) respectively. Therefore; the dimension of

"Responsiveness" was concerned as the most important one in the customer's perspective and the respondents were concerned with "Employees are willing to help you" as the most significant element in this section.

Table 4.3 Customer's Expectations towards Hostels

Factors	Frequency (N=400)							Mean	Std. Deviation
	Extreme low	Quite low	Slightly low	Neither low nor high	Slightly high	Quite high	Extreme high		
1. Tangibles (physical facilities, equipment, personnel and communications materials)									
Reception desk employees are neat appearing.	8	12	33	75	102	109	61	5.05	1.41
Materials associated with -the services are visually appealing.	9	19	31	102	107	95	37	4.78	1.38
Modern looking -equipment.	5	23	48	94	107	88	35	4.69	1.38
Physical features are -visually appealing.	11	13	54	104	105	89	24	4.60	1.35
Grand Mean								**4.78**	
2. Reliability (ability to perform the expected service dependably and accurately)									
Performs the service right at the first time.	2	13	23	70	94	116	82	5.29	1.34
Shows a sincere interest in solving problem.	1	16	29	75	91	89	99	5.26	1.42
Do something by a certain time	5	13	23	81	93	95	90	5.22	1.42
Has a little mistake when provides the service	13	27	32	103	102	72	51	4.69	1.52
Grand Mean								**5.11**	

Table 4.3 Continued

Factors	Frequency (N=400)							Mean	Std. Deviation
	Extreme low	Quite low	Slightly low	Neither low nor high	Slightly high	Quite high	Extreme high		
3. *Responsiveness* (willingness to provide prompt service)									
Employees are always willing to help.	4	14	22	66	88	90	116	5.39	1.45
Employees give prompt service.	4	16	17	77	112	101	73	5.18	1.36
Employees are never too busy respond to request.	7	14	22	83	94	96	84	5.17	1.44
Employees tell exactly when the services will be performed.	1	15	28	87	116	97	56	5.04	1.30
Grand Mean								**5.19**	
4. *Assurance* (the knowledge and courtesy of employees and their ability to convey trust and confidence)									
Employees have the knowledge to answer customer's questions.	2	15	22	76	100	102	83	5.24	1.36
Courteous employees.	8	12	23	86	87	94	90	5.19	1.46
The behavior of employees-instills confidence in customers.	1	14	33	81	96	97	78	5.15	1.38
Feeling safe in using credit card	23	19	29	76	81	73	99	4.97	1.73
Grand Mean								**5.14**	
5. *Empathy* (caring, individual attention the hostel provides to its customers)									
Convenient operating hours	2	14	29	72	78	108	97	5.31	1.42
Best interests at heart.	8	20	26	78	92	95	81	5.09	1.51
Understand specific needs	9	17	27	75	114	96	62	5.01	1.44
Individual attention.	11	22	37	91	93	77	69	4.85	1.55
Grand Mean								**5.06**	

Table 4.3 Continued

Factors	Extreme low	Quite low	Slightly low	Neither low nor high	Slightly high	Quite high	Extreme high	Mean	Std. Deviation
				Frequency (N=400)					
6. Price (accommodation and facilities)									
Reasonable prices charged	8	11	26	63	91	121	80	5.25	1.42
Grand Mean								**5.25**	
7. Perceived Value									
Worth the money paid	6	15	20	61	102	99	97	5.31	1.43
Grand Mean								**5.31**	

The mean score is based on a 7 Likert Scale. Scale:1 = Extreme low, 2 = Quite low, 3 = Slightly low, 4 = Neither low or high, 5 = Slightly high, 6 = Quite high and 7 = Extreme high, N = 400 unless otherwise indicated.

4.3.2 Objective 1: To measure the backpackers' perceptions in the budget accommodation

Table 4.4 presented the results of customer's perception level in each dimension of SERVQUAL model, in terms of "Tangibles" (physical facilities, equipment, personnel and communications materials), the respondents were concerned with "The hostel's reception desk employees are neat appearing" (Mean= 5.77, S.D. = 1.14) as the most important factor. Moreover, the second important of those was "Materials associated with the service (such as guide books, map) are visually appealing at the hostel" (Mean= 5.30, S.D. = 1.36), "The hostel has modern looking equipment" (Mean= 5.19, S.D. = 1.27) and the least important factor in this dimension presented as "The hostel's physical features are visually appealing" (Mean= 5.19, S.D. = 1.26) accordingly. From the table, it can be interpreted that the customer perceived "quite high" perception toward this dimension which presented Grand mean equal to 5.36.

In terms of "Reliability" (ability to perform the expected service dependably and accurately), the respondents indicated the results that the most important factor in this section was "When you have a problem, the hostel shows a sincere interest in solving it" (Mean= 5.92, S.D.

=1.17), followed by "the hostel performs the service right at the first time? (Mean=5.86, S.D. = 1.15), "When the hostel promises to do something by a certain time, it does so" (Mean= 5.78, S.D. = 1.23) and the least important part presented as "The hostel has a little mistake when provides the service" (Mean= 5.31, S.D. = 1.48). As a revealed table, it can be said that the respondent has "quite high" perception toward this dimension as shown Grand mean equal to 5.72.

Relating to "Responsiveness" (willingness to provide prompt service) in the part of customer's perception, the most important one was shown as "Employees are always willing to help you" (Mean= 6.17, S.D. = 1.04), followed by "Employees are never too busy to respond to your request" (Mean= 5.95, S.D.= 1.16), "Employees give you prompt service" (Mean= 5.90, S.D.= 1.15) and the least important one presented as "Employees tell you exactly when the services will be performed" (Mean= 5.61, S.D.=1.24). Therefore, it can be interpreted from the interval scale that the customer has "quite high" perception toward this dimension which presented Grand mean equal to 5.91.

The next part concerned with "Assurance" (the knowledge and courtesy of employees and their ability to convey trust and confidence), the results presented that " Employees are consistently courteous with you" was the most important factor (Mean= 5.94,S.D.=1.17), followed by "Employees have the knowledge to answer your questions" (Mean= 5.91,S.D.= 1.13), "The behavior of employees instills confidence in you" (Mean= 5.87, S.D.= 1.19) and the least important factor was shown as "You feel safe in using credit card with the hostel" (Mean=5.62, S.D.=1.45). From the result, it can be said that the respondent has "quite high" perception toward this dimension which presented Grand mean as 5.84.

The last dimension of SERVQUAL was "Empathy" (caring, individual attention the hostel provides to its customers). The factor presented as the most important one is "The hostel has convenient operation hours" (Mean= 6.01, S.D. =1.09), followed by "The hostel has your best interests at heart" (Mean= 5.85, S.D.= 1.17), "The hostel gives you individual attention" (Mean= 5.78, S.D. = 1.02) and the least important factor was "The employees understand your specific needs" (Mean= 5.74, S.D.= 1.20). Therefore, it can be interpreted from the interval scale that the customer has "quite high" perception toward this dimension as shown Grand mean equal to 5.84.

Moreover, the additional factor concerned by customer's perception in this part were price "Reasonable prices charged by hostels" as Mean= 5.82, S.D. = 1.26; accommodation and facilities, and perceived value "Hostel's services are worth the money you paid" Mean= 5.94, S.D. =1.20 presented the results respectively. All in all, it can be concluded that the customer has "quite high" perception in both terms of price and perceived value which was interpreted from interval scale and showed Grand mean as 5.82 and 5.94 accordingly.

According to customer's perception towards hostels, the respondents indicated the importance of dimension in order as of "Responsiveness" (Mean= 5.91), followed by "Assurance" (Mean= 5.84), "Empathy" (Mean= 5.84) "Reliability" (Mean=5.72), and "Tangible" (Mean= 5.36) respectively. Therefore; the dimension of "Responsiveness" was concerned as the most important one in the customer's perspective. The respondents were also concerned with "Employees are willing to help you" as the most significant element, the same result as customer's expectation mentioned previously.

