



**Service Quality Measurement of Restaurants in Bhutan: A case study of  
Expectation and Perception of Tourist.**

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**A thesis Submitted in Partial Fulfillment of the Requirements for the Degree of Master of  
Business Administration in Hospitality and Tourism Management**

**(International Program)**

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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.

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<b>วิทยานิพนธ์</b>	การประเมินคุณภาพการบริการของธุรกิจร้านอาหารในประเทศภูฏาน: กรณีศึกษาความคาดหวังและความพึงพอใจของนักท่องเที่ยว
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### บทคัดย่อ

ประเทศภูฏานได้เริ่มเปิดรับบริการนักท่องเที่ยวในปี ค.ศ 1974 ด้วยนโยบายส่งเสริมคุณภาพแต่จำกัดปริมาณนักท่องเที่ยว ตั้งแต่นั้นมาประเทศภูฏานก็ได้รับความนิยมนอย่างมาก ทำให้เกิดความต้องการและการพัฒนาด้านโรงแรมที่พักและห้องอาหาร สถานการณ์ท่องเที่ยวภูฏานได้กำหนดมาตรฐานทางด้านต่างๆ เหล่านี้ แต่ก็มีรายงานว่าระดับของบริการยังต่ำกว่ามาตรฐาน ทั้งที่เป็นปัจจัยสำคัญต่อการท่องเที่ยวอย่างมาก อย่างไรก็ตามผู้วิจัยพบว่ายังไม่มีการศึกษาในด้านคุณภาพการบริการในภูฏานมาก่อน โดยเป้าหมายของการศึกษาค้นคว้าครั้งนี้เป็นการประเมินคุณภาพการบริการในห้องอาหารและภัตตาคาร โดยใช้โมเดลมิติของคุณภาพบริการ (SERVQUAL Model) ของ Parasuraman และคณะ(1985) ซึ่งประกอบด้วย ความเป็นรูปธรรมของการบริการ ความเชื่อมั่นไว้วางใจได้ การตอบสนองต่อผู้รับบริการ การให้ความมั่นใจแก่ผู้รับบริการ และ ความเข้าใจและเห็นอกเห็นใจในผู้รับบริการ

วัตถุประสงค์ของการศึกษาค้นคว้านี้ได้แก่ 1) เพื่อวิเคราะห์ความสัมพันธ์ระหว่างคุณภาพการบริการกับความพึงพอใจของนักท่องเที่ยว 2) เพื่อวิเคราะห์ช่องว่างระหว่างความคาดหวังกับการรับรู้ของนักท่องเที่ยวที่ใช้บริการในห้องอาหารในประเทศภูฏาน และ 3) เพื่อจำแนกช่องว่างของคุณภาพการบริการในห้องอาหาร โดยใช้แบบสอบถามที่มีการแบ่ง 5 ระดับของ Likert

ผลการศึกษาพบว่า ปัจจัยต่างๆ ที่เกี่ยวข้องกับความรู้และทักษะของพนักงานห้องอาหาร ไม่ได้เป็นไปตามความคาดหวังของนักท่องเที่ยว ส่วนปัจจัยอื่นๆ เช่น ความสะอาด ความสุภาพ การแสดงกิริยา และสิ่งอำนวยความสะดวกในห้องอาหาร นั้น มีระดับการยอมรับที่สูงกว่าจากนักท่องเที่ยว ผลการศึกษาเหล่านี้จะช่วยให้นักวิจัยและผู้รับผิดชอบได้ปรับปรุงคุณภาพการบริการของธุรกิจห้องอาหาร สามารถเป็นแนวทางและหลักฐานสำคัญสำหรับผู้บริหาร โรงแรมและห้องอาหารใช้เป็นเกณฑ์ในการคัดเลือกพนักงาน รวมถึงการนำผลการศึกษาไปประยุกต์ใช้ในสถาบันการศึกษาที่มีหลักสูตรการสอนด้านการบริการในประเทศภูฏาน เพื่อมุ่งเน้นให้มากขึ้นในเรื่องวิธีการบริการในเชิงคุณภาพ และยังเป็นประโยชน์ต่อผู้สนใจที่จะทำการศึกษาต่อไปในอนาคต

**คำสำคัญ:** คุณภาพการบริการ, ความคาดหวัง, การรับรู้, โมเดลมิติคุณภาพการบริการ

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### **ABSTRACT**

Bhutan opened its door to international tourist in 1974 with the tourism policy of high value low volume. Since then, the country saw increase in number of tourist which demanded for more hotels and restaurants. Tourism Council of Bhutan has identified many of them as tourist standard. Many reports about service being poor despite restaurants are considered important part of Bhutanese tourism. However, no explicit studies have been carried out regarding their services quality. The purpose of this study is to assess restaurant service quality using five dimensions, Tangibles, Reliability, Responsiveness, Assurance, and Empathy of the SERVQUAL Model (Parasuraman et al. 1985). The main aims are to: (a) Analyze the relationship between service quality and tourist satisfaction, (b) Analyze the GAP between expectation and perception of tourist on service of restaurants in Bhutan, and (c) Identify the GAP in service quality of restaurants. The study uses personally administered structured 5 point Likert scale questionnaire.

The study found that several factors related to knowledge and skill of restaurant employee could not meet the expectation of tourist. The other factors like cleanliness, politeness, gestures and restaurant facilities shows higher perception level from tourist. The result aims to help the authorities to help improve service provided by restaurants. The findings of the study could be used as guideline and reference for hoteliers and restaurateurs for recruitment criteria. The result also can be used in hospitality institutes in the country to focus more on knowhow about the service quality. Moreover, this study will prove to provide basic foundation of service study in future.

**Keywords:** Service Quality, Expectation, Perception, IPA, SERVQUAL

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## CONTENTS

	<b>Page</b>
หน้าอำนวยการ.....	ii
บทคัดย่อภาษาไทย.....	v
ABSTRACT.....	vi
ACKNOWLEDGMENTS.....	vii
CONTENTS.....	x
LIST OF TABLE.....	xiii
LIST OF FIGURES.....	xiv
LIST OF GLOSSARY.....	xv
<b>Chapter</b>	
<b>1 INTRODUCTION.....</b>	<b>1</b>
1.1 Hospitality Service.....	1
1.2 Hospitality and Tourism in Bhutan.....	2
1.3 Restaurants in Bhutan .....	4
1.4 Rationale of the study .....	6
1.5 Research Questions .....	9
1.6 Research Objectives .....	9
1.7 Conceptual Framework.....	9
1.8 Significance of the Study.....	11
1.9 Scope of the study.....	12
1.10 Hypothesis.....	13
<b>2 RELATED CONCEPTS, THEORY AND LITERATURE.....</b>	<b>14</b>
2.1 Service Quality .....	14
2.2 Food Service Quality .....	15
2.3 Customer Satisfaction .....	16
2.4 Importance-Performance Analysis .....	17



## CONTENTS (Continued)

	<b>Page</b>
<b>3 METHODOLOGY</b> .....	<b>20</b>
3.1 Variables of the Study .....	20
3.2 Target Population .....	20
3.3 Sample Size .....	21
3.4 Types of Research .....	21
3.5 Research Instrument .....	21
3.6 Questionnaire .....	21
3.7 Perception on Food quality of Standalone Restaurants and Restaurant in the Hotels.....	25
3.8 Pretest of Questionnaire .....	26
3.9 Reliability Test.....	26
3.10 Data Collection.....	27
3.11 Data Analysis.....	27
<b>4 RESULTS</b> .....	<b>29</b>
4.1 Demographic Characteristics of Respondents .....	29
4.2 Travel Behaviors .....	32
4.3 Tourist’s Expectation and Perception of Restaurants .....	34
4.4 Gap of Service Quality of Restaurants .....	40
4.5 Importance Performance Analysis .....	43
4.6 Relationship between Expectation and Perception .....	46
4.7 Tourist Perception of Food in Restaurants .....	53
<b>5 CONCLUSION AND DISCUSSION</b> .....	<b>54</b>
5.1 Conclusion.....	54
5.2 Summary of key findings.....	55
5.3 Discussion.....	59

**CONTENTS (Continued)**

	<b>Page</b>
5.4 Recommendation.....	62
5.5 Limitation.....	64
5.6 Suggestions for future research.....	64
<b>Bibliography.....</b>	<b>66</b>
<b>Appendix.....</b>	<b>70</b>
Appendix A: Questionnaire.....	70
Appendix B: Certificate.....	76
<b>Vitae.....</b>	<b>77</b>

## LIST OF TABLES

	<b>Page</b>
3.1 Original SERVQUAL 5 dimension statements.....	23
3.2 Adopted and adjusted statement for expectation and perception of service quality...	24
3.3 Questionnaire statements for food service- Adopted and designed from the finding of Norbu & Chaisawat (2011) and Dorji T. and Chaisawat, M. (2011).....	26
3.4 Reliability Statistics.....	27
3.5 Level of Importance and Agreement.....	28
4.1 Demographic Characteristics of Respondents.....	31
4.2 Travel Behaviors.....	33
4.3 Tourist Expectation of Restaurant Service.....	37
4.4 Tourist Perception of Restaurant service.....	39
4.5 Gap of Service Quality of Restaurants.....	42
4.6 Importance-Performance ratings from tourist for restaurant service quality.....	43
4.7 Correlation between Overall Expectation and Overall Perception.....	46
4.8 Paired sample t-test showing the overall gap between overall expectation and overall perception of restaurant service.....	47
4.9 Independent sample t-test of overall Expectation.....	48
4.10 Independent sample t-test of overall Perception.....	49
4.11 One-way ANOVA analysis according to age group of respondents for 5 dimensions of Expectation and Overall Expectation.....	50
4.12 One-Way ANOVA analysis according to age group of respondents for 5 dimensions of Perception and Overall Perception.....	51
4.13 One – way ANOVA analysis according to Nationality group of respondents for 5 dimensions of Expectation and Overall Expectation.....	51
4.14 One – way ANOVA analysis according to Nationality group of respondents for 5 dimensions of Perception.....	52
4.15 Tourist opinion about food in restaurants.....	53

**LIST OF FIGURES**

	<b>Page</b>
1.1 Number of Tourist arrivals (2011-2015).....	4
1.2 SERVQUAL model.....	10
1.3 Proposed Conceptual Framework of Service Quality.....	10
2.1 Original Importance Performance matrix.....	18
3.1 Adopted Importance Performance Analysis .....	25
4.1 IPA for the service quality, according to the median value for the axis.....	44

## LIST OF GLOSSARY

**RITH** - Royal Institute for Tourism and Hospitality

**BISTH**- Bhutan International School for Tourism and Hospitality

**YITH** - Yarab Institute for Tourism and Hospitality

**BITH** - Bonday Institute for Tourism and Hospitality

**BAFRA** - Bhutan Agriculture and Food Regulatory Authority

**TCB** - Tourism Council of Bhutan

**NSB** - National Statistical Bureau

**BTM** - Bhutan Tourism Monitor

**GAB** - Guide Association of Bhutan

**BBS** - Bhutan Broadcasting Service

**GNH** - Gross National Happiness

**BBC** - British Broadcasting Corporation

**HRAB** – Hotel and Restaurant Association of Bhutan

**BCCI** – Bhutan Chamber of Commerce and Industry

## CHAPTER 1

### INTRODUCTION

This chapter provides an overview of understandings and importance of service quality in the hospitality industry. A brief background is also included to understand the current situation of hospitality service in Bhutan, in particular the service provided by the restaurants. This chapter will also further explain in detail the motives for the need to carry out this study.

#### 1.1 Hospitality Service

The hospitality firm around the globe faces with challenges to match and provide quality service with the perceived value of the customers. The tangible aspects of services such as food and physical facilities are easier to measure the quality compared to other intangible services such as mood of the employees, time and place. Some of the quality management in the industry is greatly influenced by the pattern set in quality control on tangible services which ensures the continuity of standard quality. These kinds of service patterns are visible and practiced in fast food outlets like McDonalds where quality of food and time of delivery ensures the quality of service and meets the expectation of customers (Benhura, Nyagura, Dakwa & Gombiro, 2012).

Hospitality service around the globe is measured parallel with customer's perception on the service they are willing to pay. However, the nature of the customer's needs and demand which depends on time and place gives real challenges for service providers to exactly meet their need and satisfy them at the same time. Likewise, tourism services are intangible too, which is why many service providers find it very hard to comfort and satisfy all customers with the same type of product (Caruntu & Ditoiu, 2014). Service quality is a very important and vital factor influencing the hospitality and dining experience and is a concern throughout the tourism and hospitality industry that the hospitality employee must understand and master all the aspects of food service and service quality required to address and satisfy the expectations and needs of the customers (Ko & Su, 2014).

Many studies on hospitality underlined on the importance of food and service quality as an integral component of hospitality to uplift and support tourism and hospitality industry to grow. Customers' perceptions of the quality of food and service have a significant

effect on their satisfaction and their loyalty. More qualified employee renders high quality service increasing the level of satisfaction, revisiting and marketing through word of mouth (Sumaedi & Yarmen, 2015). It is transparent that every traveler, consumers, and customers deserve good services and many are hospitality and tourism firms are working towards it. Many empirical studies have shown that food and service quality positively and negatively influences customer satisfaction, customer trust, customer loyalty, and customer perceived value.

## **1.2 Hospitality and Tourism in Bhutan**

Bhutan is a Buddhist kingdom on the eastern edge of greater Himalaya, a tiny and remote kingdom inhabited with humble citizens, filled with rich culture and environment guarded safely for centuries, probably the least known country to the outside world. The Bhutan is popularly known as Druk Yul, the Land of Thunder Dragon and widely known as Land of Happiness by the very fact that Gross National Happiness (GNH) serves as the indicator and measures the wellbeing of the country and her people. The country began to open up to outsiders only in 1970s with first radio broadcasting in 1973 and first international tourist in 1974 during the coronation of great fourth King, His Majesty Jigme Singye Wangchuck and internet and television came in the late 90s (BBC, 2015). Currently, Bhutan has a population of 757,042 with population growth rate of 1.3%, with country stretching over the land area of 38,394 sq. km and more than 70 % of the total land covered with forest which country aim to keep it at 60% for all times...(NSB, 2015).

From the time of allowing international tourists to Bhutan in 1974, the country followed the tourism policy of “High Value, Low Volume” which is recently changed to “High Value, Low Impact” with country’s far-sighted vision for sustainability, with strong guidelines that the tourism must be environmentally and ecologically friendly, socially and culturally acceptable and economically viable. Hospitality and Tourism is an important sub-sector within the tertiary sector, in terms of earning foreign currency in Bhutan (TCB, 2015). The Royal Government of Bhutan recognizes that tourism is a worldwide phenomenon and an important means of achieving socioeconomic development particularly for a developing country like Bhutan. Every country must understand that tourism all around the world aims to serve the same purpose when it comes to the satisfaction of customers. The sectors within the tourism and

hospitality must be able to provide the best service with the uniqueness of each destination to satisfy the needs and expectation of the customer. (Caruntu & Ditoiu, 2014). It is believed and justified that tourism, in affording the opportunity to travel, can help to promote a deeper understanding among people and to strengthen ties of friendship based on a deeper appreciation and respect for different cultures and lifestyles. (Norbu & Chaisawat, 2011).