Table 4.4 Customer's Perceptions towards Hostels

Factors	Frequency (N=400)							Mean	Std. Deviation
	Extreme dissatisfied	Quite dissatisfied	Slightly dissatisfied	Neither satisfied nor dissatisfied	Slightly satisfied	Quite satisfied	Extreme satisfied		
1. Tangibles (physical facilities, equipment, personnel and communications materials)									
Reception desk employees are neat appearing.	1	3	9	45	85	132	125	5.77	1.14
Materials associated with the service are visually appealing	3	8	25	77	99	93	95	5.30	1.36
Modern looking equipment.	1	14	29	54	127	117	58	5.19	1.27
Physical features are visually appealing.	1	8	30	75	109	114	63	5.19	1.26
Grand Mean								**5.36**	

Table 4.4 Continued

Factors	Frequency (N=400)							Mean	Std. Deviation
	Extreme dissatisfied	Quite dissatisfied	Slightly dissatisfied	Neither satisfied nor dissatisfied	Slightly satisfied	Quite satisfied	Extreme satisfied		
2. Reliability (ability to perform the expected service dependably and accurately)									
Shows a sincere interest in solving problem.	0	1	14	46	60	114	165	5.92	1.17
Performs the service right at the first time.	0	4	8	42	83	111	152	5.86	1.15
Do something by a certain time	2	2	9	60	74	104	149	5.78	1.23
Has a little mistake when provides the service	10	10	16	81	80	100	103	5.31	1.48
Grand Mean								**5.72**	
3. Responsiveness (willingness to provide prompt service)									
Employees are always willing to help	0	1	5	30	60	99	205	6.17	1.04
Employees are never too busy respond to request.	0	2	11	41	70	104	172	5.95	1.16
Employees give prompt service.	0	2	14	35	76	116	157	5.90	1.15
Employees tell exactly when the services will be performed.	0	5	16	56	100	100	123	5.61	1.24
Grand Mean								**5.91**	
4. Assurance (the knowledge and courtesy of employees and their ability to convey trust and confidence)									
Courteous employees	2	3	9	34	71	116	165	5.94	1.17
Employees have the knowledge-to answer customer's questions.	1	2	12	30	77	129	149	5.91	1.13
The behavior of employees - instills confidence in customers.	0	6	8	42	76	111	157	5.87	1.19
Feeling safe in using credit card	11	3	15	56	74	96	145	5.62	1.45
Grand Mean								**5.84**	

Table 4.4 Continued

Factors	Frequency (N=400)							Mean	Std. Deviation
	Extreme dissatisfied	Quite dissatisfied	Slightly dissatisfied	Neither satisfied nor dissatisfied	Slightly satisfied	Quite satisfied	Extreme satisfied		
*5. **Empathy*** (caring, individual attention the hostel provides to its customers)									
Convenient operating hours	0	3	9	29	62	134	163	6.01	1.09
Best interests at heart.	0	3	10	46	79	111	151	5.85	1.17
Individual attention.	1	3	16	40	92	101	147	5.78	1.20
Understand specific needs	2	5	7	47	90	119	130	5.74	1.20
Grand Mean								**5.84**	
*6. **Price*** (accommodation and facilities)									
Reasonable prices charged	3	6	12	38	67	127	147	5.82	1.26
Grand Mean								**5.82**	
*7. **Perceived Value***									
Worth the money paid	0	4	13	38	67	106	172	5.94	1.20
Grand Mean								**5.94**	

The mean score is based on a 7 Likert Scale. Scale:1 = Extreme dissatisfied, 2 = Quite dissatisfied, 3 = Slightly dissatisfied, 4 = Neither satisfied nor dissatisfied, 5 = Slightly satisfied, 6 = Quite satisfied and 7 = Extreme satisfied, N = 400 unless otherwise indicated.

4.4 Gap 5 of Service Quality toward Hostels

Objective 2: To identify the Gap 5 in service quality towards budget accommodation

Tables 4.5 below showed a clear gap between the perception and expectation of hostel service quality, since the perception scores in all the items were wider than the corresponding expectation score, the gaps were positive for all the items and dimensions. The overall mean gap was 0.67 ranging from 0.58 to 0.78. This finding indicates that in general, the customers' perception of hostel service quality did match their expectation.

The study also reveals that the widest gap in "Tangible" dimension was shown in the factor of "The hostel's reception desk employees are neat appearing" (gap= 0.72), while the smaller gap in this dimension was shown as "The hostel has modern looking equipment" (gap = 0.50).

"Reliability" dimension indicates the widest gap as "When you have a problem, the hostel shows a sincere interest in solving it" (gap = 0.66) and the smallest gap in this section was shown as "When the hostel promises to do something by a certain time, it does so" (gap = 0.55).

In terms of "Responsiveness" dimension, the results showed that the widest gap were undertaken into two factors which covered with "Employees are always willing to help" and "Employees are never too busy to respond to your request" (gap 0.78) equally. The smallest gap in this part was shown as "Employees tell you exactly when the services will be performed" (gap = 0.57).

The widest gap in the dimension of "Assurance" was shown as "Employees are consistently courteous with you" (gap = 0.76), while the smallest one was revealed as "You feel safe in using credit card with the hostel" (gap = 0.65)

"Empathy" dimension revealed the result of the widest gap as "The hostel gives you individual attention" (gap = 0.93) and the smallest one shown as "The hostel has convenient operating hours" (gap = 0.71)

The last two factors which included of "Price and Perceived Value" indicated that the customer's expectation and perception showed the positive scores which mean that the customer's perception of hostel service quality did match on what they expected.

Table 4.5 Gap 5 of Service Quality toward Hostels

Factors	Perceived Service Mean	Expected Service Mean	Gap
1. *Tangibles* (physical facilities, equipment, personnel and communications materials)			
Reception desk employees are neat appearing.	5.77	5.05	**0.72**
Materials associated with the service are visually appealing	5.30	4.78	0.52
Modern looking equipment.	5.19	4.69	0.50
Physical features are visually appealing.	5.19	4.60	0.59
Overall Mean of Tangible	**5.36**	**4.78**	**0.58**
2. *Reliability* (ability to perform the expected service dependably and accurately)			
Performs the service right at the first time.	5.86	5.29	0.57
Shows a sincere interest in solving problem.	5.92	5.26	**0.66**
Do something by a certain time	5.78	5.22	0.55
Has a little mistake when provides the service	5.31	4.69	0.62
Overall Mean of Reliability	**5.71**	**5.11**	**0.60**
3. *Responsiveness* (willingness to provide prompt service)			
Employees are always willing to help	6.17	5.39	**0.78**
Employees give prompt service.	5.90	5.18	0.72
Employees are never too busy to respond to request.	5.95	5.17	**0.78**
Employees tell exactly when the services will be performed.	5.61	5.04	0.57
Overall Mean of Responsiveness	**5.9**	**5.19**	**0.71**
4. *Assurance* (the knowledge and courtesy of employees and their ability to convey trust and confidence)			
Employees have the knowledge to answer questions.	5.91	5.24	0.67
Courteous employees	5.94	5.19	**0.76**
The behavior of employees instills confidence in customers.	5.87	5.15	0.72
Feeling safe in using credit card	5.62	4.97	0.65
Overall Mean of Assurance	**5.83**	**5.13**	**0.70**

Table 4.5 Continued

Factors	Perceived Service Mean	Expected Service Mean	Gap
*5. **Empathy*** (caring, individual attention the hostel provides to its customers)			
Convenient operating hours	6.01	5.31	0.71
Best interests at heart.	5.85	5.09	0.76
Understand specific needs	5.74	5.01	0.73
Individual attention.	5.78	4.85	**0.93**
Overall Mean of Empathy	**5.84**	**5.06**	**0.78**
*6. **Price*** (accommodation and facilities)			
Reasonable prices charged	5.82	5.25	0.57
*7. **Perceived Value***			
Worth the money paid	5.94	5.31	0.63
Overall Mean of Perception and Expectation	**5.77**	**5.11**	**0.65**

As can be seen, Table 4.6 shows the ranking and means rating of the relative importance in a total of 100 which attached to the five dimension of service quality. The results showed that females and males gave the similar number of relative importance to Responsiveness, Tangible and Reliability which were ranked 1st, 2nd, and 3rd respectively. The number of both, female and male, in mean rating and s.d. indicated closed number in each dimension which could be implied that these customers tend to have similar perspective even if they were from different gender.

Table 4.6 Compare Mean of Ranking and Mean Ratings of the Five Dimension of Hostel

Service Quality

Rank	Dimension	Female		Male	
		Mean Rating	S.D.	Mean Rating	S.D.
1	Responsiveness	20.52	5.74	21.25	5.88
2	Tangible	20.36	7.75	20.39	7.64
3	Reliability	20.11	5.78	20.23	5.65
4	Assurance	19.85	5.35	19.57	5.97
5	Empathy	19.05	6.41	18.48	5.39
Overall Mean and S.D.		**19.98**	**6.21**	**19.98**	**6.11**

As evidence, Table 4.7 presents the mean rating for the expectation and perceptions given by all the survey respondents across the 22 items in the SERVQUAL model. Female customers gave the highest expectation rating to item Q11 of the SERVQUAL questionnaire. This item pertains to "Employees are always willing to help you". In terms of perception, female also gave the highest mean rating to item Q11 which showed the same question in expectation part. This means that the hostels have provided the service and met customer's expectation and perception in before and after service perceived during the stay.

The female respondents gave the lowest expectation rating to item Q2 which pertains to "The hostel's physical features are visually appealing", while the lowest perception rating fell to item Q1 which presented as "The hostel has modern looking equipment"

On the other hand, male customers gave the highest expectation rating to item Q18. This item pertains to "The hostel has convenient operating hours", while the lowest one rating fell to item Q2 which presented as "The hostel's physical features are visually appealing".

In terms of perception, male also gave the highest mean rating to item Q11 which presented the question as "Employees are always willing to help you" The male respondents gave the lowest perception rating to item Q2. This item pertains to "The hostel's physical features are visually appealing"

Table 4.7 Compare Mean Rating for Expectation and Perception toward Hostel Service Quality

Items	Female		Male	
	Mean Expectation Rating	Mean Perception Rating	Mean Expectation Rating	Mean Perception Rating
Q1	4.88	**5.26**	4.53	5.12
Q2	**4.76**	5.33	**4.46**	**5.07**
Q3	5.24	5.93	4.88	5.61
Q4	4.87	5.41	4.70	5.20
Q5	5.38	5.85	5.07	5.70
Q6	5.39	6.06	5.13	5.79
Q7	5.48	5.99	5.12	5.74
Q8	4.91	5.45	4.47	5.18
Q9	5.14	5.71	4.95	5.51
Q10	5.33	6.02	5.04	5.79
Q11	5.54	6.25	5.24	6.08
Q12	5.23	6.05	5.11	5.85
Q13	5.23	5.99	5.07	5.76
Q14	5.06	5.77	4.88	5.48
Q15	5.21	5.99	5.16	5.90
Q16	5.30	6.02	5.18	5.81
Q17	4.85	5.98	4.85	5.60
Q18	5.28	6.01	**5.32**	6.01
Q19	5.10	5.93	5.08	5.76
Q20	4.99	5.88	5.03	5.60
Q21	5.21	5.87	5.29	5.78
Q22	5.32	5.97	5.29	5.90

4.5 The relationship of expectation and perception in service quality among backpackers

        Objective 3: To investigate the relationship between backpacker's expectation and perception in service quality toward the budget accommodation

        The investigation of relationship between the overall expectation and overall perception in hostel's service quality, using Pearson product-moment correlation coefficient was run which was shown in Table 4.8 below. The table presented the relationship between overall expectation and overall perception which were both measured by pre-post perceived service quality by using SERVQUAL model. Preliminary analyses were performed to ensure no violation of the assumptions of normality, linearity and homoscedasticity. It was indicated that there was a positive relationship ($r = .383$), n = 400, $p < .001$) between overall expectation and perception in service quality toward the budget accommodation.

Table 4.8 Correlation between overall expectation and overall perception

Correlations			
		Overall Expectation	Overall Perception
Overall Expectation	Pearson Correlation	1	.383[**]
	Sig. (2-tailed)		.000
	N	400	400
Overall Perception	Pearson Correlation	.383[**]	1
	Sig. (2-tailed)	.000	
	N	400	400

**. Correlation is significant at the 0.01 level (2-tailed).

        Further investigation on hypothesis testing showed in Table 4.9 below that the researcher used Paired sample t-test in order to examine differences among backpackers in overall gap between expectation and overall perception of hostel service quality. Paired sample t-test was conducted to compare level of the difference among backpacker towards hostels service quality in order to test hypothesis as previous mentioned in chapter 1 as following;

H₀: There is no significant difference between the perceived and expected service quality in the budget accommodation among backpackers?

Hₐ: There is significant difference between the perceived and expected service quality in the budget accommodation among backpackers?

It is observed from the paired sample t-test that the overall gap between overall expectation and overall perception with respect to the hostel service quality showed statistically significant increase in customer's perspective scores from Overall expectation (Mean = 5.07, S.D. 1.11) to overall perception (Mean = 5.74, S.D. = 0.87), t (399) = -11.908, p < .05 (two-tailed). The mean increase in scores was - 0.67 with a 95% confidence interval ranging from (-0.77) – (-0.55). The eta squared statistic (.50) indicated a large effect size. Therefore, it can be concluded with strong evidence that there is a significant difference between the overall expectation and overall perception of hostel service quality.

Table 4.9 Paired sample t-test showing the overall gap between overall expectation and overall perception of hostel service quality

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Overall Expectation	5.0783	400	1.11131	.05557
	Overall Perception	5.7456	400	.87431	.04372

Paired Samples Test

Pair	Paired Differences		*t*-test for Equality of Means		
	Mean Gap	Std. Deviation	*t*	df	Sig. (2-tailed)
Overall Expectation – Overall Perception of Hostel Service Quality	-.66727	1.12068	-11.908	399	.000***

Note. ***p <.05

An independent sample t-test was conducted to compare the level of overall *expectation* among backpackers (between male and female). There was no significant difference in the scores of the level of overall expectation for female (Mean = 5.16, S.D. = 1.11) and male (Mean = 4.99, S.D. = 1.10); t (390) = 1.589, p = 0.113, two-tailed). These results suggest that gender has no effect on the level of overall expectation toward hostel service quality.

Moreover, the level of overall *perception* among backpackers (between male and female) was also compared and the result indicated that there was a significant difference in the scores of the level of overall perception for female (Mean = 5.85, S.D. = 0.87) and male (Mean = 5.64, S.D. = 0.86); t (398) = 2.34, p = 0.02, two-tailed). These results suggest that gender does have an effect on the level of overall perception toward hostel service quality.

Table 4.10 Independent sample t-test of overall expectation and perception among backpackers

Group Statistics					
	What is your gender?	N	Mean	Std. Deviation	Std. Error Mean
Overall Expectation	Female	193	5.1696	1.11684	.08039
	Male	207	4.9932	1.10201	.07659

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Overall Expectation	Equal variances assumed	.080	.777	1.589	398	.113	.17638	.11099	-.04181	.39457
	Equal variances not assumed			1.588	395.239	.113	.17638	.11104	-.04192	.39468

Table 4.10 Continued

Group Statistics					
	What is your gender?	N	Mean	Std. Deviation	Std. Error Mean
Overall Perception	Female	193	5.8509	.87534	.06301
	Male	207	5.6473	.86393	.06005

Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference
									Lower / Upper
Overall Perception	Equal variances assumed	.005	.944	2.340	398	.020	.20358	.08700	.03254 / .37461
	Equal variances not assumed			2.339	395.256	.020	.20358	.08704	.03246 / .37469

One-way ANOVA analysis of variance was conducted to explore the impact of age on levels of domain of expectation, as measured by SERVQUAL model. Participants were divided into six groups according to their ages (Group 1:under 20yrs; Group 2: 21-30yrs; Group 3: 31-40yrs; Group 4: 41-50yrs; Group 5: 51-60yrs; and Group 6: over 60yrs) There was a statistically significant difference at the $p < .05$ level in expectation for age groups in factor F1(Tangibles),F2 (Reliability) and F5 (Empathy). Statistically, results of Scheffe's post-hoc test presented the customer's expectation within the first factor as "Tangibles" that the Group 1 and Group 6 have less expectation in this dimension (Mean = 4.13 as equal). Within factor 2 "Reliability" the results revealed that the customers who belong to the age group 6 have less expectation than those who belong to the age Group 5 (Mean = 4.50). Respondents who belong to the group 6 expect statistically less from the factor "Empathy" when comparing to other groups (Mean = 4.00).

Table 4.11 One - Way ANOVA analysis according to the age structure of respondents for

the domain of *expectations*

Factor	Means						F-value	P-value ***
	Group 1 under 20	Group 2 21-30	Group 3 31-40	Group 4 41-50	Group 5 51-60	Group 6 over 60		
F1	4.13	4.76	5.35	5.03	6.05	4.13	6.903	**.000**
F2	4.80	5.09	5.24	5.70	6.00	4.50	2.661	**.022**
F3	5.76	5.93	5.86	5.85	6.23	4.38	1.435	.211
F4	4.69	5.14	5.30	5.65	5.68	4.25	1.930	.088
F5	4.57	5.03	5.48	5.73	6.05	4.00	3.991	**.002**
F6	5.14	5.21	5.42	5.67	6.10	4.50	1.256	.282
F7	5.17	5.27	5.46	5.80	5.90	5.00	0.883	.492

*** $p < .05$

Table 4.12 below also provided the result analysis of One-way ANOVA which was conducted to explore the impact of age on levels of domain of perception, as measured by SERVQUAL model. Participants were also divided in the same way as expectation according to their ages (Group 1:under 20yrs; Group 2: 21-30yrs; Group 3: 31-40yrs; Group 4: 41-50yrs; Group 5: 51-60yrs; and Group 6: over 60yrs) There was a statistically significant difference at the $p < .05$ level in perception for age groups in F2 (Reliability). Statistically, results of Steffen's post-hoc test presented the customer's perception that within the Factor 2 "Reliability" the results revealed that the customers who belong to the age group 1 and group 6 have statistically less expectation than those who belong to other groups (Mean = 4.80 , 4.50) respectively.