Tourism sector in Bhutan is considered very dynamic which has undergone many challenges and seen many changes from few hundred visitors in early 1980s to over hundred thousand today. Recently in June during the convocation for hospitality graduates of Royal Institute for Tourism and Hospitality in Thimphu, the chief guest pointed out that tourism is a vital contributor to our country's economy, and besides the revenue, it generates job and creates business opportunities for many. In addition the address also pointed out that hospitality graduates must continue to improve the quality of tourism products and services in the country. (RITH, 2016)

GNH philosophy is a tourist attraction in itself and the guiding principle for the Government's "high value, low impact" tourism strategy, which positions Bhutan as an exclusive destination while preserving the country's natural and cultural heritage. A central feature of this approach is a price floor that requires every tourist to pay a minimum daily all-inclusive package rate of US\$200-US\$ 250 per day per person. The visa for the tourist are processed and prepared by the concerned travel agent based in Bhutan through which the tourists are scheduled to visit the country. All aspects of tourism policy and regulation are coordinated by the country's central tourism authority, the Tourism Council of Bhutan (TCB, 2015). Bhutan is the only country where a tourist has to pay a daily tariff of USD 200 during off season and USD 250 during the high season as per the regulated tariff policy. Daily tariff is inclusive of food, accommodation, transport and a trained tour guide.

Total tourist arrival increased to 155,121 with 16.21% increase from the arrival of 2014. International tourist dropped by 15.77% in 2015 to 48,880 individuals. However, it is to be noted that Bhutan saw extraordinary huge number of Thai visitors due to Bhutan-Thailand friendship offer in 2014. Moreover, the major earthquake in April 2015 in South Asian region adversely impacted in international arrivals (BTM, 2015). More than 98% of tourists visited Bhutan for the first time. The majority of tourists used air transport to enter and exit Bhutan. The



most popular gateway, Bangkok, was used by some 43.7% of tourists to enter and exit the country. Among Bhutan's top ten source markets, the largest growth in tourist arrivals was observed among Thai tourists and the least observed among Germany and France in the year 2014 (BTM, 2015). Figure 1 shows the total tourist visits from 2011 to 2015 by Tourism Council of Bhutan.

Figure 1.1 Number of Tourist arrivals (2011-2015)



Source: Bhutan Tourism Monitor 2015. Tourism Council of Bhutan

The number of tourist has been increasing steadily every year promising numerous benefits to many companies and individuals and at the same time saw increase in demand for quality service from hospitality and tourism service providers. This increase in number of tourist also let to increase in hospitality related business in the country. However, the service provided by those new hospitality firms and business remained almost the same with existing ones with very little improvement and changes.

### 1.3 Restaurants in Bhutan

The hospitality industry in Bhutan is still in its early stage, trying to gain recognition in the global hospitality arena. While the country is still in early stage, lots of new restaurants have already entered the market of busy and popular towns. Not only that, the industry is also regarded as a source of employment generation for young and old. However, the number of restaurants increased only in few cities namely, Thimphu and Paro making an uneven distribution

in the country (Norbu & Chaisawat, 2011). Unlike hotels, restaurants are called as tourist standard restaurants in Bhutan, which are registered with Tourism Council of Bhutan. (TCB, 2015). The certifications as tourist standard restaurants are done by experts from service division of Tourism Council of Bhutan based on already developed terms and conditions and upon meeting the guidelines and standards. According to BTM, 2014, TCB, there are 12 standalone restaurants and 53 restaurants of hotel that has currently fulfilled the guidelines and standard and are registered as tourist standard restaurants.

Apart from country's central tourism authority, Tourism Council of Bhutan, there is an office for Hotel and Restaurant Association of Bhutan. HRAB is a federation of hotels and restaurants from all over the country and the members of the association ranges from small family-owned restaurants to major convention hotels. It is a non-profit and mutual benefit office formed in September 2007. The mission of the office is to represent the interest of restaurants and hotels with supports on professional growth to raise the standards of service. However, very few activities were carried out by the office till date. Inactive participation and limited enthusiasm from the hotels and restaurants are seen as the major drawback in functioning of this office (hrab.org.bt).

Apart from local owned restaurants, international chains and brands have also entered Bhutanese hospitality industry which in the long run will help the industry to improve and develop quality service throughout the country. Aman, Uma, Le Meridien, and Taj are few of the already existing international brands in the country. There are many others due to open in near future. What tourist experience in Bhutan is unique than what they experience in many other countries. Surprisingly, the food taste nice and service provided are acceptable, but the tourist does not enjoy or comment when it comes to food and service, this is mainly because of the impression perceived of poor sanitation condition in food transport, preparation and most importantly service quality (Sloan, Legrand & Simons-Kaufmann, 2014).

Recently, Bhutanese people are seen to enjoy more new trends in hospitality industry, particularly in food and service provided by restaurants. According to Markovic, Raspor, & Segaric,(2010) the restaurant industry is a demanding sector that stretches the ability and capacity of business to meet the expectation of high level customer service and regular

improvement. Lifestyle changes along with changes in styles of dining out. More and more people now look for new flavors, comfortable ambience and pleasant memories.

It was observed that most urban places in Bhutan are not only witnessing changes in its economy but lot has been changed socially and culturally. It is seen everywhere in the world that there are rapid growth of different types of restaurants and food related service provider firms as a result of increased number of tourist and change in the habits of country people (Kashyap, 2015). Recently in August 2016, the first website called hangout.bt was launched with the objectives to indicate and direct people to proper facilities like restaurants, clubs, bars, karaoke, and other entertainment places. The hospitality business can take advantages of this website to show and promote their businesses, get popular and get rankings as well which will help the business gain more customers. The user generated contents aims to help and uplift the quality of service of restaurants in the country (Kuensel, 2016).

#### **1.4 Rationale of the study**

Bhutan Tourism Monitor, TCB, 2014, reports that there are increasing numbers of food related complaints by the visitors every year. The report states that buffet system by many hotel and restaurants is one of the reasons why tourist complain that food in the country is monotonous. The Chairperson of Guide Association of Bhutan (GAB), Garab Dorji, mentioned that every time they take their guests to a restaurant, the menu is the same. "It is either rice, chicken, or seasonal vegetable."

About 40.7 % of tourist highlighted the need to increase the varieties of food in the buffet and the varieties of non-Bhutanese food. Many highlighted on the variety of restaurants, which confirms that most of the restaurants or almost all the restaurants serve the same range of food (BTM, 2015). Foodservice industry under the broad umbrella of Hospitality has begun to give more importance to customer perception of service quality since 90's gaining new and more strategies to develop for themselves to provide satisfaction to customers. (Nde & Paul 2010).

Past study on hotel standardization and classification have found that the tourism policy of Bhutan, high value low impact is not supported with the services provided by restaurants in the country. The high rate of untrained employees and lack of professionalism in the service, low standard of food and varieties, and low quality of hotel facilities and services are

the major drawbacks of the industry. (Norbu & Chaisawat, 2011). However, this study took only the required factors to measure the rating level to be provided to the restaurants. It did not study the actual effect of service against the satisfaction level of the customer.

The Bhutan Tourism Monitor of 2015, reports that more than 85% of tourist surveyed during 2015 considers restaurant services in Bhutan as very important while they are travelling. This shows that such findings must be paid attention and good service facilities and selection must be available in restaurants as well, however there is very less or no study related to restaurant services carried out in the country.

The findings from the study of travel agencies and their future prospects in Bhutan by Dorji T. and Chaisawat, M. (2011) shows that most attributes of service did not match with the concept of high value low impact tourism policy and suggested that more attention and concern are immediate requirement in areas like cleanliness, facilities, quality of food, and other attributes of service. Further the study also suggested and recommended that hotel and restaurants should improve and develop their service and facilities. The study emphasized about tourist complaints on varieties of food and their quality and service of F&B department which really need more training and developments. The country now has government and private hotels and tourism institute like RITH, BISTH, YITH, and BITH who have been supplying graduates to the hospitality and tourism industry since 2010. Moreover, Tourism Council of Bhutan has financed and sponsored many in-country training for hotels and restaurants in cooking, F&B, housekeeping, front desk, and customer service using in-house and outside professionals. Thus, the study seeks to find out the overall service quality of restaurants in Bhutan, more precisely in regard to quality of food and customer service of the employees.

It was spelled out in the convocation address by the Finance Minister that tourism industry in Bhutan cannot afford to undermine the importance of human resource. New technologies are now applied to various processes in providing service to customers in any country. However, the industry must not allow this to erode the value of human relationship which is important and fundamental component of the hospitality industry. The Minister also addressed about the Bhutanese service providers who are generally warm, welcoming, and helpful to guests, the few reasons why Bhutan is viewed as a premium destination despite serious shortcomings in skilled hospitality manpower, infrastructure from roads to accommodation, food

and airports. Therefore, if the Bhutan wants to stand among the top tourist destination, we must have professionals with passion for the industry (RITH, 2016).

Bhutan was listed at fifth place in the list of top places to visit by The New York Times in 2013 which has increased the number of international visitors in consequent years. However, there are repetitive complaints of bland food and poor service quality from restaurants (BBS, 2013). The report also mentioned about the report in BTM that the practice of buffet system by restaurants as possible reasons why tourist find food monotonous. Their interview with the Chairperson of guide association of Bhutan (GAB) also resulted in same comments of food being same in the menu in many restaurants across the country.

According to BTM, 2015 report, 45.8% of visitors feel that restaurant service is important and 42.1% regarded restaurant service as very important, however the report states that only 21.7% of visitors were satisfied with restaurant and service quality. The government is distributing financial aids to different places in Bhutan to develop tourism infrastructure like bicycle and trekking routes, river rafting, nature tours, community based tourism to attract tourist as tourism is considered one of the important sector generating employment and earns hard currencies (Subba 2016). These far sighted plans of government will provide many hospitality business opportunities in the country such as hotels, restaurants, clubs, bar and hangout places. However, the concerned agencies and authorities are facing challenges to have standards put in place to ensure continuity and sustainability of the industry.

The study focuses on restaurants who are the main service providers in Bhutan, especially in Thimphu and Paro. According to Bhutan Tourism Monitor, 2015, there are many aspects of measuring and studying on quality of service because of increasing number of complaints from tourist and other experts. The satisfaction depends on the quality service of the entire establishment is equipped with, and the performance of the employee. The study will assess the level of service quality of restaurants in Bhutan with the service model developed from the idea of SERVQUAL model. A very strong reason for this study is to measure the quality service because of the increasing number of tourist in the country. The study also intends to provide experimented result on where the service stands in the Bhutanese hospitality.

### **1.5 Research Questions**

The main issue of the study is to address the service quality of Bhutanese restaurants using satisfaction level of tourist. The study will also take into consideration in the dimension of quality of food service using SERVQUAL's tangible to gather information on perception and expectation of tourist. Another reason of the study is to find out the level of service of the restaurants through the survey of employees.

Therefore, the study aims answer the following questions:

1. What are the tourists' expectations of service quality of restaurants?
2. Are tourists satisfied with service quality of the restaurants?
3. What are the shortcoming and drawbacks of service in restaurants?

### **1.6 Research Objectives**

Service quality and satisfaction are the two theories that is linked and associated with perception and expectation of customers. The perception and expectation of particular service are used to evaluate customer satisfaction and their interrelationship are widely discussed and proved by many scholars. Based on research questions, the objectives of the study are to:

1. Analyze the relationship between service quality and tourist satisfaction.
2. Analyze the GAP between expectation and perception of tourist on service of restaurants.
3. Identify the GAP in service quality of restaurants in Bhutan using Importance-Performance Analysis (IPA) principles.

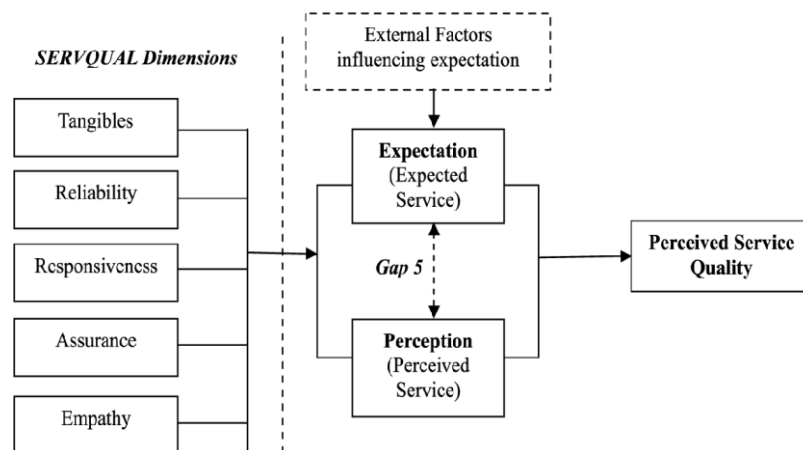
### **1.7 Conceptual Framework**

There are many scales to measure service quality and the satisfaction of customers, they are often very much generalized and it becomes hard for and hospitality industry to apply due to the uniqueness of the service products of the hospitality industry. A specific concept called as SERVQUAL (SERVice QUALity Model) was created (Parasuraman, Zeithaml & Berry, 1985).

In the beginning, the SERVQUAL had 10 determinants which later in early 1990's the authors have refined the model into 5 dimensions to measure the service quality.

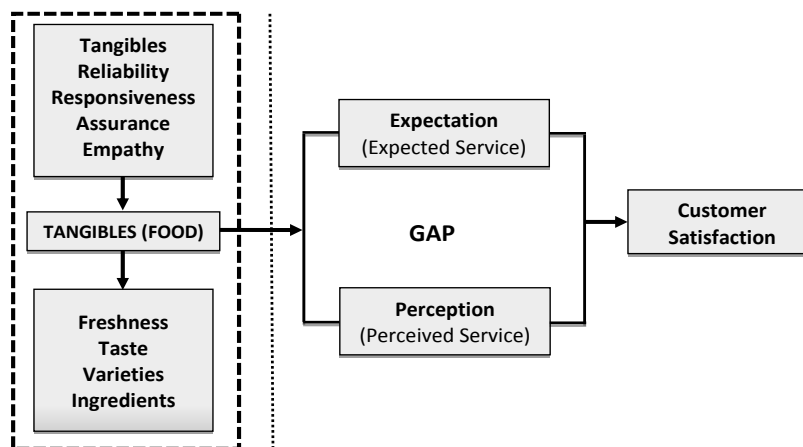
- i. Reliability:* the ability to perform service dependably and accurately.
- ii. Assurance:* know-how and courtesy of service providers and ability to convey trust and confidence.
- iii. Tangibles:* the appearance of physical facilities, equipment, personnel, and communication.
- iv. Empathy:* the provision of caring, individualized attention to customers.
- v. Responsiveness:* the willingness to help customers and to provide prompt service

Figure 1.2 SERVQUAL model.



Sour: Parasuraman, A., Zeithaml, V., & Berry, L. 1985

Figure 1.3 Proposed Conceptual Framework of Service Quality.



This study will focus on accessing customer satisfaction using SERQUAL model's five dimensions and author developed framework (Fig.1.3) to access the tourist satisfaction on food using the tangible dimension of SERQUAL model. Food is a lively part of the service quality and many factors surround the food to send home customer satisfied or unsatisfied.

As shown in the Fig. 1.3. Freshness, Taste, Varieties, and Ingredients are the four main factors the study will focus to determine the quality of food.

Food quality has become an essential part of the service quality in restaurants and requires continuous improvement and innovation to establish reliability and consistency to gain consumers preference for freshness, taste, nutrients content, and with more varieties to choose from (Ko & Su, 2014). Besides the quality, the general service performance of service personnel such as uniform, conversation with customers, body language, product knowledge, and on-time delivery also have an important part to pull up or pull down the service quality (Markovic, Raspor, & Segaric, 2010).

The author's conceptual framework (Fig. 1.3) will be used to assess tourists' satisfaction in food service provided to them in restaurants. The study will measure both service and food quality from tourist's perspective using the service quality dimension of SERVQUAL model and use the food quality dimension developed in line with tangible of SERVQUAL model (Fig. 1.3). As proposed by Parasuraman et al., (1988) both satisfaction and service quality can be measured along the same dimension.

The study looks at measuring both food quality and service quality of restaurants, so to ensure validity, the study will consider taking variables developed for food quality based on concept adopted from SERVQUAL model and other literatures.

### **1.8 Significance of the Study**

This study aims to serve the purpose of providing information about the level of tourist satisfaction with food and service of restaurants in Bhutan after the experience during their stay in the country. Further, the study will also be useful for restaurants, hotels and other hospitality service providers in many ways;



- a. This study will help restaurants to understand the needs and demands of customers since this study emphasizes on the survey of satisfaction level of tourist and their feedback for the service they received during their stay in the country.
- b. The study can serve as guidelines and reference for improvement and development of service standards because this study points out in particular with which guest are not satisfied. The hotels and restaurants can make use of the findings of this study to improve the service quality.
- c. The result of the study can also be used as guidelines for new and future businesses and concerned authorities to develop service and products.

### **1.9 Scope of the study**

Many literatures and related study in earlier part of this chapter discussed about importance of service in the hospitality industry and it is much more important for country like Bhutan whose tourism is at a very early stage.

Tourists travelling to Bhutan are required to travel with an authorized national travel agent who arranges in advance all the logistics for the tourist before they arrive in the country. This limits tourist from exploring more into what might have been in offer to them from the hospitality firms of the country. The tourists go to sleep in the hotels which were pre booked for them and they eat in restaurants which are also pre-ordered. To some extent, the menu for the dinner and lunch are also pre-ordered without the consent of the guest. The order placement is done by number of guest, their nationality and sometimes their age. If the group have more Asian tourist, the food on the table is obviously filled with more Asian food and same with other groups of tourist. This might have effect on the experience of tourist on services provided to them.

Since the tourist visit the places as per the planned trip, they only go to the hotel and restaurants where their host travel agent have made arrangements and recommends, their experience is limited to only few chosen hotels and restaurants where as there are many other hotels and restaurants from which their experience might differ and the perception too. Thus this study of service quality of restaurants is limited to few restaurants.

### **1.10 Hypothesis**

Based on the study model and literature reviews of service quality, the following hypothesis is developed as follows;

$H_0$ : There is no significant difference between the perceived and expected service quality in restaurants among tourist.

$H_A$ : There is significant difference between the perceived and expected service quality in restaurants among tourist.

## CHAPTER 2

### RELATED CONCEPTS, THEORY AND LITERATURE

#### 2.1 Service Quality

Service quality is a very important topic in hospitality and it is discussed widely by practitioners and academicians. Service quality is defined as the customer's judgment of the overall excellence and superiority of the service received. Therefore, it is the customer's subjective evaluation of performance formed by comparing expected and perceived of the service provider (Ha & Jang, 2010). In hospitality, the hotel and restaurant business have to survive with good and outstanding quality of service. Service quality is life of the business, related with customer satisfaction and customer satisfaction is connected with their intention to revisit (Naseem, Ejaz, & Malik 2011).

Service quality is a comparison of expectation of customers with the performance of the employee and it is deeply researched within the service marketing field as it is the most crucial factor influencing customer satisfaction and future behaviors. Measuring service quality involves both subjective and objective processes. In both the cases, it is the aspect of customer satisfaction which is being assessed. Assessing customer satisfaction is the measure of service quality (Naik, Gantasala, & Prabhakar, 2010).

Many industries view service quality as a competitive ladder to success which made research on service quality essential but the question remained as how to measure. SERVQUAL model defines service quality as a gap between expectation and actual service received yet there are many limitations. All the models to measure service are considered the same and equal. Many studies have identified dimensions to measure service quality, yet the findings have not proved convincing (Parasuraman & Zeithaml et al., 1985). Service quality can be measured in two different aspects, the physical equipment and the performance of service provider, human resource. Hotels or restaurants with different quality of furniture and cutleries have the different image of service to customers, but when it comes to service providers, the quality varies from one customer to another. The quality of service depends on customers' perception on service providers and the general image of the company (Kashyap, 2015).

In international tourism and hospitality industry, Bhutan is considered as one of the least developed countries in the world with the perception of exotic, not ventured, natural, wilderness, and isolated destination. Almost all the agents and tour operator uses words like Culture, Unique, Mountains, Buddhism, etc. to market Bhutan to outside world but rarely is the word service and quality used (Norbu & Chaisawat, 2011).

## **2.2 Food Service Quality**

Food quality has a variety of meanings to professional in the hospitality industry, and the characteristics of food suitable and acceptable for the customers. This includes both internal and external factors such as size, shape, color, taste, flavor, and consistency. At the end, the ultimate moderators of quality are the consumers. Food quality is important and vital components of any dining experience. Ha and Jang (2010), has experimentally proved that food quality is a primary factor influencing customer loyalty in restaurant choice. It is also confirmed that when compared with other aspects of the restaurant, food quality is the most important element of customer satisfaction. According to the Bhutan Tourism Monitor, 2015, more than half of visitors expressed their opinion regarding the need for improvement of service quality and food choices in hotels and restaurants during the exit survey conducted by Tourism Council of Bhutan.

Food quality has been measured many times using various aspects of food, such as taste, a variety of menu, and nutrition facts of the food. Food presentation such as serving size, menu design, and color combination are also used to measure the quality of food. Even the healthy options, freshness, temperature, and ingredients used as aspects and attributes to measure the quality of food. It was proved and presented that the impact of food quality on customer satisfaction and behavioral intentions has a positive relation between food quality and satisfaction and behavioral intentions of the customers (Ha & Jang 2010).

A very good dining experience can please men in different ways; the experience can be felt visually, by touching, by hearing, by the taste, and the smell. This pleasing quality associated with dining experience has become a necessary and vital component for travelers to appreciate and admire the destination which ultimately leads to satisfaction (Nam & Lee, 2011). Thus, food and the quality associated plays an important role in satisfaction level of tourist. Food,

restaurants and hotels are a very powerful component of tourism and hospitality and they have a powerful influence for present and future tourism of the destination.

There is very little study carried out about food and service quality in Bhutan. Many papers about Bhutan included service quality of restaurants as part of their overall study and almost all those studies mentioned about poor service quality, however, no study is carried out to measure the overall service quality of hotel and restaurants. According to Dorji, T., and Chaisawat, M. (2011), poor service of restaurants resulted from the competition among many travel agents trying to grab more tourist from undercutting practices. With the presence of undercutting among the travel agencies, they are forced to choose a lower standard of restaurants, and other related products to keep their profit margin the same. The study also mentioned about the low quality of service in restaurants resulted because the travel agents play the dominant role in choosing service for the tourist.

A Survey conducted by service division of Tourism Council of Bhutan shows that many tourists has complained about the quality of food service and varieties of food available in restaurants (TCB, 2015). The survey took into account all the restaurants in the country. This study aims to measure service quality of those restaurants recognized by Tourism Council of Bhutan as capable of providing service to their guest. The recognition is based on careful inspection of a team consisting experts from outside, hotel and restaurant association of Bhutan (HARB), tourism council of Bhutan (TCB), Inspectors from Bhutan agriculture and food regulatory authority (BAFRA). Thus, the study will focus those certified service providers to venture more in-depth study of service quality.

### **2.3 Customer Satisfaction**

Satisfaction is the positive feeling a customer experienced after any kind of decision has been made. It is defined as a post evaluated conclusion relating to the purchase decision. The most popular and accepted by many to explain customer satisfaction is the Expectancy-Disconfirmation theory proposed by Lewin in 1938, which speculates that any customers will assess their satisfaction level by comparing the actual experience with their expectations (Ha & Jang, 2010; Hapsari, Clemes, & Dean, 2016)

There has been positive effect on the profitability of every business through good customer satisfaction. It is believed that when customer perceive good service and satisfaction, each customer will typically tell nine to ten people in their circle of friends or community. It is estimated that almost half of restaurant business us built upon this informal, “word of mouth” communication (Naik, Gantasala, & Prabhakar, 2010).

The satisfaction is an attitude that is formed by customer comparing their pre-purchase expectation of what they would receive to their subjective perception of the actual performance they receive. It is a feeling of pleasure or disappointment which is a result generated by comparing the perceived performance of a product and expectation of customers (Rao, 2013).

It is very vital for them to understand the effects of service types they render, and must constantly monitor and evaluate the quality to understand and define their purpose. With much same and better companies and firms dedicating to service the same purpose, it has become essential for all the service providers to be the best with quality to have maximum satisfaction (Zangmo, Liampreecha, & Chemsripong, 2014).

The term expectation is a comparison standard used in two different ways; what the customer thinks will be the same when they encounter service (predictions) and what the customer wants to happen (desire), which bought into light the two level of expectations; a “desired level” and “adequate level” (Berry & Parasuraman, 1991).

Customer expectations of service are about the service delivery that serves as standard and reference points with which the performance of the service provider is measured. From customer satisfaction view, the expectation is understood as predictions made by the customers in regard to what will be the result like during the transaction and from service quality view, the expectation is the service provider’s take on what needs to be offered to meet the needs and wants of the customer (Zeithaml, Bitner, & Gremler, 2006)

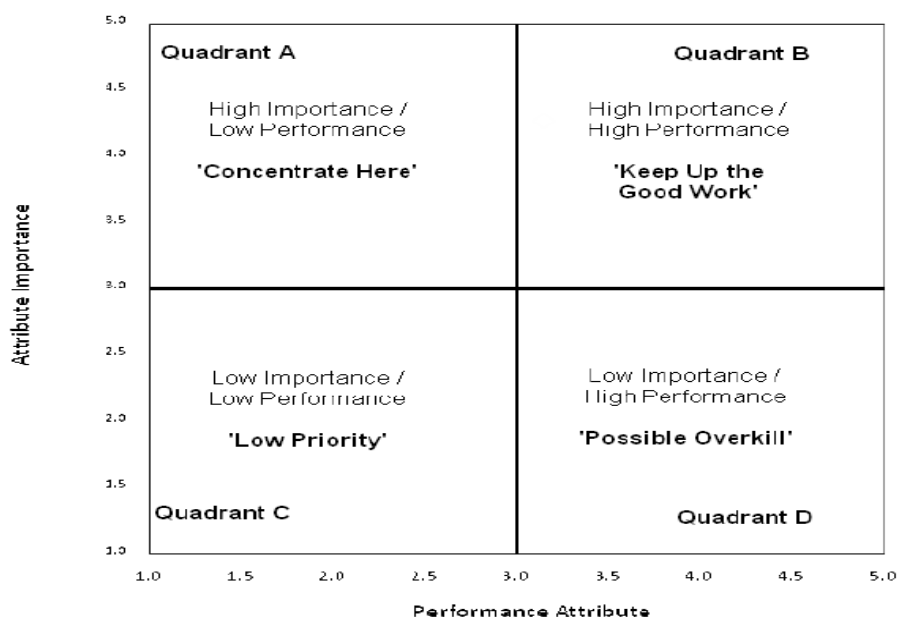
## **2.4 Importance-Performance Analysis**

Importance Performance Analysis was first proposed and introduced by Martilla and James (1977) as a tool to measure customers’ satisfaction with a product or service. The IPA approach recognizes satisfaction as the function of two components; the importance of a product or service to a customer and the performance of the business in providing the service (Martilla &

James, 1977). The IPA not only measure the performance of the business in providing the product or service, but also the importance of that product or service as a determining factor in satisfaction level to the customer (Silva & Fernandes, 2010). This IPA method has proven suitable and applicable to any general studies as it is relatively easy to administer and interpret which results in extensive use among many researchers in various fields. Moreover, it also help managers to promote development of effective marketing programs as it facilitates the interpretation of data and increases the usefulness in making strategic decisions (Silva & Fernandes, 2010).

The ratings of the tourist for all attributes of service quality will be combined and then provide an overall view of satisfaction which will clearly give information for managers, businesses and individual as of where and what need to be given more importance and dedication. The IPA consists of a pair of coordinate axis where the “importance” (y-axis) and the “performance” (x-axis) of the different elements involved in service are compared. Each quadrant combines the importance and the performance indicated or marked by customers on services and possesses a different value in terms of management (Go & Zhang, 2008).

Figure 2.1 Original Importance Performance matrix.



Source: Martilla & James. (1977)

The IPA matrix in figure 4 consists of a pair of coordinate axis where the “Importance” on y-axis and “Performance” on x-axis of the different elements of the service are compared. Each of the quadrants combines the importance and performance given by customers of the service or product and possesses a different value in terms of management and the respective mean of self-stated raw importance and the attribute performance data is the original point of this IPA matrix (Martilla & James, 1977).

According to Martilla and James (1977), the four quadrants in the IPA matrix are characterized as follows;

Quadrant A – “Concentrate Here” – High Importance, Low Performance; there is need for immediate attention for improvement and are major weakness.

Quadrant B – “Keep up the Good Work” – High Importance, High Performance; indicates opportunities for achieving or maintaining competitive advantages and are major strength.

Quadrant C – “Low Priority” – Low Importance, Low Performance; are minor weakness and do not need additional efforts. Any attributes that fall in this quadrant are not important and pose no threat to the organization.