Table 4.12 One - Way ANOVA analysis according to the age structure of respondents for

the domain of *perceptions*

Factor	Means						F-value	P-value ***
	Group 1 under 20	Group 2 21-30	Group 3 31-40	Group 4 41-50	Group 5 51-60	Group 6 over 60		
F1	5.22	5.36	5.54	5.32	5.70	4.25	1.028	.401
F2	4.80	5.09	5.24	5.70	6.00	4.50	2.661	**.022**
F3	5.76	5.93	5.86	5.85	6.23	4.38	1.435	.211
F4	5.52	5.88	5.70	5.90	6.05	4.25	2.085	.066
F5	5.77	5.84	5.82	5.97	6.40	4.75	1.220	.299
F6	5.69	5.83	5.69	6.07	6.30	4.50	0.974	.434
F7	5.86	5.94	5.77	6.00	6.60	5.00	1.000	.417

*** $p < .05$

4.6 Overall customer's satisfaction to hostel's service quality

Objective 4: To assess overall customer's satisfaction to the service quality provided in the budget accommodation.

As evidence shown in Table 4.13, it indicated that the overall mean satisfaction score at 5.6881 on a 7-point Likert scale, which presented the meaning among "Somewhat satisfaction" and "Very satisfaction" with hostel service quality. It was observed that the highest mean satisfaction was with "Responsiveness" dimension (Mean = 5.90), followed by "Empathy" dimension (Mean = 5.8438), "Assurance" dimension (Mean = 5.8350), and "Tangibles" dimension (Mean = 5.3613) and "Reliability" dimension (Mean = 5.1138) respectively. In terms of overall satisfaction of price and perceived value, it also showed high satisfaction in perceived service quality provided as the results indicated the number over the overall satisfaction. Therefore, the overall mean satisfaction (Mean = 5.6881) indicated that the level of customer satisfaction with hostel service quality was about "quite high satisfied but not extreme satisfied".

Table 4.13 Overall level of satisfaction with hostel service quality

Dimensions of Service Quality	N= 400	
	Mean	Std. Deviation
Tangibles	5.3613	1.0022
Reliability	5.1138	1.1745
Responsiveness	5.9056	0.9752
Assurance	5.8350	0.9992
Empathy	5.8438	0.9876
Price	5.8225	1.2589
Perceived Value	5.9350	1.1955
Overall Satisfaction	**5.6881**	**1.0847**

According to the Table 4.14 below, the researcher provided last question in order to measure overall satisfaction to hostel service quality provided, and the results indicated the overview of those answers that the customers were satisfied in all kinds of service quality in the hostels which showed the percentage of "quite satisfied" 59% , followed by "extreme satisfied" 19.8%, "slightly satisfied" 14.8%, "neither satisfied nor dissatisfied" 5%, "quite dissatisfied" 1% and "slightly dissatisfied" 0.5% respectively.

Table 4.14 Frequency of overall satisfaction to hostels service quality

Scale	Frequency	Percentage (%)
Quite dissatisfied	4	1.0
Slightly dissatisfied	2	0.5
Neither satisfied nor dissatisfied	20	5.0
Slightly satisfied	59	14.8
Quite satisfied	236	59.0
Extreme satisfied	79	19.8
Total	**400**	**100%**

CHAPTER 5

Summary and Discussion

This chapter is designed to conclude and discuss based on the main research findings of the survey, followed by a discussion of the results based upon the research objectives which were identified in Chapter 1 as following:

1. To measure the backpackers' expectations and perceptions in the budget accommodation by using SERVQUAL model

2. To identify Gap 5 in service quality towards budget accommodation

3. To investigate the relationship of service quality through gap analysis of expectation and perception in the budget accommodation among backpackers

4. To assess overall customer's satisfaction to the service quality provided in the budget accommodation.

This study revealed the perspectives of consumers on expected and perceived service quality in the budget accommodation, specifically in hostel's business among backpackers. Therefore, the researcher used the quantitative survey and returned 400 valid questionnaires through convenience and purposive sampling method. The questionnaires were distributed to customers (backpackers) who spent at least one night in the hostels.

The quantitative data was analyzed by using the computer software program version 20 in terms of descriptive statistics, Paired and Independent Samples t-test, One‐Way ANOVA and Pearson Correlation. Content analysis was used to summarize and analyze quantitative data in order to aggregate themes.

Service quality and its model of gaps were reviewed. SERVQUAL methodology as an analytical approach for evaluating the difference between customers' expectations and perceptions of quality was also studied.

5.1 Summary of key findings

5.1.1 Customer's perspective

From 400 valid returned surveys, the respondents consist of 207 males and 197 females. Most of the respondents are between 21 - 30 years old, followed by under 20 years' category. The majority of the respondents are European (49%), followed by Asian (17.8%)and American (15.8%) respectively. The educations of respondents are mostly bachelor degree (50.5%), followed by high school or lower (27.8%) and the lowest number of respondents are Ph.D. (0.5%). In addition, the respondents' occupation shows mostly students as 36 percent and the smallest number drawn were professional, government and retired. In terms of monthly income, most of the respondents have salary around $1,501 - $3,000 USD.

In the part of travel behavior, the majority of the respondents were first time visitors (82.5%) while the rest (17.5%) have visited Phuket twice or more. They tend to spent average of five nights during the stay and prefer having an overnight budget less than $15 USD per person. Most of the respondents main reason for visiting is holiday followed by visiting friends, shopping, food and culture, and others (night life, flight, volunteer, tattoo, English teaching, backpacking, research, and working) accordingly. Travelling style of respondents showed that group backpacking is preferred and the main pattern in visiting Phuket where as self-backpacking is the second pattern. In terms of living, respondents reveal that having food at local restaurant are the majority alternative during the stay followed by street stalls (Hawkers) where as having fast food and friends or relative's house shows the smallest number in their alternatives.

The use of transportation of the respondents, most of them prefer to travel by foot while the use of taxi, Tuk Tuk, public transportation, rental bike and rental car is the second alternative. When travelling, backpackers mostly use internet searching in order to plan trips and at the same time some of those tend to ask friends and read guide books. Some make their trips from advertisement and some makes their trips from other sources such as word of mouth, travel agent, hostel world and lonely planet.

5.1.2 Customer's expectation and perception

In terms of customer's expectation and perception towards hostels, Descriptive Statistics was conducted and it was found in the part of customer's expectation that the respondents expect to receive a good service quality before getting to the hostels as shown statistically in Table 4.3 in

chapter 4. Measuring from the SERVUQAL model, the customers expect the dimension of "Responsiveness" (willing to provide prompt service) as their first option, followed by "Assurance" (the knowledge and courtesy of employees and their ability to convey trust and confidence), "Reliability" (ability to perform the expected service dependably and accurately), "Empathy" (caring, individual attention the hostel provides to its customers) and "Tangibles" (physical facilities, equipment, personnel and communications materials respectively. Moreover, the backpackers also expect in getting a reasonable price charged and hope those services provided would be worth the money they have paid before they arrive.

Customer's perception part measuring from SERVQUAL model, it was found that after spending overnight at the target's hostels, the first dimension of customer's perception still drew to the dimension of "Responsiveness" where as the next concerned dimension drew to "Assurance" and "Empathy" followed by "Reliability" and "Tangible" respectively. Moreover, the respondents also perceived the service provided in getting a reasonable price charged and satisfied with the money they spend during the stay. The perception of the respondents showed that service quality of hostels in Phuket meets customer's expectations in all forty-four attributes from SERVQUAL model.

In terms of service quality's gap (Gap5), the Gap 5 showed the difference between expected services and perceived service by using mean score for each attribute. The wider gap between expected and perceived service showed customers satisfaction toward service quality. The finding showed that the wider gap in "Tangibles" present as "Reception desk employees are neat appealing", followed by "Employees show a sincere interest in solving problem" in "Reliability" dimension, "Employees are always willing to help" and "Employees are never too busy to respond to customer's request" are wider gap that customers are satisfied with "Responsiveness" dimension. In terms of "Assurance", the wider gap drew to "Employees are consistently courteous with you" and "The hostel gives you individual attention" in "Empathy" is the last dimension that the customers concerned with.

Compared mean was conducted in order to find the relative importance attached to the five dimensions in a total of 100 points toward service quality. The results showed that females and males gave the similar relative importance to Responsiveness, Tangible and Reliability which were ranked 1st, 2nd, and 3rd respectively. Based from this result, it could be implied that these

customers tend to have similar perspective even if they were from different gender. Taking in deep details of each attributes of SERVUQAL model, the result presented that females gave the highest expectation rating to item "Employees are always willing to help you" and at the same time when they perceived service during the stay, they also gave the same result in the same attribute in the perception part. This means that the hostels have provided the service and met customer's expectation and perception in before and after service perceived during the stay. The lowest score mean of females' expectation pertained to "The hostel's physical features are visually appealing", while the lowest perception rating fell to "The hostel has modern looking equipment" On the other hand, male customers gave the highest expectation rating to both "The hostel has convenient operating hours" and "Employees are always willing to help you". Moreover, the lowest perception of males was rated to "The hostel's physical features are visually appealing" accordingly.

Paired Sample t-test was conducted, and it was found that the overall gap between overall expectation and overall perception with respect to the hostel service quality showed statistically significant increase in customer's perspective scores from Overall expectation to overall perception. Therefore, it can be concluded with strong evidence that there is a significant difference between the overall expectation and overall perception of hostel service quality.

An independent sample t-test was conducted to compare level of overall expectation among backpackers (between males and females) and it was found that there was no significant difference in the scores of the level of overall expectation for females and males in SERVQUAL model but gender does have an effect on the level of overall perception toward hostel service quality instead.

Pearson product-moment correlation coefficient was conducted to further investigate, and it was found that there was a positive relationship between overall expectation and overall perception which were both measured by pre-post perceived service quality by using SERVQUAL model.

One-way ANOVA was conducted and it was found that there was a statistically significant difference existing in expectation between group in "Tangibles", "Reliability" and "Empathy". The results presented the customer's expectation within the first factor as "Tangibles" that the Group 1 (under 20 yrs) and Group 6 (over 60 yrs) have less expectation in

this dimension. Within "Reliability" the results revealed that the customers who belong to the age over 60 years old have less expectation than those who belong to the age 51 – 60 years old. Respondents who belong to the group over 60 years old expect statistically less from the factor "Empathy" when comparing to other groups. In terms of customer's perception, the results showed that there was a statistically significant difference in expectation for age groups in the dimension of "Reliability". Statistically, the results presented that within the "Reliability" dimension, the customers who belong to the age under 20 years old and over 60 years old have statistically less expectation than those who belong to other groups.

In the last section, descriptive statistic was conducted in overall satisfaction and it was found that the highest mean satisfaction was with "Responsiveness", followed by "Empathy", "Assurance", "Tangibles" and "Reliability" respectively. In terms of overall satisfaction of price and perceived value, it also showed high satisfaction in perceived service quality provided as the results indicated the number over the overall satisfaction. The overall mean satisfaction (Mean = 5.6881) which presented the meaning of "Quite high satisfied" on a 7-point Likert scale; therefore, it can be indicated that the level of customer satisfaction with hostel service quality was about quite high satisfaction.

Finally, the researcher also provided last question in order to measure overall satisfaction toward hostel service quality provided, and the results indicated that the majority of respondents were very satisfied with the service provided by hostels at 59 %. In conclusion, measuring service quality can help management provide reliable data that can be used to monitor and maintain improved service quality.

5.2 Discussion

In this part, the researcher discusses service quality in customer's perspective based on the primary data collected from 400 surveys and the secondary data gathered from related articles, previous research, books, journals, paper and websites which were also used in this study.

5.2.1 Objective 1: To measure the backpackers' expectations and perception in the budget accommodation by using SERVQUAL model

Measuring service quality is very useful materials which can help the management provide trusty data that can be further used in order to maintain improved service quality in the

organization. From the research questions, this study has been carried out in order to fulfill the purpose which include; theoretically trying to find out if SERVUQUAL model is an effective tool in using to measure of service quality in hostels in Phuket; moreover, empirically find out how backpackers perceive service quality by identifying what dimensions in model bring the most perception which eventually lead to further satisfaction. However, using SERVQUAL model as a model to measure service quality need to be checked and the data collected provided an overall reliability (0.892) which can be implied clearly that the SERVQUAL model was a good instrument to measure service quality in hostels.

In this study, the researcher has examined the differences between customer's expectations of the service quality in hostels. It was found that the respondents overall expectation on a scale of 1 − 7 is 5.11. This is above average and implies that backpackers expect quite a lot from the hostel's service quality. When separately surveyed at the individual dimension, it reveals that "Responsiveness" (willingness to provide prompt service) with a score of 5.19 is the first dimension that the customers pay attention to. Therefore, hostels should pay an interest of the employees' quality in order to provide the prompt services. Moreover, when measuring service quality in hostels, the management should pay attention to the dimension which is very important and this is in line with the technical dimension of service quality suggested by Parasuraman et al. (1988) and Carman (1990).

Concerning customers' perception of service in hostels which is more like the SERVUQAL model which deals with consumers' perception of service quality in agreement with customer's satisfaction (Carman, 1990), the result presents that customers' perception score are more than the score of their expectation even though the difference among those is slight. Basing on the individual dimensions, the result shows that customers pay a lot attention to the dimension of "Responsiveness" which presents the most perception and lead to most satisfaction as well compared to the other dimensions with an average score of 5.91. The "Tangible" dimension is judged the least by customers with an average score of 5.36. However, it is still above the middle of the scale. Generally, an average perception score in all dimensions are around 5.74. This is concerning to the study of SERVQUAL model by Parasuraman et al. (1988) that if the average score is above the average of scale, then customer's perception are satisfied with service quality provided in hostels. Therefore, the satisfaction in service is highly related to quality.

5.2.2 To identify the Gap 5 in service quality towards budget accommodation

The result found that the gaps were positive for all the items in each dimensions. The overall mean gap was 0.67 ranging from 0.58 to 0.78. This finding indicates that in general, the customers' perceptions of hostel service quality did match their expectations.

This is concerning to the study of Parasuraman et al., (1985, 1988) introduced the gap score as a means to measure service quality and they indentified quality as a determinant of service quality. However, they have limited the conclusion of satisfaction in service quality to a gap score between perceptions and expectations that when the perceptions are higher than the expectations, this will lead us to have positive gaps which means that customers are delighted and eventually feel free to give good words of mouth to friends and others. This shows good sign that it is higher than customers' expectation and hence leads to their satisfaction after and this is explaining how consumers perceive service quality. As service quality is an antecedent of customer satisfaction which has been proven by Negi (2009), it means that since consumers perceive service quality as high or good, and therefore implies that consumers are satisfied with services offered in hostels. Moreover, Parasuraman et al. (1988) further argue that information on service quality gaps can help managers diagnose where performance improvement can best be targeted. The largest negative gaps, combined with assessment of where expectations are highest, facilitate prioritization of performance improvement. Equally, if gap scores in some aspects of service do turn out to be positive, implying expectations are actually not just being met but exceeded, then this allows managers to review whether they may be "over-supplying" this particular feature of the service and whether there is potential for re-deployment of resources into features which are underperforming.

In addition, the positive gap scores also can be interpreted according with Thai's reputation of hospitality. As it became a wide-spread perception of elegance experience among tourists, for instance, good service, fine dining and fine accommodation which can be bought and experienced during the stay at an affordable price (Maria, 2014). These points offer lots of strong tourist's attractions for many middle-class travelers. Moreover, for Thailand, the reputation for its service has appeared to be fairly reasonable and positive. This is according with the reviews and feedback provided on website and blogs which reveals that the service quality of high-end hotels has been well-perceived, whereas, the service quality of mid- to lower end has mixed perceived

reviews. In addition, it also still offers lots of interesting things which are still much more affordably priced than other developed countries. This can be an important key that helps the travelers' access to the high-end experiences. Furthermore, when tourists consume the service provide and perceive well-satisfaction, then it leads to the spread of words to describe the people they encounter such as "friendly" and "helpful". So, it can be simply said that the service quality provided meet the demands of the international travelers. This presents and can be interpreted that we are already in the good grounds for continued growth in the hospitality industry both in the present and in the future, as the overall positive reputation of the country is expected to continue and to attract the interest of both businesses and travelers alike.

5.2.3 To investigate the relationship of service quality through gap analysis of expectation and perception in the budget accommodation among backpackers

The results showed the investigation of the relationship between expectation and perception, it indicated that there was a positive relationship between overall expectation and overall perception (r = .383), n = 400, $p < .001$). These results can be supported by the study of Oliver (1980) and Pizam and Ellis (1999) which described that the relationship between expectation and perception bring satisfaction to the service provided. This means that when customers have positive perspective toward services, then they become repeat purchasers of a product or service and eventually provide positive word of mouth. Therefore, it is important to understand the factors that influence customer satisfaction in order to create good products or services to the organization.

Moreover, hypothesis testing as previous mentioned in chapter 1, the statement has been proposed as following;

H_o: There is no significant difference between the perceived and expected service quality in the budget accommodation among backpackers.

H_A: There is significant difference between the perceived and expected service quality in the budget accommodation among backpackers.

The hypothesis test found that H_A has been accepted as there was a significant difference between the overall expectation and overall perception of hostel service quality.

With further hypothesis testing between overall expectation and perception among gender, it was also found that 1.) Gender does not have an effect on the level of overall

expectation whereas 2.) Gender does have an effect on the level of overall perception. This research was supported by the study of Parasuraman et al. (1988) that with minor modification, SERVQUAL can be adapted to any service organization.

5.2.4 To assess overall customer's satisfaction to the service quality provided in the budget accommodation

The overall mean satisfaction (Mean = 5.6881) in this study indicated that the level of customer satisfaction with hostel service quality was about "quite high satisfied but not extreme satisfied". This study was according with the study by Yi (1990) mentioned that satisfaction normally comes from the interaction between consumer and service provider. This study shows the results that consumers are about somewhat satisfied but not very satisfied meaning this is because of the provider would offer poor services and another reason also because the consumer becomes more demanding and does not receive any shortage in the quality of services offered by hostels (Douglas & Connor, 2003, p. 165-166).