Quadrant D – “Possible Overkill” – Low Importance, High Performance; indicates that business resources committed to these attributes would be overkill and should be deployed elsewhere.

This research used survey questionnaire developed and modified from SERVQUAL model five dimension and statements collected from international tourist at the exit point (Paro international airport). The research questionnaire on service quality of restaurant used five point Likert scale to measure the importance (expectation) (1 = very low to 5 = very high) and performance (perception) (1 = very unsatisfied to 5 = very satisfied) attributed to each service statement. In total there are 22 service quality statements developed, adjusted and modified from SERVQUAL model and findings of Norbu and Chaisawat, (2011) and Dorji and Chaisawat, (2011). The table 3.2 shows the adopted and adjusted questionnaire statement for expectation and perception used to measure the service quality of restaurants.



## CHAPTER 3

### METHODOLOGY

The study uses quantitative method to find out the expectation and perception of service quality of restaurants in Bhutan. This chapter explains in details the variables, the population and sample, the data collection methods and instruments used, and the data analysis procedures.

#### **3.1 Variables of the Study**

The study took five dimensions of SERVQUAL model: Tangibles, Responsiveness, Reliability, Assurance, and Empathy as independent variables (Kumar et al, 2009; and Parasuraman et al., 1985). In addition, the study extended to measure the quality of food in relation to the Tangible dimension of SERVQUAL focusing entirely on food based in terms of Freshness, Presentation, Taste, and Varieties. This is in relation to the findings of Norbu & Chaisawat (2011), reporting and underlining more on food service and quality of restaurants in Bhutan. The Satisfaction level of tourist is taken as the mediating variables to measure the level of service quality in restaurants.

#### **3.2 Target Population**

The target population of the study is the total number of tourist visiting Bhutan. According to the annual Bhutan Tourism Monitor 2015, as shown in figure 1 in chapter one, the total number of visitors is 48,800 of which 9.31% came for business, followed by 3.33% retirees, 2.79% students, 2.10% government servants, 1.59% tourism and hospitality workers, 1.33% health and medical workers, 1.33% academicians, and 1.24% finance people. Female international visitors dominated with 60.09% against 39.91% male international visitors. Therefore, the population of this study based on the year 2015 will be 48,800 tourists.

### 3.3 Sample Size

This study used Taro Yamane's sample calculation methods to determine the sample size for the quantitative data collection. The study will use the Yamane's formula with 95% confidence level and margin of errors of 5%.

$$n = \frac{N}{1 + N (e)^2}$$

n = the sample size

N = the population size

e = acceptable sampling error

Therefore, the sampling size of this study will be

$$n = \frac{48800}{1 + 48800 (.05)^2}$$

*= 399.99 approximately 400 samples*

### 3.4 Types of Research

The study used quantitative method to answer and meet the first two questions and objectives and qualitative method of the unstructured in-depth interview with restaurant managers/owners to answer and meet the third question and objective.

### 3.5 Research Instrument

The study uses quantitative method to collect data from tourist from the exit points in the country. Structured questionnaire with 5-point Likert scale was handed over to the tourist at three exit points in Bhutan, the departure lounge at the Paro international airport, Phuntsholing, and Gyelephug to specify the expectation, perception, and satisfaction of tourist with service of restaurants. The questionnaire distribution and collection was personally monitored and administered to collect enough usable and valid data in given stipulated time.

### 3.6 Questionnaire

The questionnaire for the tourist consists of the following five parts as follows;

### **3.6.1 Personal/Demographic Information**

- a. Nationality
- b. Gender
- c. Age
- d. Marital status
- e. Education
- f. Income
- g. Occupation

### **3.6.2 Travel Information**

- a. Purpose of visit
- b. Which travel agent did you come to Bhutan?
- c. Information about travel agent and Bhutan
- d. Travel companion
- e. Duration of stay
- f. Food preference
- g. Frequency of visit

### **3.6.3 Expectation and Perception**

Restaurants refer to an establishment that focuses on providing a wide range of services to the customers starting from the time they enter the property until the time they leave (Nameghi & Ariffin, 2013). This part of the questionnaire is related to expectation and perception of tourists on all attributes of five dimensions of the SERVQUAL Model of Parasuraman et al., (1985). This questionnaire includes 5 dimensions of the SERVQUAL model, and this section also used the 22 statements of 5 dimensions to ascertain the quality of service provided by the restaurants.

Table 3.1 Original SERVQUAL 5 dimension statements

<b>Dimensions</b>	<b>Items</b>	<b>SERVQUAL Statements</b>
Tangibles	1	The hotel/restaurant has modern looking equipment
	2	The physical facilities are visually appealing
	3	Employees are neat-appearing
	4	Materials associated with service are visually appealing
	5	Service is performed as promised
Reliability	6	Company shows interest to solve problems
	7	The service is performed right the first time
	8	Service is performed at the time promised
	9	There are no errors in the records
Responsiveness	10	Employees informs customers when service will be performed
	11	Employees give prompt service to customers
	12	Employees are willing to help customers
	13	Employees are never too busy to respond to request
Assurance	14	Behavior of employees to instil confidence in customers
	15	Customers feel safe in their transaction
	16	Employees are consistently courteous
	17	Employees have knowledge to answer customer's questions
Empathy	18	Restaurant gives individual attention
	19	Employees gives personal attention to customers
	20	Restaurant understands specific needs of customers
	21	Restaurant has customer's interest at heart
	22	Operating hours are convenient to all customers

Source : Parasuraman et al., 1985.

Based on SERVQUAL dimensions and statements (Parasuraman et al., 1985), and other literature reviews, the study developed questionnaire suitable and applicable to restaurants in Bhutan. Statement 2, 4, 9, 14, and 15 were adopted from the literature review and findings of the study done by Norbu & Chaisawat (2011) and Dorji T. and Chaisawat, M. (2011). Statements

of service quality from the study of Nameghi & Ariffin, (2013), Goranczekwski & Puciato (2011), and Butt & Murtaza (2011) were referred, paraphrased and modified.

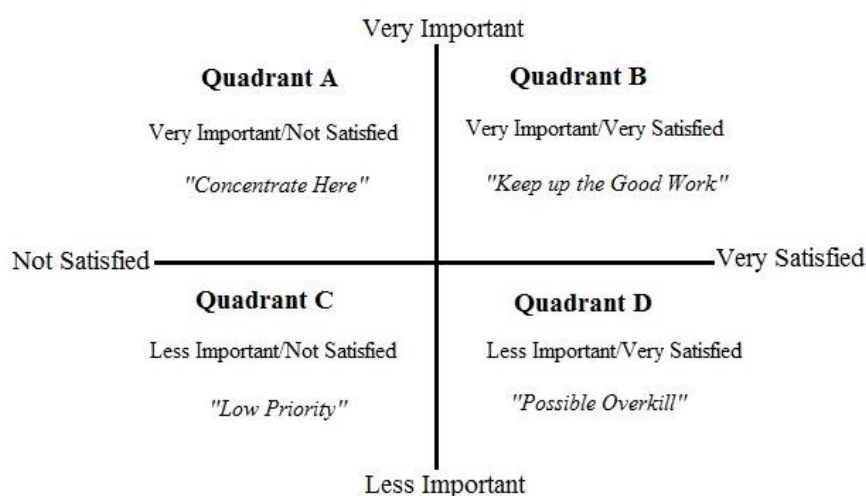
Table 3.2 Adopted and adjusted statement for expectation and perception of service quality

<b>Dimensions</b>	<b>Items</b>	<b>SERVQUAL Statements</b>
Tangibles	1	Modern and comfortable furniture in restaurant
	2	The Physical facilities, visual attractiveness, & quality of restaurant
	3	Cleanliness of the restaurant
	4	Neatness and cleanliness of employees
	5	Cleanliness and hygiene of cutleries
Reliability	6	Welcome gestures of employees
	7	Restaurant's interest to solve problems
	8	Service is performed correct at all time
	9	Delivery of Service on time
Responsiveness	10	No mistakes while providing service
	11	Employee informs about the service time
	12	Employees' promptness in service
	13	Employee's willingness to help guests
Assurance	14	Employee's response to guests need
	15	Trained and professional staffs
	16	Employees are confident in their work
	17	Employees knows their job well
Empathy	18	Comfortable while communicating with employees
	19	Politeness and manner of employees
	20	Ability of employees to answer your doubts
	21	Restaurant understands needs of customers
	22	Restaurant has customer's interest at heart

### 3.6.4 Importance Performance Analysis of Expectation and Perception

The figure 3.1 is the IPA matrix adopted from the study of Martilla and James (1977) to analyze the restaurant service quality attributes on two dimensions; Expectation and Perception. The two dimensions will be integrated into a matrix which the restaurants and individual can use to identify different needs and improvement in their service quality.

Figure 3.1 Adopted Importance Performance Analysis



### 3.7 Perception on Food quality of Standalone Restaurants and Restaurant in the Hotels

This part of the question is in line with the author developed conceptual framework to study the perception of respondents on the food quality of both the standalone restaurants and restaurants in the hotels. The statements for the questionnaire were developed from the past study of service quality in Bhutan. Most of the studies have adverse comments regarding the quality of food and service of restaurants in Bhutan. This part aims to determine the perception of food in restaurants with 5 point-Likert scales to check agreement of tourist perception with 10 statements of food.

Table 3.3 Questionnaire statements for food service- Adopted and designed from the finding of Norbu & Chaisawat (2011) and Dorji T. and Chaisawat, M. (2011).

Items	Statements
1	The overall taste of the food was good
2	The presentation of the food was professional
3	Varieties of vegetables dishes was available
4	Varieties of meat dishes was available
5	Vegetables and meat are properly cooked
6	Food are served at the correct temperature
7	Healthy and Nutritious food were available
8	Varieties of breakfast menu was available
9	Good choices of soups and salads were served
10	All food are served fresh

### 3.8 Pretest of Questionnaire

In order to test the validity and understanding of the questionnaires, a pilot questionnaire test was conducted with a small sample of 25 comprising senior MBA students, lecturers and professors of faculty of hospitality and tourism. With many feedbacks, suggestions and comments, the questionnaires were edited, modified and corrected to make it more clear, suitable and appropriate for the study.

### 3.9 Reliability Test

Reliability is the degree which makes sure that the questionnaires are free from errors and they produce same and consistent results (Bahadori, Mousavi, Sadeghifar, & Hagi, 2013).

Cronbach's alpha is the most common measure used to measure the consistency of the questionnaire. It is most commonly used when the questions have multiple Likert scale to determine if those scales are reliable or not. In Cronbach's alpha, when the reliability coefficient comes closer to 1.0, the results are considered the best. However, the values which are over .80 are considered good, stable and consistent. If the values fall below .60, they cannot be used or they are considered as very poor (Bahadori et al., 2013). The table below shows that all the

constructs exceeded the level required indicating that the proposed scales of the questionnaire are stable and consistent.

Table 3.4 Reliability Statistics

Cronbach's Alpha	N of items
0.994	44

### 3.10 Data Collection

The study specifically is focused in quantitative research method with specific questions for tourist developed from SERVQUAL Model and other literatures to measure the expectations and perceptions of restaurants from tourists. The questionnaires were distributed to tourists at three exit points in the country. Paro International Airport is one big exit point where maximum tourists exit and enter the country. More than 90% of tourists enter and exit the country by air from the only international airport, Paro International Airport (BTM, 2015). Moreover, the questionnaires were also distributed to tourists at other two exit point which borders with India, Phuntsholing and Gyelephug.

### 3.11 Data Analysis

Out of 450 questionnaires distributed at three exit points in the country, a total of 377 complete and valid questionnaires were used to analyze. The collected data was coded, entered and analyzed using the Statistical Package for Social Science (SPSS).

#### 3.11.1 Part One and Part Two: General Information and Travel Behaviors

In the first section, the descriptive statistics will be used to analyze general or demographic characteristics of respondents such as gender, age, nationality, income, education, and occupation. The second part will consist of travel behaviors of tourist like, times of visit to Bhutan, length of stay, source of information about Bhutan, purpose of travel, and travel companion.

#### 3.11.2 Part Three: Expectation and Perception

This part of analysis will be used to find out the expectation and perception of tourists towards restaurant service. Thus the paired t-test will be used to find out if there is any



gap in expectation and perception of service quality provided by restaurants. The analysis will take the 22 statements of service quality to determine if there are any differences in expectation and perception of tourists. On the other hand, the study will also make use of 10 statements of the food service developed from findings of past studies to measure tourists' perceptions towards food service provided by standalone restaurants and restaurant in the hotels. This is to understand which types of restaurants are preferred by the tourist when it comes to food service and varieties.

Independent sample T-test will also be used to compare the differences between groups. The level of expectation and perception between male and female will be compared to measure service quality of restaurants. Further, the same test will be conducted to measure level of perception of food service quality of restaurants among genders.

Pearson's product moment correlation  $r$  will be used to determine whether there will be significant relation between expected and perceived service quality of restaurants among tourists. The Mean in the data analysis is based on the interval value calculated using the maximum and minimum value divided by the maximum value.

The calculation is as follows:

$$\begin{aligned} \text{Width of interval} &= \frac{\text{Maximum} - \text{Minimum}}{n} \\ &= \frac{5 - 1}{5} \\ &= 0.80 \end{aligned}$$

Therefore, the result of each statement, sub-group and groups will be interpreted as follows:

Table 3.5 Level of Importance and Agreement

Mean	Level of Importance and Agreement
1.00 – 1.79	Extreme low
1.80 – 2.60	Low
2.61 – 3.41	neither Low nor High
3.42 – 4.22	High
4.23 – 5.00	Extreme High

Source: Brace, 2013.

## **CHAPTER 4**

### **RESULTS**

As mentioned and discussed in the previous chapter, this study used quantitative method using questionnaires to collect data and used SPSS version 20 (Statistical Package for Social Sciences) to analyze the data. The main purpose of the study is to measure service quality of restaurants in Bhutan by understanding expectation and perception of tourist visiting the country. This chapter is discussed in depth in the following sections as follows:

- 4.1 Demographic characteristics of respondents
- 4.2 Travel Behaviors
- 4.3 Tourist's Expectation and Perception of restaurants
- 4.4 Gap of Service quality of the restaurants
- 4.5 Importance-Performance Analysis
- 4.6 Relationship between Expectation and Perception
- 4.7 Overall satisfaction of tourist with service quality of restaurants
- 4.8 Tourist's Perception of Food in restaurants.

#### **4.1 Demographic Characteristics of Respondents**

Out of 450 questionnaires distributed at three exit points in the country, a total of 377 complete and valid questionnaires were used to analyze individually with frequencies and percentage. Gender, Age, Nationality, Education, and Occupation are the attributes measured. The Table 4.1 shows the details of demographic characteristics of respondents

##### **Gender**

The result shows that 46.7 percent were males and 53.3 percent were females. This respondent's profile of male and female tourist in Bhutan shows similar result in other studies regarding tourist visits in Bhutan. Bhutan Tourism monitor reports the similar kind of gender profile for past five years (2011, 2012, 2013, 2014, and 2015). Female tourists are always seen more in number in Bhutan.

### **Age Group**

The result clearly shows the highest numbers of respondents are in the age group of 31-40 years and 41-50 years with 25.7 and 24.1 percent respectively. The age profile of the respondents indicates that not much teenage travels to Bhutan as the table shows only 3.4 percent of tourist in the age group of below 20 years.

### **Nationality**

Regionally, South Asia dominates the number of tourist with 35 percent whereas visitors from South East Asia show only 13.5 percent. European with 15.1 percent is the highest nationality with American 19 percent, Chinese 9.0 percent and Japanese and Australian with 7.7 percent each.

### **Education**

The result with education had the highest number in master degree (40.1 percent) followed by bachelor degree (37.4 percent) and with small differences between high school, diploma, and Ph.D. which ranges from 7-8 percent.

### **Occupation**

The result shows most of the respondent were Self-employed/Entrepreneur and employees with 22.5 and 23.3 percent respectively. On the other hand, government employees and retired are the least percent respondents with 5.3 and 6.6 percent respectively.

Table 4.1 Demographic Characteristics of Respondents

Variables	Description	N= 377	
		N	Percentage
Gender	Male	176	46.7
	Female	201	53.3
Age	Below 20 years	13	3.4
	21-30 years	65	17.2
	31-40 years	97	25.7
	41-50 years	91	24.1
	51-60 years	69	18.3
	Above 60 years	42	11
Nationality	American	45	19
	Chinese	34	9
	Japanese	29	7.7
	South East Asia ( <i>Thailand, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Vietnam...</i> )	51	13.5
	European	57	15.1
	Australian	29	7.7
	South Asia ( <i>India, Bangladesh, Maldives, &amp; Srilanka</i> )	132	35
Education	High School or lower	30	8
	Bachelor Degree	141	37.4
	Ph. D	27	7.2
	Diploma	28	7.4
	Master Degree	151	40.1
Occupation	Self Employed/Entrepreneur	85	22.5
	Employee	88	23.3
	Government Officers	20	5.3
	Managers	50	13.3
	Retired	25	6.6
	Professional	73	19.4
	Students	36	9.5
<b>Total</b>		<b>377</b>	<b>100%</b>

## 4.2 Travel Behaviors

This section of the chapter presents the result of travel behaviors of tourist in Bhutan with 377 numbers of completed questionnaires collected from tourist. The table 4.2 shows the frequencies and percentages of all the attributes

The table below shows that majority of tourist 84.1 percent are visiting Bhutan for the first time. The table also points out that tourist in Bhutan stayed for not more than 14 days. 212 tourists spent in between 1-7 days, and 161 tourists spent 8-14 days while only 4 tourists stayed more than 14 days with mean of 45 days. More than half 68 percent of tourist came to Bhutan through travel agents, which indicates that other 38.2 percent of visitors are either visiting family or friends, on official visit, business trips and others.

Since most of the tour and travel in Bhutan are pre-organized and arranged by travel agents and tour operators, highest number of tourist with 44.3 percent are shown as travelling in groups. Travelling alone and travelling with family shows 20.7 and 20.4 percent respectively, whereas travelling in couple is the least number with 14.6 percent. From the table 4.2, the highest 70.8 percent are tourist with 20.4 visited for official purposes, 5.6 percent for business and 6 percent each for meeting friends and family and others. Higher number of tourist demands more efforts from hospitality industry in the country.

Like any other paper reports, internet remains the highest source of information about Bhutan to tourist. This study divided the internet source into different parts and it shows that none of the components of internet sources match with the information of word of mouth. Table 4.2 shows that 40.8 percent of tourist got information about Bhutan from friends and family whereas information from other marketing tools and materials all combined together show only 59.2 percent. From the result, it is clear that very little effort is given in terms of marketing materials and hotel websites which are considered vital for tourism and hospitality successes.

The respondents were given choices to give their food preferences while in Bhutan. The result shows that 80.6 percent chose local cuisine followed by familiar food 47 percent, fast food and pasta with 9.8 and 4.2 percent respectively. 49.6 percent of the respondents had their meal twice in the restaurant of the hotel they stayed, when 34.0 percent had once and on other hand 16.4 percent had all their three meals in the hotel restaurant only. This question finds out how many times tourist stayed in the hotel for meals and how many times the tourist went out of

the hotel to independent restaurants to take their meals which the study explains more of tourist preferences and choice later in the chapter.

When it comes to the question of what the tourist like most in Bhutan, hotel rooms and food are the least scored with 13.8 and 13.0 percent respectively. Whereas, sightseeing, tradition and culture, hiking and trekking and people and community are the areas which tourist preferred and liked while in Bhutan. This clearly sets a gap in the service of hotels and restaurants as why the hotel rooms and food are scored very low compared to other factors.

Table 4.2 Travel Behaviors

Factors	Description	N=377	
		N	Percentage
Is this your first visit to Bhutan?	Yes	317	84.1
	No	60	15.9
How long did you stay in Bhutan?	1-7 days	212	56.2
	8-14 days	161	42.7
	15-21 days	4	1
Travel companion	Alone	78	20.7
	Group	167	44.3
	Couple	55	14.6
	Family	77	20.4
Purpose of Visit	Tourist	267	70.8
	Official	77	20.4
	Business	21	5.6
	Meeting friends and family	6	6
	Others	6	6
Source of information about Bhutan	Friends & Family	154	40.8
	Hotel website	32	8.5
	Marketing Materials	20	5.3
	Online travel guides	110	29.2
	Facebook	25	6.6

Table 4.2 Continued

Factors	Description	N=377	
		N	Percentage
	Government website	62	16.4
	Agent website	81	25
	General website	96	25.5
Food preference in Bhutan	Familiar food	157	47
	Local cuisine	304	80.6
	Fast food	37	9.8
	Pasta	16	4.2
How many times did you eat in the restaurant of the hotel you stayed?	Three times a day	62	16.4
	Two times a day	187	49.6
	Once a day	128	34
What did you like most in Bhutan	Hotel Rooms	52	13.8
	Food	49	13
	Sightseeing	234	62.1
	Tradition and culture	239	63.4
	Hiking and trekking	202	53.6
	People and community	272	72.1

### 4.3 Tourist's Expectation and Perception of Restaurants

#### 4.3.1 Tourist Expectation of Restaurant Service

The 22 statement of service quality in this study was adopted from SERVQUAL Model of Parasuraman et al., 1985 and further developed and adjusted from the literature reviews of Norbu & Chaisawat (2011) and Dorji T. and Chaisawat, M. (2011). Statements of service quality from the study of Nameghi & Ariffin, (2013), Goranczekwski & Puciato (2011), and Butt & Murtaza (2011) were also referred, paraphrased and modified to meet the need of the study.

The table 4.3 shows tourist expectation level in each of the 22 statements of service quality in five dimensions. Among the 22 statements of SERVQUAL model, the highest expectation from tourist are in the area of "Smile and welcome gestures of employees" and "Politeness and manner of employees" with Mean of 4.06 and 4.02 and with Std. Deviation of

0.85 and 0.83 respectively. On the other hand, the physical facilities like “modern and comfortable furniture and the physical facilities”, “visual attractiveness and quality of restaurant” are in the least expected with Mean of 3.43 and 3.49 and Std. Deviation of 0.92 and 0.84 respectively. However the result is broken down further into each dimension for clearer understanding.

In the tangible dimension, cleanliness and hygiene shows more expectation from the tourists compared to physical facilities of the restaurants. The three highest expectations are “Neatness and cleanliness of employees”, “Cleanliness and hygiene of cutleries”, and “Cleanliness of the restaurant” with Mean of 3.79, 3.66, and 3.63 and Std. Deviation 0.80, 0.89, and 0.93 respectively, and “Modern and comfortable furniture in restaurants” with the least Mean of 3.43 and Std. Deviation 0.92. Thus, it can be interpreted that tourists has “High” expectation from this tangible dimension with grand mean of 3.60.

When it comes to reliability dimension, the “Welcome gestures of the employees” is the most important (Mean=4.06, SD =0.85), followed by “Restaurant’s interest to solve problems” (Mean=3.81, SD=0.84), “Service is performed correct at all time” (Mean=3.76, SD=0.82), “Delivery of service on time” (Mean=3.70, SD=0.84), and the least important in this dimension was “No mistakes while providing service” (Mean=3.57, SD=0.85). Similarly, tourists also have “High” expectation from reliability dimension with grand mean of 3.78.

Regarding responsiveness dimension, the respondents showed more expectation in “Employee’s willingness to help guest” (Mean=3.87, SD=0.82), followed by “Employee’s response to guests needs” (Mean=3.79, SD=0.79), “Employee’s promptness in service” (Mean=3.66, SD=0.82), and the least expectation was shown in “Employees informs about the service time” (Mean=3.60, SD=0.85). The tourist also expects “High” from the responsiveness dimension with grand mean of 3.73.

In the fourth dimension assurance, the respondents were expecting more when it came to “Comfortable while communicating with employees” (Mean=3.98, SD=0.85), followed by “Employees are confident in their work” (Mean=3.70, SD=0.81), “Employees knows their job well” (Mean=3.69, SD=0.83), and the least expectation shown in this dimension was “Trained and professional staffs” (Mean=3.67, SD=0.83). With the grand mean of 3.76, the tourist has “High” expectation from the assurance dimension of service quality.



“Politeness and manners of the employees” (Mean=4.02, SD=0.83) was revealed the most important and highest expected when it came to the last dimension empathy. It was followed by “Ability of employees to answer doubts” (Mean=3.80, SD=0.86), “Restaurant has customer’s interest at heart” (Mean=3.66, SD=0.83), and with least expectation in “Restaurant understands needs of customers” (Mean=3.62, SD=0.87). With empathy dimension, the tourists have “High” expectation with grand mean of 3.77.

According to the tourist’s expectation in restaurant service, it is clear that “Reliability” (Grand Mean=3.78) is considered more important followed by “Empathy” (Grand Mean=3.77), “Assurance” (Grand Mean=3.76), “Responsiveness” (Grand Mean= 3.73), and “Tangibles” (Grand Mean=3.60). In addition to above understanding, it is clear that respondents were concerned more with “Reliability” when compared with other four dimensions and “Welcome gestures of the employees” as most important factor.

Table 4.3 Tourist Expectation of Restaurant Service

Factors	Frequency (N=377)						Std. Deviation
	V.Low	Low	Average	High	V. High	Mean	
<b>Tangibles</b>							
Modern and comfortable furniture in restaurant	6	41	169	106	55	3.43	0.92
The Physical facilities, visual attractiveness, & quality of restaurant	4	28	171	127	47	3.49	0.84
Cleanliness of the restaurant	4	33	135	132	73	3.63	0.93
Neatness and cleanliness of employees	3	6	135	158	75	3.79	0.80
Cleanliness and hygiene of cutleries	3	21	154	121	78	3.66	0.89
<b>Grand Mean</b>						<b>3.60</b>	

Table 4.3 Continued

Factors	Frequency (N=377)						
	V.Low	Low	Average	High	V. High	Mean	Std. Deviation
<b>Reliability</b>							
Welcome gestures of employees	3	6	90	145	133	4.06	0.85
Restaurant's interest to solve problems	1	9	144	131	92	3.81	0.84
Service is performed correct at all time	2	22	105	183	65	3.76	0.82
Delivery of Service on time	1	22	134	153	67	3.70	0.84
No mistakes while providing service	3	27	155	137	55	3.57	0.85
<b>Grand Mean</b>						<b>3.78</b>	
<b>Responsiveness</b>							
Employee informs about the service time	4	22	152	141	58	3.60	0.85
Employees' promptness in service	2	15	154	143	63	3.66	0.82
Employee's willingness to help guests	1	8	124	151	93	3.87	0.82
Employee's response to guests need	1	3	151	141	81	3.79	0.79
<b>Grand Mean</b>						<b>3.73</b>	
<b>Assurance</b>							
Trained and professional staffs	3	15	150	144	65	3.67	0.83
Employees are confident in their work	2	14	142	155	64	3.70	0.81
Employees knows their job well	2	17	141	152	65	3.69	0.83
Comfortable while communicating with employees	1	6	117	129	124	3.98	0.85
<b>Grand Mean</b>						<b>3.76</b>	
<b>Empathy</b>							
Politeness and manner of employees	0	1	122	123	131	4.02	0.83
Ability of employees to answer your doubts	2	13	136	135	91	3.80	0.86
Restaurant understands needs of customers	2	22	163	121	69	3.62	0.87
Restaurant has customer's interest at heart	1	15	164	128	69	3.66	0.83
<b>Grand Mean</b>						<b>3.77</b>	

### 4.3.2 Tourist Perception of Restaurant service

The table 4.4 shows tourist perception level in each of the 22 statements of service quality in five dimensions. In the first dimension of tangibles “Neatness and cleanliness of employees” (Mean=3.93, SD=0.75) is the highest rated followed by “Cleanliness and hygiene of cutleries” (Mean=3.69, SD=0.77), “Cleanliness of the restaurant” (Mean=3.64, SD=0.81), “Modern and comfortable furniture in restaurant” (Mean=3.61, SD=0.84), and the least rated is “The physical facilities, visual attractiveness, & quality of restaurant” (Mean=3.49, SD=0.71). With grand mean of 3.67, the tourists have perceived the tangible dimension of service as “High”. In terms of reliability, the respondents rated “Welcome gestures of employees” (Mean=4.28, SD=0.79) the highest followed by “Restaurant interest to solve problems” (Mean=3.90, SD=0.87), “Delivery of service on time” (Mean=3.80, SD=0.81), “No mistakes while providing service” (Mean=3.62, SD=0.78), and the least rated with (Mean=3.02, SD=14) is the “Service is performed correct at all time”. The reliability dimension of service quality of restaurants also is perceived “High” by tourists with grand mean of 3.72.

Regarding responsiveness, the respondents found more important when it comes to “Employees’ willingness to help guests” (Mean=4.12, SD=0.79), followed by “Employees’ response to guest needs” (Mean=4.02, SD=0.80), “Employees’ promptness in service” (Mean=3.72, SD=0.83), and the least important was “Employee informs about the service time” (Mean=3.23, SD=06). Similarly, the responsiveness dimension is also perceived “High” with grand mean of 3.77.

In the next dimension of assurance, “Comfortable while communicating with employees” (Mean=4.27, SD=0.75) is regarded as important from the respondents followed by “Trained and professional employees” (Mean=3.24, SD=12), “Employees knows their job well” (Mean=3.16, SD=15), and the least important was “Employees are confident in their job” (Mean=2.82, SD=19). However, the assurance dimension of service quality of restaurant is perceived as “Neither Low nor High” with grand mean of 3.38.