Moreover, the study of Parasuraman et al., (1985) supported that when perceived service quality is high, then it will lead to increase in customer satisfaction. This means that the service quality leads to customer satisfaction and this was also concerned with the study by Saravanan and Rao (2007), Lee et al., (2002) and Fen & Lian (2005) supported further that when the customer satisfaction was based on the service quality provided by service provider. This showed a signal for asserting if the customers were satisfied with the service quality provided and because of the average perception score is above the average of scale; therefore, the higher perception will indicate higher satisfaction as the result of positively related between service quality and satisfaction. So, when customer shows the higher perception scores on the dimension, it also shows the higher satisfaction; on the other hands, lower perception scores in turn represent lower satisfaction.

In summary, consumers are quite high satisfied with all dimensions of service quality. Moreover, the results of all dimensions present a small gap between expected and perceived service in positive way. This hence means that the hostels need to make improvements in all dimensions in order to make smaller gaps that could lead to increase more customer satisfaction. This is not only to help the management but also in order to maintain the target customers become royalty eventually.

5.3 Recommendation

The objective of this section is to propose alternatives in order to improve service quality toward hostels' businesses and also have a better understanding of customers' needs. Based on the results of this research, recommendation for improving services and marketing planning are as follows;

5.3.1 Collect data on customer's perspective for further tasks

In every business, using the database helps the organization to keep records for all the guests, which they could use whenever they might need it. Records help the owners or managers get an insight of those who might be interested in having a second visit. It also provides the management ease when doing tasks. Keeping the respondents' profile or records may also help the management to better understand different groups of tourists, and with this information, they can further improve and provide the exact service to the right groups.

5.3.2 Conducting for hostel's surveys in both general details and service quality parts

According to the traveler's behavior survey results, it can be said that all guests prefer to pay less in accommodation and tend to have a local restaurant food. If the hostels conduct a survey of their customers, this information could be a lot beneficial. This is because the owners or managers would know that their clients pay attention on price and food. The hostel could get benefits by opening a local restaurant or setting as a la carte menu of local food within hostels. Instead of the going out, clients would prefer to order from the hostel instead. The benefit of this would be an advantage point to the business which owners or manager could do in other fields.

However, if the management knows how customers perceive service quality and also be able to measure service quality, these could benefit a lot toward organization. This is because measuring service quality can help the management provide trusty data that can be used further in order to guide, maintain and improve service quality. Moreover, assessing service quality by using the SERVQUAL model also help the management to have a better understanding of various dimensions and to be enable to interpret how each of those dimensions affect service quality and customer satisfaction. This will help them to identify those that have strengths and weaknesses and thereby make necessary improvements.

5.3.3 Developing an effective training program for hostels staffs

From the customer's perspective of expectation, they tend to expect more in "Responsiveness" dimension which is concerned about willingness to provide prompt service by the employees. Therefore, providing an effective employees training program will be a long-term success in business. The trainings are powerful tool in order to achieve in these tough economic conditions as it is a commitment towards developing the skills of the staffs and cements their importance to the organization, which improves staffs morale and loyalty. Moreover, training also provides the structures, techniques and awareness to manage time and workload efficiently, which increases productivity and motivates staff to achieve more. In terms of competitive advantage in business, when people buy from people, training gives staffs the skills to handle different customers professionally and increase customer satisfaction. It also improves internal efficiency, which will keep the organization ahead of the competition. Lastly, developing an effective training lowers staff turnover, which reduces recruitment and training costs.

5.3.4 Focus on marketing strategies to compete with newborn and existing rivals

As mentioned that hostels business has become an interesting investment to the investors in Phuket these days, therefore, knowing how to deal with existing markets or even the new coming one is important. With an understanding of what customers want and an idea of how this can be provided, it is important to take a look at other ventures that might be targeting the same market. Learn how to compare the strengths and weaknesses of the competition to the strengths and weaknesses of the venture. This will provide more insight as to where the venture's competitive advantage lies. In the end, building a competitive advantage in marketing will involve understanding the needs of the customers, and devising a strategy to make use of the resources that are available to set the business apart from the competition. By doing so, these will help hostels develop effective marketing strategies for the long term business.

5.4 Limitation, Suggestions for future research and Contribution of this study

5.4.1 Limitation

There are a number of limitations in this study. First, there were very limited previous studies which were directly related to backpacker's expectation and perception in hostel service quality. This provides the challenges for the researcher to gather the literature review.

Secondly, the questionnaires were conducted in only 30 hostels using purposive and convenience sampling that would create bias as the number of hostels statistic reveals the existing and newborn business are up to 70 hostels referred from hostels world and booking.com. Therefore, the result would be different in other areas. Moreover, the questionnaires were not provided in the part of open questions in order to get the customers' suggestion which would be more beneficial to the hostels to improve precisely on customers' need.

Thirdly, the results from this research would create bias as the majority of the respondents mostly were European (49%) which would cause the results to show only Europeans' perspective, comparing with other nationalities would be different.

Lastly, this research was conducted during high season only which the result would get in turn in differences if it was conducted in low season, as a difference of season would provide different results because the visitors are several distinct of nationality.

5.4.2 Suggestion for future research

1. Further research should be carried out in order to enhance the understanding of the concepts of service quality and customer satisfaction in hostels' business or other fields such as marketing strategy which is very useful toward organization in terms of profitability and growth.

2. Future research should conduct during both high season and low season in order to compare between customers' expectation and perception, and also investigate further in different among target group in different seasons.

3. Future research should also identify another gap in service quality in order to see in the differences of perspective between management and customer.

4. A similar study could be conducted with a larger sample size of hostels in different area, so that results could be generalized to a larger population.

5.4.3 Contribution of this study

1. The findings can be used for hostel marketers to develop, utilize and improve their hostel performances in service quality in order to fulfill customers' perception toward their properties.

2. The study provides the new result of the expectation that the backpackers are more likely to have high expectation toward service quality provided in hostels.

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APPENDIX A

Questionnaire Service Quality Measurement in the Budget Accommodation Sector:

A case study of backpackers and hostels in Phuket

Dear Respondents,

      I am an MBA student in Business Administration, Faculty of Hospitality and Tourism Management (International Program), Prince of Songkla University, Phuket Campus, Thailand. The purpose of this survey is to collect data for my MBA thesis on **"Service Quality Measurement in the Budget Accommodation Sector: A case study of backpackers and hostels in Phuket"**. Please kindly assist in filling out this survey. I would really appreciate your help for participating in this survey. The data collected will be used for academic purpose and will surely be kept confidential.

      Thank you very much for your kind participation.

Please tick (√) in the box which corresponds to your answers

Part 1: Personal Characteristics

1. Gender   ☐ Female   ☐ Male

2. Age   ☐ Under 20   ☐ 21 - 30 years

           ☐ 31 - 40 years   ☐ 41 - 50 years

           ☐ 51 - 60   ☐ Over 60

3. Nationality   ☐ Asian   ☐ African

           ☐ American   ☐ European

           ☐ Middle East   ☐ Australian

           ☐ Other (Please specify) ……………………

4. Education

☐ High School or lower ☐ Diploma

☐ Bachelor Degree ☐ Master Degree ☐ Ph.D

5. Occupation

☐ Self employed/ Entrepreneur ☐ Students

☐ Employee ☐ Retired

☐ Government ☐ Professionals (e.g. lawyers, doctors)

6. Monthly Income

☐ Less than $ 1,500 ☐ $ 1,501 - $ 3,000

☐ $ 3,001 - $ 4,500 ☐ $ 4,501 - $ 6,000

☐ Over $ 6,001

Part 2: Travel behavior

1. Is it your first time visiting Phuket?

☐ Yes ☐ No ………. time (s)

2. How many days for length of stay? ……………. night (s)

3. What is your average budget per room per night when taking holidays? …………$

4. What is the ***main*** purpose of visiting Phuket? (Please √ only ***ONE*** answer)

☐ Holiday ☐ Visiting friends

☐ Shopping ☐ Food and culture

☐ Other (Please specify) ………………

5. Whom do you travel with?

☐ By yourself ☐ With your spouse

☐ With your family/ Relatives ☐ With business association

☐ With friends ☐ Other ……………………

6. **Mostly**, where do you have food? (Please √ only ***ONE*** answer)

☐ Hostel's lounge ☐ Fast-food

☐ Local restaurant ☐ Local food court

☐ Street stalls (Hawkers) ☐ Friend or relative's house

7. What kind of transportations do you usually take when travelling in Phuket? (You can choose more than one answer)

☐ Rental bike   ☐ Rental car   ☐ Public transportation

☐ Taxi   ☐ Tuk Tuk   ☐ Walk

8. Which source do you use to plan your trip? (You can choose more than one answer)

☐ Internet Search   ☐ Advertisement

☐ Friend   ☐ Guide books

☐ Other …………………………….