The last dimension of empathy shows that “politeness and manner of employees” (Mean=4.29, SD=0.80) as the most important factor. It is followed by “Restaurant had customer’s interest at heart” (Mean=3.62, SD=0.94), “Ability of employees to answer your doubts” (Mean=3.54, SD=05), and with the least important “Restaurant understands needs of customers”

(Mean=3.37, SD=0.90). Empathy dimension of service quality is also perceived as “High” with grand mean of 3.7

According to the tourist’s perception towards restaurant service, it is clear that “Responsiveness” (Grand Mean=3.77) is considered more important followed by “Reliability” (Grand Mean=3.72), “Empathy” (Grand Mean=3.71), “Tangibles” (Grand Mean= 3.67), and “Assurance” (Grand Mean=3.38).

In addition to above understanding, it is clear that respondents were concerned more with “Responsiveness” when compared with other four dimensions. The respondents were also concerned with “Politeness and manner of employees” as most important factor in terms of perception.

Table 4.4 Tourist Perception of Restaurant service

Factors	V.Unsatisfied	Unsatisfied	Neutral	Satisfied	V. Satisfied	Mean	Std. Deviation
<b>Tangibles</b>							
Modern and comfortable furniture in restaurant	4	22	144	153	54	3.61	0.84
The Physical facilities, visual attractiveness, & quality of restaurant	2	14	188	144	29	3.49	0.71
Cleanliness of the restaurant	0	31	125	171	50	3.64	0.81
Neatness and cleanliness of employees	0	1	118	165	93	3.93	0.75
Cleanliness and hygiene of cutleries	0	14	145	162	56	3.69	0.77
<b>Grand Mean</b>						<b>3.67</b>	
<b>Reliability</b>							
Welcome gestures of employees	0	10	49	145	173	4.28	0.79
Restaurant’s interest to solve problems	1	16	107	147	106	3.90	0.87
Service is performed correct at all time	16	147	76	91	47	3.02	14
Delivery of Service on time	0	23	102	181	71	3.80	0.81
No mistakes while providing service	1	23	136	174	43	3.62	0.78
<b>Grand Mean</b>						<b>3.72</b>	

Table 4.4 Continued

<b>Factors</b>	<b>V. Unsatisfied</b>	<b>Unsatisfied</b>	<b>Neutral</b>	<b>Satisfied</b>	<b>V. Satisfied</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>Responsiveness</b>							
Employee informs about the service time	9	105	102	114	47	3.23	06
Employees' promptness in service	3	19	122	168	65	3.72	0.83
Employees' willingness to help guests	0	7	77	156	137	4.12	0.79
Employees' response to guests need	1	4	97	159	116	4.02	0.80
<b>Grand Mean</b>						<b>3.77</b>	
<b>Assurance</b>							
Trained and professional employees	24	81	100	124	48	3.24	12
Employees are confident in their work	60	98	92	102	25	2.82	19
Employees knows their job well	34	80	97	123	43	3.16	15
Comfortable while communicating with employees	1	2	55	154	165	4.27	0.75
<b>Grand Mean</b>						<b>3.38</b>	
<b>Empathy</b>							
Politeness and manner of employees	1	2	68	121	185	4.29	0.80
Ability of employees to answer your doubts	3	69	108	116	81	3.54	05
Restaurant understands needs of customers	3	58	152	124	40	3.37	0.90
Restaurant has customer's interest at heart	1	50	110	146	70	3.62	0.94
<b>Grand Mean</b>						<b>3.71</b>	

#### 4.4 Gap of Service Quality of Restaurants

The table 4.4 below shows that there is a gap between perception and expectation of restaurants in Bhutan in terms of five dimension of service quality. The overall mean of perception and expectation shows a negative gap of -0.08, which indicates that some of the expectation of tourist are not met. In short, the tourist perception of restaurant service did not match with their expectation.

The table shows that there is positive gap of 0.07 in tangible dimension of service quality which proves that perception exceeded the expectation of tourist. The factor "Modern and

comfortable furniture in restaurant” has the widest gap (=0.18) followed by “Neatness and cleanliness of employees” (gap=0.14), while the “The physical facilities, visual attractiveness, and quality” precisely matched perception and expectation (gap=0.00).

On the other hand, the reliability dimension with negative gap of -0.06 indicated that perception could not match the expectation of tourist. The factor “Service is performed correct at all time” with perceived mean 3.02 could not meet with the expected mean 3.76 resulting in gap of -0.75, thereby creating a gap of -0.06 in the reliability dimension. However, the factor “Welcome gesture of employees” shows a good positive gap between perception and expectation of tourist (gap=0.22). Thus the result of negative gap in this dimension resulted because of the factor “Service is performed correct at all time”

The responsiveness dimensions shows a positive gap between perception and expectation (gap=0.04) though a factor “Employee informs about the service time” generated a negative gap between perception of expectation (gap= -0.38). However, “Employees’ willingness to help” (gap=0.25) and “Employees’ response to guest need” (gap=0.23) kept the gap of responsiveness dimension positive, thereby revealing good positive gap in perception and expectation of service.

The widest negative gap (= -0.39) in the assurance dimension shows that there is a lot of difference in perception and expectation of service. Three out of four factors in this dimension shows wide negative gap which clearly points out that perception level is very low. “Employees are confident in the work” (gap= - 0.88) has the widest negative gap followed by “Employees knows their job well” (gap= - 0.53), and “Trained and professional staffs” (gap= - 0.43).

Three factors in the dimension of empathy “Ability of employees to answer your doubts” (gap= - 0.26), “Restaurant understands needs of customers” (gap= -0.25), and “Restaurant has customer’s interest at heart” (gap= - 0.04) contributed in creating a negative gap of -0.06 in the total gap of this dimension.

According to the table of gap of service quality of restaurant, the result reveals that “Assurance” dimension (gap= -0.39) is the only dimension with very wide negative gap while “Reliability” (gap= - 0.06) and “Empathy” (gap= - 0.06) shows a very significant and small gap.

On the other hand, the other two dimension “Tangibles” (gap=0.07) and “Responsiveness” (gap=0.04) shows positive gap of perception and expectation.

Table 4.5 Gap of Service Quality of Restaurants

Factors	Perceived	Expected	Gap
	Service Mean	Service Mean	
<b>Tangibles</b>			
Modern and comfortable furniture in restaurant	3.61	3.43	0.18
The Physical facilities, visual attractiveness, & quality of restaurant	3.49	3.49	0.00
Cleanliness of the restaurant	3.64	3.63	0.01
Neatness and cleanliness of employees	3.93	3.79	0.14
Cleanliness and hygiene of cutleries	3.69	3.66	0.03
<b>Grand Mean of Tangibles</b>	<b>3.67</b>	<b>3.60</b>	<b>0.07</b>
<b>Reliability</b>			
Welcome gestures of employees	4.28	4.06	0.22
Restaurant’s interest to solve problems	3.90	3.81	0.10
Service is performed correct at all time	3.02	3.76	-0.75
Delivery of Service on time	3.80	3.70	0.10
No mistakes while providing service	3.62	3.57	0.06
<b>Grand Mean of Reliability</b>	<b>3.72</b>	<b>3.78</b>	<b>-0.06</b>
<b>Responsiveness</b>			
Employee informs about the service time	3.23	3.60	-0.38
Employees’ promptness in service	3.72	3.66	0.06
Employee’s willingness to help guests	4.12	3.87	0.25
Employee’s response to guests need	4.02	3.79	0.23
<b>Grand Mean of Responsiveness</b>	<b>3.77</b>	<b>3.73</b>	<b>0.04</b>
<b>Assurance</b>			
Trained and professional staffs	3.24	3.67	-0.43
Employees are confident in their work	2.82	3.70	-0.88
Employees know their job well	3.16	3.69	-0.53
Comfortable while communicating with employees	4.27	3.98	0.29
<b>Grand Mean of Assurance</b>	<b>3.38</b>	<b>3.76</b>	<b>-0.39</b>

Table 4.5 Continued

Factors	Perceived	Expected	Gap
	Service Mean	Service Mean	
<b>Empathy</b>			
Politeness and manner of employees	4.29	4.02	0.28
Ability of employees to answer your doubts	3.54	3.80	-0.26
Restaurant understands needs of customers	3.37	3.62	-0.25
Restaurant has customer's interest at heart	3.62	3.66	-0.04
<b>Grand Mean of Empathy</b>	<b>3.71</b>	<b>3.77</b>	<b>-0.06</b>
<b>Grand Mean of Perception and Expectation</b>	<b>3.65</b>	<b>3.73</b>	<b>-0.08</b>

#### 4.5 Importance Performance Analysis

Table 4.6 Importance-Performance ratings from tourist for restaurant service quality.

Items	Statements of Service Quality	Perceived	Expected
		Service Mean <sup>A</sup>	Service Mean <sup>B</sup>
S 1	Modern and comfortable furniture in restaurant	3.61	3.43
S 2	The Physical facilities, visual attractiveness, & quality of restaurant	3.49	3.49
S 3	Cleanliness of the restaurant	3.64	3.63
S 4	Neatness and cleanliness of employees	3.93	3.79
S 5	Cleanliness and hygiene of cutleries	3.69	3.66
S 6	Welcome gestures of employees	4.28	4.06
S 7	Restaurant's interest to solve problems	3.90	3.81
S 8	Service is performed correct at all time	3.02	3.76
S 9	Delivery of Service on time	3.80	3.70
S 10	No mistakes while providing service	3.62	3.57
S 11	Employee informs about the service time	3.23	3.60
S 12	Employees' promptness in service	3.72	3.66
S 13	Employee's willingness to help guests	4.12	3.87
S 14	Employee's response to guests need	4.02	3.79
S 15	Trained and professional staffs	3.24	3.67



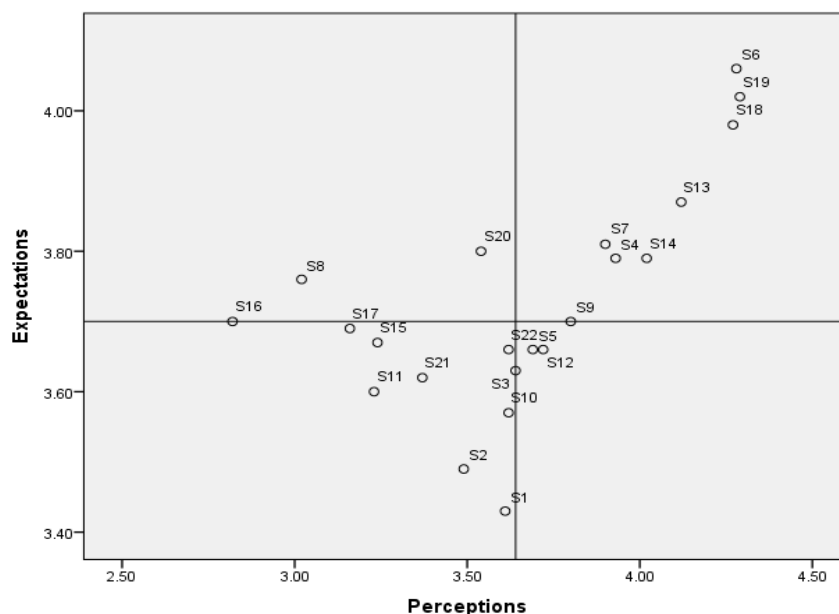
Table 4.6 Continued

Items	Statements of Service Quality	Perceived	Expected
		Service Mean <sup>A</sup>	Service Mean <sup>B</sup>
S 16	Employees are confident in their work	2.82	3.70
S 17	Employees know their job well	3.16	3.69
S 18	Comfortable while communicating with employees	4.27	3.98
S 19	Politeness and manner of employees	4.29	4.02
S 20	Ability of employees to answer the doubts	3.54	3.80
S 21	Restaurant understands needs of customers	3.37	3.62
S 22	Restaurant has customer's interest at heart	3.62	3.66

Mean<sup>A</sup> is the rating obtained from a five point Likert scale ranging from “very satisfied” (5) to “very unsatisfied” (1). Mean<sup>B</sup> is the rating obtained from a five point Likert scale ranging from “high” (5) to “very low” (1).

The intersection in the IPA matrix is made available using the mean level of expectation and perception of restaurant service quality. The services of the restaurants are evaluated based on 22 statements of service developed based on SERVQUAL dimensions as stated in table 4.6 (S 1 – S 22).

Figure 4.1 IPA for the service quality, according to the median value for the axis.



In the quadrant A, “Concentrate Here” the tourist perceives the service attributes as very important but the perception of performance levels are low. Thus, further improvement and effort should be concentrated here. There are three service attributes that falls in this quadrant.

- Service is performed correct at all time (S8)
- Employees are confident in their work (S16)
- Ability of employees to answer the doubts (S20)

Service quality attributes such as neatness and cleanliness of employees (S4), welcome gestures of employees (S6), restaurant’s interest to solve problems (S7), delivery of service on time (S9), employee’s willingness to help guests (S13), employee’s response to guests need (S14), comfortable while communicating with employees (S18), and politeness and manner of employees (S19) situated in quadrant B “Keep up the Good Work”, are perceived as very important and satisfied from the perspective point of tourist. All these attributes of the service are the strength of restaurants and the managers or individuals should keep up the good work in providing good service to the customers.

Some of the service attributes which falls in the “low priority” in quadrant C are;

- Modern and comfortable furniture in restaurant (S1)
- The physical facilities, visual attractiveness, & quality of restaurant (S2)
- No mistakes while providing service (S10)
- Employees informs about the service time (S11)
- Trained and professional staffs (S15)
- Employees know their job well (S17)
- Restaurant understands needs of customers (S21)
- Restaurant has customer’s interest at heart (S22)

In quadrant D, “possible Overkill”, there are three service attributes; cleanliness of the restaurant (S3), cleanliness and hygiene of cutleries (S5), and employee’s promptness in service (S12) which are rated low importance by tourist with high performance. In this three attributes, the tourist are very satisfied with the restaurant’s performance, however the continuous effort in delivering those services to the tourist will be wasted as the customers are already content and satisfied. Therefore, present efforts on these attributes of service in this quadrant are

unnecessary and the concerned managers should consider allocating resources to the quadrant A “concentrate here” to have better service performance.

#### 4.6 Relationship between Expectation and Perception

To find out the relation between the overall expectation and overall perception of tourist on restaurant service quality, Pearson product-moment correlation coefficient was used as shown in Table 4.6. Preliminary analyses were performed to make sure that there is no violation of any assumptions of normality, linearity or homoscedasticity. There is a positive relationship between overall expectation and overall perception ( $r = .129$ ,  $n = 377$ , and  $p < 0.05$ ) from tourist towards service quality of restaurants.

Table 4.7 Correlation between Overall Expectation and Overall Perception

Correlations		Overall	Overall
		Expectation	Perception
Overall Expectation	Pearson Correlation	1	.129**
	Sig. (2-tailed)		0.01
	N	377	377
Overall Perception	Pearson Correlation	.129**	1
	Sig. (2-tailed)	0.01	
	N	377	377

\*\*Correlation is significant at the 0.05 level (2-tailed).

The table 4.7 shows paired sample t-test used to study differences in overall gap between expectation and perception of restaurant service and to test the hypothesis. Paired sample t-test was conducted to compare the difference of expectation and perception of tourist on service quality of restaurants in order to test the previously mentioned hypothesis in chapter 1;

$H_0$ : There is no significant difference between the perception and expectation of restaurant service quality.

$H_A$ : There is significant difference between the perception and expectation of restaurant service quality.

From the paired sample t-test in table 4.7, it is witnessed that the overall gap between overall expectation and overall perception with regard to restaurant service showed statistically significant decrease in tourist's perspective scores from their overall expectation (Mean= 3.75, S.D.= .747) with overall perception (Mean= 3.69, S.D.= .577),  $t(367) = 458$ ,  $p < .05$  (2-tailed). The mean decrease in score was 0.06 with 95% confidence interval stretching from lower bound of -.023 to upper bound of .156. The eta squared statistic of 0.01 indicates a small effect.

Therefore, it is concluded that there is no significant difference between overall expectation and overall perception of restaurant service quality.

Table 4.8 Paired sample t-test showing the overall gap between overall expectation and overall perception of restaurant service

<b>Paired Samples Statistics</b>		<b>Mean</b>	<b>N</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>					
Pair	Overall Expectation	3.7533	377	.74744	.03850					
1	Overall Perception	3.6870	377	.57673	.02970					
<b>Paired Samples Test</b>							<b>t-test for Equality of Means</b>			
		<b>Paired Differences</b>								
		<b>95% Confidence interval of Difference</b>								
		<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>	<b>Lower</b>	<b>Upper</b>	<b>t</b>	<b>df</b>	<b>Sig. (2-tailed)</b>	
Pair	Overall Expectation - Overall Perception	.06631	.88327	.04549	-.02314	.15576	458	376	.146	

An independent sample t-test was carried out to compare the score of overall expectation (table 4.8) for male and female tourist. There was no statistically significant difference in the score of overall expectation of male (Mean= 3.74, SD= .776) and female (Mean= 3.76, SD= .723);  $t(375) = -.218$ ,  $p = 0.83$  (2-tailed). The mean difference of -.017 with 95% confidence interval stretching from lower bound of -.169 to upper bound of .135 ([-.017, 95% CI: -.169 to .135]) The eta squared 0.00 indicates a small effect. Therefore, this result suggests that the gender has no effect on the level of overall expectation on the service quality of restaurants in Bhutan.

Table 4.9 Independent sample t-test of overall Expectation

<b>Group Statistics</b>										
		<b>Gender</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>				
Overall Expectation		Male	176	3.74	.776	.059				
		Female	201	3.76	.723	.051				

<b>Independent Samples Test</b>										
		<b>Levene's Test for Equality of Variances</b>				<b>t-test for Equality of Means</b>				
		<b>F</b>	<b>Sig.</b>	<b>t</b>	<b>df</b>	<b>Sig. (2-tailed)</b>	<b>Mean Difference</b>	<b>Std. Error Difference</b>	<b>95% Confidence Interval of the Difference</b>	
								<b>Lower</b>	<b>Upper</b>	
Overall	Equal variances assumed	3.50	.062	-.22	375	.83	-.017	.077	-.169	.135
Expectation	Equal variances not assumed			-.22	360.019	.83	-.017	.078	-.170	.136

The same independent sample t-test was also carried out to compare the score of overall perception (table 4.9) for male and female tourist. The result showed that there was a significant difference in the score of the level of overall perception of male (Mean= 3.56, SD=

.573) and female (Mean= 3.80, SD= .557);  $t(375) = .000$  (2-tailed). The result shows that there is gender effect on the level of overall perception on service quality of restaurant.

Table 4.10 Independent sample t-test of overall Perception

<b>Group Statistics</b>										
		<b>Gender</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Std. Error Mean</b>				
Overall Perception		Male	176	3.56	.573	.043				
		Female	201	3.80	.557	.039				

<b>Independent Samples Test</b>										
		<b>Levene's Test</b>		<b>t-test for Equality of Means</b>						
		<b>for Equality of Variances</b>								
		<b>F</b>	<b>Sig.</b>	<b>t</b>	<b>df</b>	<b>Sig. (2-tailed)</b>	<b>Mean Difference</b>	<b>Std. Error Difference</b>	<b>95% Confidence Interval of the Difference</b>	
									<b>Lower</b>	<b>Upper</b>
Overall Perception	Equal variances assumed	16.4	.000	-4.19	375	.00	-.244	.058	-.359	-.130
	Equal variances not assumed			-4.18	365.487	.00	-.244	.058	-.359	-.129

Table 4.10, shows One-way ANOVA between groups of respondent analysis of variance conducted to explore the effect of age on domain of expectation and overall expectation levels. Respondents were divided into three groups according their age (G1: under 20-30, G2: 31-50, G3: 51-over 60). There was a statistically significant difference at the  $p < .05$  level in "Overall Expectation", "Tangibles" and "Responsiveness". Statistically, the result of Tukey HSD test showed that tourist under group 1 have high expectation from "Empathy" (Mean = 4.09), "Assurance" (Mean = 4.03) and "Responsiveness" (Mean= 4.04). Group 2 showed high

expectation from “Empathy” (Mean = 3.86) and “Responsiveness” (Mean = 3.84). In factor “Tangibles”, the result showed that tourist in group 3 (Mean = 3.53) have the least expectation. The same group also shown to have the least overall expectation (Mean = 3.67) compared to other groups and group 1 have the highest overall expectation (Mean = 3.95).

Table 4.11 One-way ANOVA analysis according to age group of respondents for 5 dimensions of Expectation and Overall Expectation

Factors	Group1	Group 2	Group 3	F-Value	P-Value
	Young	Middle Age	Old		
Tangibles	3.66	3.57	3.53	2.613	<b>0.024</b>
Reliability	3.94	3.74	3.73	774	0.177
Responsiveness	4.04	3.84	3.62	4.867	<b>0.00</b>
Assurance	4.03	3.77	3.70	579	0.165
Empathy	4.09	3.86	3.79	769	0.118
Overall Expectation	3.95	3.75	3.67	2.5204	0.0968

\*\* $P < 0.05$

Table 4.12 also provides the result of One-way analysis conducted to explore the effect of age on the domains of perception and overall perception levels. The result shows that there is statistically significant difference at the  $p < .05$  level in “Reliability” and “Assurance”. Statistically, the result showed that only the tourist group 1 has the highest perception in “Overall Perception” (Mean = 3.84), “Reliability” (Mean = 4.02), and “Responsiveness” (Mean = 3.97). The other two groups showed the two lowest perception in “Assurance” with (Mean = 3.39) and (Mean = 3.19) respectively.

Table 4.12 One-Way ANOVA analysis according to age group of respondents for 5 dimensions of Perception and Overall Perception.

Means					
Factors	Group 1	Group 2	Group 3	F-value	P-value
	Young	Middle age	Old		
Tangibles	3.785	3.635	3.64	222	0.298
Reliability	4.015	3.71	3.805	2.647	<b>0.023</b>
Responsiveness	3.97	3.925	3.805	0.603	0.698
Assurance	3.605	3.56	3.29	2.923	<b>0.013</b>
Empathy	3.815	3.845	3.835	0.169	0.974
Overall Perception	3.838	3.735	3.675	5128	0.4012

\*\* $P < 0.05$

Table 4.13 shows One-way ANOVA between groups of respondent analysis of variance conducted to explore the effect of Nationality on domain of expectation and overall expectation levels. Respondents were divided into seven groups according their Nationality (G1: American, G2: Chinese, G3: Japanese, G4: South East Asia, G5: European, G6: Australian, and G7: South Asia). There was a statistically significant difference at the  $p < .05$  level in all 5 dimensions of service quality and overall expectation. Statistically, the result of Tukey HSD, showed that the Group 2, Chinese has the highest level of expectation in all dimensions of service quality.

Table 4.13 One – way ANOVA analysis according to Nationality group of respondents for 5 dimensions of Expectation and Overall Expectation.

Means									
Factors	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	F-value	P-value
	American	Chinese	Japanese	S.E. Asia	European	Australian	South Asia		
Tangibles	3.42	<b>3.91</b>	3.41	3.57	3.28	3.48	3.77	3.966	<b>0.001</b>
Reliability	3.56	<b>4.12</b>	3.66	3.88	3.54	3.76	3.87	3.373	<b>0.003</b>



Table 4.13 Continued

<b>Means</b>									
Factors	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	F-	P-
	American	Chinese	Japanese	S.E. Asia	European	Australian	South Asia	value	value
Responsive									
ness	3.60	<b>4.15</b>	3.79	3.8	3.54	3.83	3.90	2.927	<b>0.008</b>
Assurance	3.64	<b>4.15</b>	3.72	3.84	3.51	3.79	3.90	3.325	<b>0.003</b>
Empathy	3.56	<b>4.24</b>	3.83	3.88	3.63	4.00	3.92	3.652	<b>0.002</b>
Overall									
Expectation	3.53	<b>4.24</b>	3.66	3.75	3.44	3.79	3.86	5.585	<b>0.000</b>

**\*\*P<0.05**

Table 4.14 shows One-way ANOVA between groups of respondent analysis of variance conducted to explore the effect of Nationality on domain of perception and overall perception levels. There was no statistically significant difference at the  $p < .05$  level in all 5 dimensions of service quality and overall perception. Statistically, the result of Tukey HSD, showed that the group 3, Japanese has the lowest level of overall perception (Mean = 3.41) followed by group 2, Chinese (Mean = 3.62)

Table 4.14 One – way ANOVA analysis according to Nationality group of respondents for 5 dimensions of Perception

<b>Means</b>									
Factors	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	F-	P-
	American	Chinese	Japanese	S.E. Asia	European	Australian	South Asia	value	value
Tangibles	3.67	3.59	3.38	3.67	3.68	3.69	3.74	323	0.246
Reliability	3.82	3.65	3.48	3.76	3.86	3.79	3.83	379	0.222
Responsive									
ness	3.80	3.79	3.59	3.90	4.07	4.03	3.92	922	0.076
Assurance	3.49	3.47	3.48	3.39	3.56	3.62	3.46	0.551	0.769
Empathy	3.80	3.85	3.59	3.78	3.96	4.03	3.81	371	0.225

Table 4.14 Continued

Factors	Means							F- value	P- value
	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7		
	American	Chinese	Japanese	S.E. Asia	European	Australian	South Asia		
Overall									
Perception	3.69	<b>3.62</b>	<b>3.41</b>	3.75	3.74	3.79	3.70	506	0.175

\*\* $P < 0.05$

#### 4.7 Tourist Perception of Food in Restaurants

The question; “what is your opinion about food in restaurants?” was aimed to find out the opinions and perceptions of tourist. Many commented on food being very poor or monotonous in the restaurants in Bhutan. The table 4.15 shows that more than half of the respondents (N=214, 56.8%) indicated as “Limited choices”. The other statements like “Good Quality” “Good healthy food” and “Organic food” somewhat begged equal opinions with 12.7 %, 15.6 %, and 14 % respectively. On the other hand “Good selection” with 2.7% had less opinion and the least is “Un healthy food” with 0.8%.

Table 4.15 Tourist opinion about food in restaurants

Question: What is your opinion about food in restaurants?

Statement	Frequency	Percentage
Good Quality	48	12.7
Good Selection	10	2.7
Limited Choices	214	56.7
Good Healthy Food	59	15.6
Organic Food	43	14
Un healthy Food	3	0.8
<b>Total</b>	<b>377</b>	<b>100</b>

## CHAPTER 5

### CONCLUSION AND DISCUSSION

The study was conducted to measure service quality of restaurant in Bhutan through expectation and perception levels of tourist and to understand the perception of tourist regarding the food in restaurants with three objectives;

- i. Analyze the relationship between service quality and tourist satisfaction.
- ii. Analyze the GAP between expectation and perception of tourist on service of restaurants.
- iii. Identify the GAP in service quality of restaurants in Bhutan using Importance-Performance Analysis (IPA) principles.

This chapter consists of conclusion, discussion, recommendation and limitation and suggestions for future study. Most of the recommendation will be based on the findings of this study which are centered in terms of skills and knowledge of the employees. Since many tourist destinations around the globe tend to provide almost the same product, employees are the key players in hospitality industry to make the difference.

Further, the chapter also includes recommendation and suggestions for management levels and proprietors of the service firm and stakeholders and concerned government agencies with the findings of this study.

#### 5.1 Conclusion

The study used quantitative research methods to accomplish the objectives. The methodology of the study was designed after reviewing related concepts and theories of the service quality. The concept of SERVQUAL Model with 5 dimensions and 22 statements of service quality best suited to realize the objectives of the study. The data were collected from three exit points in the country, Gyalephug, Phuntsholing, and Paro during the month of June 2016. The sample size of the research was 400, however, 450 sets of questionnaire were distributed out of which 377 valid questionnaire were used for the study. The valid data collected were coded, punched in, and analyzed using SPSS version 21. Demographic and travel behaviors statistics and frequencies were conducted to understand pattern of tourist and their behaviors. A 5

point Likert scale questionnaire was used to determine the level of tourist perception and expectation towards restaurant service. Another 5 point Likert scale questionnaire was used to find out the perception of food quality of two different types of restaurant; Standalone restaurant and Restaurant in hotels.

## **5.2 Summary of key findings**

### **5.2.1 Demographic Characteristics**

From 377 valid questionnaires, the majority of respondents were female. The result shows that 46.7 percent were males (N=176) and 53.3 percent were females (N=201). This respondent's profile of male and female tourist in Bhutan showed similar result like other past surveys and studies regarding tourist visits to Bhutan. Bhutan Tourism Monitor reports the similar kind of gender profile for past five years (2011, 2012, 2013, 2014, and 2015).

Most of the respondents are in the age group of 31-40 years and 41-50 years with 25.7 and 24.1 percent respectively. Only 3.4 percent in the age group of below 20 visited Bhutan. Regionally, South Asia dominates the number of tourist with 35 percent, followed by South East Asia with 13.5 percent. European with 15.1 percent is the highest nationality with American 11.9 percent, Chinese 9.0 percent and Japanese and Australian with 7.7 percent each.

In education, most of the respondent are master degree (40.1 percent) followed by bachelor degree (37.4 percent) and with small differences between high school, diploma, and Ph.D. which ranges from 7-8 percent. In addition, the respondents' occupations were Self-employed/Entrepreneur and employees with 22.5 and 23.3 percent respectively. On the other hand, government employees and retired are the least percent respondents with 5.3 and 6.6 percent respectively.