Part 3: Section 1 → *Expectation and Perception*

Please rate the service quality for each of the following criteria base on your expected service and how well the hostel met your expectation for a hostel in its class.

Statement	Expectaion low ←→ high							Perception unsatisfied ←→ satisfied						
	1	2	3	4	5	6	7	1	2	3	4	5	6	7
1. The hostel has modern looking equipment.														
2. The hostel's physical features are visually appealing.														
3. The hostel's reception desk employees are neat appearing.														
4. Materials associated with the service (such as guide books, map) are visually appealing at the hostel.														
5. When the hostel promises to do something by a certain time, it does so.														
6. When you have a problem, the hostel shows a sincere interest in solving it.														
7. The hostel performs the service right at the first time.														
8. The hostel has a little mistake when provides the service														
9. Employees tell you exactly when the services will be performed.														
10. Employees give you prompt service.														

11. Employees are always willing to help you.															
12. Employees are never too busy to respond to your request.															
13. The behavior of employees instills confidence in you.															
14. You feel safe in using credit card with the hostel.															
15. Employees are consistently courteous with you.															
16. Employees have the knowledge to answer your questions.															
17. The hostel gives you individual attention.															
18. The hostel has convenient operating hours															
19. The hostel has your best interests at heart.															
20. Reasonable prices charged by hostel (accommodation and facilities)															
21. Hostel's service are worth the money you paid (Perceived Value)															

Part 3: Section 2

Please allocate a total of 100 points among the five features according to how important each feature is to you‐the more important a feature is to you, the more points your should allocate it. Please ensure that the points your have allocated to the five features add up to 100 points.

1. The appearance of the hostel's physical facilities, equipment, _____points
   personnel and communications materials. (Tangibility)

2. The hostel's ability to perform the promised service dependably _____points
   and accurately. (Reliability)

3. The hostel's willingness to help customer and provide prompt _____points
   service. (Responsiveness)

4. The knowledge and courtesy of employees and their ability _____points
   to convey trust and confidence. (Assurance)

5. The caring, individual attention the hostel provides to its _____points
   customers. (Empathy)

   TOTAL points allocated **100** **points**

<u>Please write the feature number</u>

Which feature among the above is ***MOST*** important to you?   _____

Which feature is *2nd **MOST important*** to you?   _____

Which feature is ***the LEAST*** important to you?   _____

2. How would you rate your overall satisfaction in this hostel?

☐ Extremely dissatisfied

☐ Very dissatisfied

☐ Somewhat dissatisfied

☐ Neither satisfied nor dissatisfied

☐ Somewhat satisfied

☐ Very satisfied

☐ Extremely satisfied

Thank you for your kind assistance

APPENDIX B

List of sampling hostels in Phuket

No.	Location	Name & Contact	Facilities	Price Range (baht/ night)
1.	Phuket Town	***Sino Inn Phuket Hostel*** Address: 25/54 Mae-luan Road T.Tarad nua Mueng, Phuket	*Outdoors* - Terrace *Food & Drink* - Restaurant *Internet* – Free Wi-Fi *Parking* - Free public parking is available at a location nearby (reservation is not needed). *Services:* Airport Shuttle, Car Rental, Shuttle Service (surcharge), Airport Shuttle (surcharge), Tour Desk, Baggage Storage, Lockers, Shared Lounge/TV Area, Laundry, Suit Press, Fax/Photocopying *General:* Family Rooms, Elevator, All Spaces Non-Smoking (public and private), Air Conditioning *Languages spoken:* Thai, English	500.-

| 2. | Phuket Town | *Ai Phuket Hostel & Cafe Hostel* Address: 88 Yaowarat Road, Taladyai, Muang, 83000 Phuket | *Outdoors* - Grounds *Activities* - Bicycle Rental *Internet* – Free Wi-Fi *Services:* Car Rental, Shuttle Service (surcharge), Airport Shuttle (surcharge), Express Check-in/Check-out, Currency Exchange, Tour Desk, Ticket Service, Baggage Storage, Lockers, Shared Lounge/TV Area, Laundry, Daily Housekeeping, Fax/Photocopying *General:* Safe, Non-smoking Rooms, Heating, All Spaces Non-Smoking (public and private), Air Conditioning, Designated Smoking Area *Languages spoken:* Chinese, Thai, English | 555.- |
| 3. | Phuket Town | *Best Stay Hostel* Address: 88 Phang-Nga Road, Phuket Old Town, Muang, Phuket, 83000 Phuket, Thailand | *Outdoors* - Grounds, Terrace *Activities* - Cycling, Bicycle Rental, Library *Food & Drink*- Restaurant *Internet* – Free Wi-Fi Parking *Parking* - is available on site (reservation is not needed). *Services:* | 600.- |

			Airport Shuttle (surcharge), Tour Desk, Ticket Service, Baggage Storage, Lockers, Shared Lounge/TV Area, Laundry, Dry Cleaning *General:* Non-smoking Rooms, Air Conditioning, Adults Only	
4.	Phuket Town	*Eco Hostel* Address:156/44 Phang Nga Rd., T. Taladyai, A. muang, 83000 Phuket, Thailand	*Food & Drink* - Restaurant *Internet* - Free Wi-Fi *Parking* - is available on site (reservation is not needed). *Services:* Shuttle Service (surcharge), Airport Shuttle (surcharge), Tour Desk, ATM on site, Lockers *General:* Shops (on site), Non-smoking Rooms, Family Rooms, Air Conditioning *Languages spoken:* Thai, English	800.-
5.	Phuket Town	*2W Cafe & Hostel* Address: Dirok-U-tid 1 Rd. Tambol Taladyai., Phuket Town, , 83000 Phuket, Thailand	*Outdoors* - Terrace *Activities* - Bicycle Rental *Food & Drink* - Restaurant, Snack Bar *Internet*- Free Wi-Fi *Parking* - is available at a location nearby (reservation is not needed). *Services:* Shuttle Service (surcharge), Airport	750.-

			Shuttle (surcharge), Tour Desk, Ticket Service, Baggage Storage, Fax/Photocopying *General:* Safe, Non-smoking Rooms, Air Conditioning *Languages spoken:* Thai, English	
6.	Phuket Town	**Phuket Backpacker Hostel** Address: 165 Ranong Road, Taladnue, Muang, 83000 Phuket, Thailand	*Activities* - Pool Table, Bicycle Rental *Food & Drink* - Bar *Internet*- Free WiFi *Parking* - Free public parking is available at a location nearby (reservation is not needed). *Services:* Airport Shuttle, 24-Hour Front Desk, Tour Desk, Baggage Storage	600.-
7.	Phuket Town	**At Night Hostel** Address: 109/8 Phuket Road, Taladyai,Muang, 83000 Phuket	*Room Amenities* - Clothes rack *Internet* - Free Wi- *Services*: 24-hour front desk, Lockers, Shared lounge/TV area *General* Air Conditioning *Languages spoken:* Thai, English	500.-

8.	Phuket Town	**Win Backpacker Hostel** Address: 6 Ratsada Road, Maung T. Taladyai,, 83000 Phuket	*Internet* - Free Wi-Fi *Services:* Shuttle service (surcharge), 24-hour front desk, Tour desk *General:* Safety deposit box	450.-
9.	Phuket Town	**Sukumvit Backpacker** Address: 15/6 Montri road, Taladyai, A.Muang, 83000 Phuket	*Food & Drink* - Restaurant (à la carte) *Internet* - Free Wi-Fi *Services:* Tour desk, Luggage storage *General:* Non-smoking throughout, Air conditioning, Designated smoking area	500.-
10.	Phuket Town	**The Memory at On On Hostel** Address: 97/193-195 Virat Hongyok rd., T.Vichit, A.Muang, 83000	*Internet* - Free Wi-Fi *Services:* Currency exchange, Tour desk, Luggage storage, Shared lounge/TV area, Laundry *General:* Shops (on site), Air Conditioning *Languages spoken:* Thai, English	350.-
11.	Phuket Town	**Phuket Sunny Hostel** Address: 22-24 Dibuk Road T.Taladnua A.Muang Phuket	*Food & Drink* - Restaurant *Internet* - Free Wi-Fi *Parking* - Public parking is possible on site (reservation is needed) and costs THB 100 per day. *Services:*	350.-

			Car hire, Shuttle service (surcharge), Airport shuttle (surcharge), Tour desk, Lockers, Shared lounge/TV area, Laundry, Daily maid service, Fax/photocopying, Gift shop *General:* Non-smoking rooms, Non-smoking throughout, Air conditioning, Hardwood/Parquet floors	
12.	Phuket Town	***Phuket Blue Hostel*** Address: 125/7 Phang Nga Road, 83000	*Internet* - Free Wi-Fi *Services:* Shuttle service (surcharge), Tour desk, Laundry *General:* Fan, Air Conditioning *Languages spoken:* Thai, English	600.-
13.	Phuket Town	***Phuket Old Town Hostel*** Address: 42 Krabi Rd, Talad neua, Ampur Maung, Phuket Town	*Bedroom* - Wardrobe/Closet *Food & Drink* - Snack bar *Internet* - Free Wi-Fi *Services:* Airport shuttle, 24-hour front desk, Tour desk, Luggage storage, Laundry *General:* Non-smoking rooms, Non-smoking throughout, Hardwood/Parquet floors *Languages spoken:* Chinese, Thai, English	650.-

14.	Phuket Town	**Blu Monkey Hostel Phuket** Address : Hong Yok U-Thid Road, Talad-Yai, Phuket Town, Phuket, Thailand 83000	*Facilities* – Free Wi-Fi, car park	800.-
15.	Phuket Town	**Fulfill Phuket Hostel** Address: 73/4 Rachada Road T. Talad yai A.Muang, Phuket Town, Phuket 8300, Thailand	*Internet* - Free WiFi *Services:* Shuttle service (surcharge), Airport shuttle (surcharge), Tour desk, Luggage storage, Lockers, Shared lounge/TV area, Laundry *General:* Non-smoking rooms, Air conditioning, Designated smoking area *Languages spoken:* Thai , English	500.-
16.	Patong	**Dfeel Hostel** Address: 140/27 Phrabarami Road, Patong, Kathu, 83150 Patong Beach	*Internet* - Free WiFi *Services:* Shuttle service (surcharge), Airport shuttle (surcharge), Tour desk, Luggage storage, Lockers, Shared lounge/TV area, Laundry *General:* Non-smoking rooms, Air conditioning, Designated smoking area *Languages spoken:* Thai, English	700.-

17.	Patong	**Safe House Hostel Patong** Address: 10/4 Ratchapatanusorn Rd, Patong, Kathu, Phuket, Thailand, 83150	*View* - Mountain view *Outdoors* - Balcony *Media & Technology-* Satellite Channels, Telephone, TV *Internet* – Free Wi-Fi *Parking-* private parking is possible on site (reservation is needed). *Services:* 24-hour front desk, Luggage storage, Laundry, Daily maid service *General:* Safety deposit box, Lift, Air conditioning, Designated smoking area, Safety Deposit Box *Languages spoken:* Thai, English	900.-
18.	Patong	**Kool Backpacker Hostel** Address: 31 Bangla Road, T. Patong, Kathu, Phuket, 83000	*Internet-* Free Wi-Fi *Services:* 24-hour front desk, Tour desk *General:* Air Conditioning	400.-
19.	Patong	**Silla Patong Hostel** Address: 92/2 Thaweewong Road, Patong, Kathu, 83150	*Media & Technology* - Cable Channels, TV *Internet* - Free Wi-Fi *Services:* Car hire, Airport shuttle (surcharge), 24-hour front desk, Tour desk, Luggage storage	380.-

			General:	
			Safety deposit box, Air conditioning	
20.	Patong	*Patong Backpacker Hostel* Address: 140 Taweewong Road, 83150 Patong Beach	*Internet* – Wi-Fi is available in public areas and costs THB 50 per hour. *Services:* Tour desk, Luggage storage, Laundry *General:* Safety deposit box, Air conditioning	350.-
21.	Patong	*Balcony Hostel* Address: 34/23 Prachanukroh Road., 83000	*Outdoors* - Terrace, Balcony *Activities* - Billiards, Bicycle rental *Food & Drink* - Restaurant, Bar *Internet* – Free Wi-Fi *Services:* 24-hour front desk, Tour desk, Ticket service, Laundry, Fax/photocopying *General:* Air conditioning, Safety Deposit Box *Languages spoken:* Thai, English	550.-
22.	Patong	*Wing Hostel by Athome Hotel* Address: 129/21-22 Pisitkoranee Rd, Patong, Phuket, Thailand 83150	*Facilities* – airport transfer, car park, safety deposit boxes, free Wi-Fi	500.-
23.	Patong	*The Belle Hostel* 104/37-38 Soi Post Office (Pri-Sa-Nee), Thaweewong Road,	*Facilities*- 24 hours front desk, restaurant, smoking area, room service, laundry service, airport transfer, safety deposit boxes, free Wi-Fi, luggage	700.-

		Patong, Phuket, Thailand 83150	storage.	
24.	Patong	**Mam Hostel** Address: 37/6 Rat-U-Thid 200 pee, Patong, Phuket, Thailand 83150	*Facilities-* laundry service, airport transfer, safety deposit boxes, free Wi-Fi, luggage storage, restaurant, room service, smoking area, shuttle service, tour, business center, concierge.	500.-
25.	Patong	**Cherry Budget Hostel** Address: 76 Soi Sanglert ,Patong Beach ,Kathu, Patong, Phuket, Thailand 83150	*Facilities* - laundry service, airport transfer, safety deposit boxes, free Wi-Fi, , shop, room service, smoking area, shuttle service, tour.	700.-
26.	Patong	**Hostel@patong** Address: 193 Phrabaramee Rd., Patong, Phuket, Thailand 83150	*Facilities* - laundry service, airport transfer, safety deposit boxes, free Wi-Fi, coffee shop, room service, smoking area, , tour.	950.-
27.	Patong	**The Marq** Address: 78 / 4 Phang Muang Sai Kor Road, Soi Nanai 8 Phuket	*Facilities* – 24 hours reception, free Wi-Fi, air conditioning, 32" HDTV with cable, reliable solar hot and cold water, hairdryer, small refrigerator, mini-bar and an in-room safe.	350.-
28.	Patong	**Safe House Hostel** Address: 10/4 Rachapratanusorn Road, Patong Kathu, Phuket 83150	*Facilities* – 24 hours reception, free Wi-Fi, air conditioning, luggage storage *Languages spoken:* Thai, English	500.-

29.	Patong	**_Beehive Patong Hostel_** Address: 44/31 Pisitkoranee Road, Patong beach, Kathu , Phuket 83150	_Internet_- Free Wi-Fi _Services:_ 24-hour front desk, Tour desk _General:_ Air Conditioning	300.-
30.	Patong	**_Festa Hostel_** Address: 104/24 Soi Post office Taweewong Road, Ban Patong. Phuket 83150	_Facilities_- 24 hours front desk, restaurant, smoking area, room service, laundry service, airport transfer, safety deposit boxes, free Wi-Fi, luggage storage.	300.-

APPENDIX C

Number of Questionnaire distributed and returned

No.	Name & Contact	Questionnaire distributed	Questionnaire returned
1.	Sino Inn Phuket Hostel	30	14
2.	Ai Phuket Hostel & Cafe Hostel	30	13
3.	Best Stay Hostel	30	13
4.	Eco Hostel	30	14
5.	2W Cafe & Hostel	30	13
6.	Phuket Backpacker Hostel	30	13
7.	At Night Hostel	30	14
8.	Win Backpacker Hostel	30	13
9.	Sukumvit Backpacker	30	13
10.	The Memory at On On Hostel	30	14
11.	Phuket Sunny Hostel	30	13
12.	Phuket Blue Hostel	30	13
13.	Phuket Old Town Hostel	30	13
14.	Blu Monkey Hostel Phuket	30	14
15.	Fulfill Phuket Hostel	30	13
16.	Dfeel Hostel	30	13
17.	Safe House Hostel Patong	30	13
18.	Kool Backpacker Hostel	30	14
19.	Silla Patong Hostel	30	13
20.	Patong Backpacker Hostel	30	14
21.	Balcony Hostel	30	14
22.	Wing Hostel by At home Hotel	30	13
23.	The Belle Hostel	30	13

24.	Mam Hostel	30	14
25.	Cherry Budget Hostel	30	13
26.	Hostel@ patong	30	13
27.	The Marq	30	14
28.	Safe House Hostel	30	13
29.	Beehive Patong Hostel	30	13
30.	Festa Hostel	30	13

APPENDIX D

Certificate of Attendance

Certificate of Appreciation

awarded to

Ms. Patchawan Anuntakitsopon

as

Presenter

TOURISM, HOSPITALITY AND CULINARY ARTS

June 17 - 19 , 2015
Suan Dusit University, Bangkok, Thailand

Asst. Prof. Dr. Pitauk Chancharoen
President
Suan Dusit University

Asst. Prof. Dr. Niramit Kunanuwat
Conference Chair
THC2015

VITAE

Name: Miss Patchawan Anuntakitsopon

Education Attainment

Degree	Name of Institution	Year of Graduation
Bachelor of Arts	Prince of Songkla University Had Yai Campus	2009

Work-Position and Address

Hotel Supplier Owner

B.N. Fruits Part,

55/385 Daorung Village Jaofah Wichit Muang Phuket 83000

Tel: 089-9723453

Email: ayumi_jung_3@hotmail.com

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