### **5.2.2 Travel Behaviors**

84.1 percent of respondent were visiting Bhutan for the first time. The maximum days tourist stayed in Bhutan is 14 days. 212 tourists spent in between 1-7 days, and 161 tourists spent 8-14 days while only 4 tourists stayed more than 14 days. Maximum number of tourist traveled to Bhutan in groups indicating that tours in Bhutan are packaged. Highest percent of respondent with 70.8 percent are tourist with 20.4 percent visiting for official purposes, 5.6

percent for business and 1.6 percent each for meeting friends and family and others. Moreover, 53.1 percent of tourist pointed out nice and good food as important among others while travelling.

Internet is the highest source of information about Bhutan to tourist. The question about the source of information was given option with eight different sources and it shows that none of the source of internet sources matches with the information of word of mouth. “Friends and Family” scored the highest with 154 counts followed by online travel guides and agents with 110 counts. From the result, it is clear that very little effort is given in terms of marketing materials and hotel websites which are considered vital for tourism and hospitality successes.

In another question, the respondents were given choices to give their food preferences while in Bhutan. Out of 571 counts, the “Local Cuisine” alone scored 304 counts, three times more than any other food choices. This clearly states that tourist in Bhutan want to try out the Bhutanese cuisines.

When it comes to the question of what the tourist like most in Bhutan, hotel rooms and food are the least scored counts with 52 and 49 respectively. It is very clear that hotels rooms and food did not have any kind of effect on their stay in Bhutan. This clearly sets a gap in the service of hotels and restaurants as why the hotel rooms and food are scored very low compared to other factors.

In the question to find out where the tourists were taken for their meals during their stay. 49.6 percent of the respondents had their meal twice in the restaurant of the hotel they stayed, when 34.0 percent had once and on other hand 16.4 percent had all their three meals in the hotel restaurant only.

The tourists have indicated and pointed out that the food and service offered by the standalone restaurants is better. Out of 377 respondents, 197 liked the food and service provided by the standalone restaurants. This also explains that not much of attention and care is given to the food and service by the hoteliers. Perhaps the hoteliers are busy with other aspects of hospitality.

### **5.2.3 Tourist’s Expectation and Perception**

Among the 22 statements of SERVQUAL model, the tourist has highest expectation in the area of “Smile and welcome gestures of employees” and “Politeness and manner of employees” as shown in table 4.3.1 in chapter 4.

However when compared within each dimension, cleanliness and hygiene are expected more when compared to physical facilities, visual attractiveness, and quality of restaurant in the tangible dimension. In reliability dimension, all five statements are expected high with “Welcome gestures of the employees” as the highest. All five statements fall in the range of high level of importance and agreement mean of 3.42 – 4.22. In responsiveness dimension, the respondents showed high expectation in “Employee’s willingness to help guest” followed by “Employee’s response to guests needs”, “Employee’s promptness in service”, and the least expectation was shown in “Employees informs about the service time”. In the fourth dimension assurance, the respondents were expecting more when it came to “Comfortable while communicating with employees”, followed by “Employees are confident in their work”, “Employees knows their job well”, and the least expectation shown in this dimension was “Trained and professional staffs”. The last dimension empathy shows that “Politeness and manners of the employees” as the most important and highest expected followed by “Ability of employees to answer doubts”, “Restaurant has customer’s interest at heart”, and with least expectation in “Restaurant understands needs of customers”.

The table 4.3 in chapter 4 shows the grand mean of each dimension of service quality. According to the mean and statistics it is clear that respondents expect the highest from “Reliability” dimension followed by “Empathy”, “Assurance”, “Responsiveness”, and “Tangibles” at the last. In addition to above understanding, it is clear that respondents were concerned more with “Reliability” when compared with other four dimensions and “Welcome gestures of the employees” as most important among 22 statements of SERVQUAL model.

The table 4.4 in chapter 4 shows tourist perception level in each of the 22 statements of service quality in five dimensions. Among these statements of service quality, “Politeness and manner of employees”, “Welcome gestures of employees” and “Comfortable while communicating with employees” are in extreme high perception according to level of agreement and importance. However, there are other statements with neither high nor low in perspective point of respondents. “Employees are confident in their work” is the only statement of service quality with the least perception from the respondents.

According to the tourist’s perception towards restaurant service, it is clear that “Responsiveness” gathered more perception followed by “Reliability”, “Empathy”, “Tangibles”,

and the least perceived is with the “Assurance”. In addition to above understanding, it is clear that respondents were concerned more with “Responsiveness” when compared with other four dimensions. The respondents had the highest perception among all statements with “Politeness and manner of employees”.

From the table 4.4, it is known that perceptions of respondents in terms of 22 statements of service quality are partially met with their expectation. There are few statements where perceptions are lower than the expectation of respondents.

#### **5.2.4 Service Quality Gap**

The service quality gap (Gap 5) is difference between the perception and expectation of respondents on service quality of restaurants. The study calculated the service quality gap using the mean score of each statements and the mean of 5 dimensions of service quality. The positive gap between perception and expectation shows satisfaction level of respondents and vice-versa. The table 4.4 in chapter 4 shows that the gaps of all statements of “Tangibles” dimension are positive. In the “Reliability” dimension, the “service is performed correct at all time” is perceived less compared to expectation which shows negative gap of satisfaction with the statement and resulting in overall negative gap of the dimension. Similarly, the “employee informs about the service time” in “Responsiveness” is also perceived less than expected, but did not make significant difference in the overall satisfaction in term of dimension. The “trained and professional staffs”, “employees are confident in their work” and “employees know their job well” in “Assurance” dimension were perceived less resulting in negative gap. With the “Empathy” dimension “ability of employees to answer your doubt”, “restaurant understands need of customers”, and “restaurant has customer’s interest at heart” were perceived less as well.

Paired sample t-test was conducted between the overall expectation and overall perception and the result showed statistically significant decrease in the tourists’ perspective score from their overall expectation. It is concluded that there is no significant difference between overall expectation and overall perception of restaurant service quality. An independent sample t-test between male and female tourist was conducted to compare the level of overall expectation and overall perception of restaurant service quality. The result showed that gender does not have

effect on the level of overall expectation while there is gender effect on the level of overall perception of service quality.

Pearson product-moment correlation was conducted to find out the relation between expectation and perception of the tourist on service quality of restaurants. The result found out that there is positive relationship between the expectation and the perception of tourist.

In general, the perception of respondents showed that service quality of restaurants in Bhutan could not meet the expectation in eight of the attributes of service quality which is mostly related to skills and knowledge of the employees. The “Assurance” dimension showed the widest negative gap followed by “Empathy” and “Reliability”

### **5.2.5 Importance Performance Analysis**

From the IPA matrix in chapter 4, table 6 shows that “Concentrate Here” quadrant A contains three service attributes;

- Service is performed correct at all time (S8)
- Employees are confident in their work (S16)
- Ability of employees to answer the doubts (S20)

The above three attributes of service are perceived as very important but the perception of performance levels are low. These three attributes which are related to knowledge and skills as reported in the GAP of service quality matches indicating that there is requirement to study more about the restaurant service quality in terms on knowledge and skills.

## **5.3 Discussion**

The intent of the research was to find out about the service quality of restaurants in Bhutan through perception of tourist. The result showed that in general, tourists are happy and satisfied. However, the expectations were higher than the perception in “Reliability”, “Assurance”, and “Empathy” among which “Assurance” had the widest gap. This widest gap occurred mainly due to lack of knowledge and professional employees. In order to minimize the gap between the tourists’ expectations and perceptions of restaurant service, the managers and concerned personnel in the firm have to ensure that every employee are well equipped with required knowledge, well-groomed and appropriately cared to render appropriate service to



guests. Developments of restaurants depend on how the employees provide service to guests, and how employees provide service depend on their working conditions.

In “Tangibles” dimension of SERVQUAL model, the perception is more than expectation, which clearly indicated that guests do not care much about furniture, attractiveness, and physical appearance of restaurants. It is not the physical facilities that makes quality service, but it the employees who make difference in quality service. The concerned authority could play a very important role in implementing rules to recruit trained and experienced employees to those properties, which are registered as tourist standard restaurants and at the same time find some better solution and means in terms of the remuneration and benefits provided to the employees.

The possible reasons for service gap could be due to many reasons associated with personal choices of job. Working in restaurants and hotels in Bhutan are not seen as a decorated job for many youths. Many graduates of hospitality and tourism seek job in other countries due to the very fact that restaurant, hotels in Bhutan are still very new, and the salary and benefits are not attractive. This resulted in recruitment of untrained employees for the service purpose that adds up to negative gap between perception and expectation of service quality. The other possible reason could be high rate of staff turnover. Hiring and recruiting again takes time to teach new staffs the essence of service quality, which in meantime creates the gap.

In recent years, the Ministry of Labor and Human Resource have sent more Bhutanese youths to work in service industry in Middle East countries, majority of them in Kuwait and Dubai due to rising unemployment rate among youths. It is not that there are no employment opportunities in Bhutan, there are many choices in hospitality firms but there seems to be a problem with blue color and white color jobs available. Many choose to opt for vacancies in offices rather than vacancies for hotels and restaurants. According the student alumni report of Royal Institute for Tourism and Hospitality, some of the graduates from the institute are currently working in financial institution across the country because they found offices much more appealing than F&B, Housekeeping or Kitchen jobs, and some have already travelled out of country with better job offers.

Another problem is that the hoteliers have options to choose from semi-skilled and skilled, trained and untrained human resources of which the semi-skilled and untrained are preferred because they are not required to pay high salary. One or two trained employees are

recruited in each department by hotels and restaurants with hope that they will be able to guide and teach those employees who do not have any knowledge about service. It is also true that there are not enough customers and guests during winter months and off seasons, which make it very difficult for hoteliers and restaurateurs to pay their employees affecting on the number and quality of employees they hire.

Restaurants in Bhutan do not have appropriate qualified managers. The present managers who are qualified are not passionate and those who are not trained are very much interested. Many hotels and restaurants increased in numbers in recent years because everyone saw it as easy way to make money but with very few knowledge and ideas and not understanding the expectation, demand and need of customers. The hotels and restaurants in Bhutan are slow in adapting to changes and new trend of hospitality service given the very fact of seasonal tourist season and not much of local having enthusiasm about the trend in hospitality services. The other reason could be that not many Bhutanese are aware of what is hospitality service.

Recently in one of the trade fair organized by Ministry of Economic affairs and BCCI in Thimphu, the food stalls put up by few Indian restaurants were found selling food popularly known as Biryani at very high price. The interesting part was, the food was not actually the authentic or the real biryani but out of ignorance, people were willing to pay the price.

It is the responsibilities of food and service providers to make sure customers are not tricked or cheated. If the price is high, give them the product matched with the price, if the product is not authentic, inform the customer about the product. Be it tourist or local, customers pay the same price, therefore they have the right to know what kind of product they are paying for. Other reasons for adapting to change could be very strong urge and attachment, lifelong developed taste for the local Bhutanese cuisine and local Bhutanese way of service. Most of the restaurants owners said, "Tourist are very seasonal, and they have to serve Bhutanese guest around the clock, it is best for them to resort to casual service, because this makes many Bhutanese guest comfortable".

There are many hotels and restaurants in Bhutan now for very few tourist and not much local opting to eat out every day like in other countries such as Thailand, Malaysia, and neighboring countries. The raise in number of hotels and restaurants has led to unhealthy practice of cutting down the cost to grab whatever business is available there by affecting the quality of

service. Government and private office seek for caterers while restaurant and hotels are frequently seen competing with low quoted price to cater which compromises the quality of product and service, this is the truth and the current practice in the country.

#### **5.4 Recommendation**

The hotels and restaurants should work under the same umbrella with common and ultimate aims and missions to raise the service standards rather than indulging in competition with each other on lowering the price to fetch business. They should compete more on who can provide better, new and unique services. Few managers of hotels in Bhutan pointed out they have known Bhutanese as people who do not mind to pay extra for better products and service.

Taking in all the aspects of problems and gaps of service quality, the concerned managers, proprietors and authorities must work together to make sure the gaps in service of hospitality are the same as the perceptions of tourist on nature, culture and tradition of Bhutan. Authorities can invite professional to talk on importance of service quality, conduct workshop and seminars regarding service quality and the importance of it in growing hospitality industry in the country.

##### **5.4.1 Customer feedback system**

This system will help business to use the data collected from the customers to organize the core functions. Further, it helps to keep the records of their customers and guests which can be used in many ways to improve service and quality. The feedback system helps managers to get an insight of what customers are looking for and what should be done by hotels or restaurant. The system will also help business understand different group of customers and their choices and preferences which can be used to further improve the service requirement of the types of customers.

##### **5.4.2 Conducting internal survey and trainings**

Successful recruitment of trained or semi trained employee is not the end of road and neither is the provision of quality service. The concerned managers and proprietors must ensure the employees are happy and satisfied with their job. To ensure this, internal survey on time basis is important to understand your employees and keep your employees feel secure and

protected. Further, the management must also work hard to keep their employees updated with current trends and issues of hospitality and tourism. Inviting learned and experienced professionals to inspire, comment and suggest are few and simple acts which can be adopted by hotels and restaurants.

#### **5.4.3 Inter departmental communication**

One very important factor that makes business successful is communication between different departments and employees. The restaurants must make sure that their employees are aware of any kind of functions happening, the dates, times and types of guests. Clear communication makes sure that there is no conflicts of information among employees and their task are routinely assigned through clear communication. The communication also makes employees feel confident on their task as they are informed which gives them time to act and react on their duty. Service quality can be enhanced and can be made suitable and appropriate to the guests only when every employee are involved and communicated.

#### **5.4.4 Effective training programs for employee**

It was clear from the perspective of expectation, the tourist expects more in terms of knowledge and skills of employee. The “Assurance” dimension which is concerned with know-how and courtesy of service providers and ability to convey trust and confidence in guest showed the widest negative gap which proves that employees are not trained and skilled or they are not enthusiastic with their work. It might be also to do with improper training programs. Guest were not satisfied with knowledge and skills of the employees because they were not assured about the products and services provided to them by the employees. Therefore, providing effective trainings to employees will enhance the service quality of the restaurants which in turn ensures long life of the business. The trainings are effective tools to keep employees constantly informed and helps develop skills and attitudes of employees. The trainings are also part of motivation act to improve and uplift the morale of the employees. Further, the trainings also provides employee with insight structure and benefits about working appropriately and efficiently which increases productivity and quality service. In general, effective trainings will improve all aspects of services and productivity of employees which gives the firm advantages of staying ahead in the growing competition.

## 5.5 Limitation

There are several limitations faced by this study. First, gathering literature for the study was a big challenge as there were no past studies conducted which were directly related to expectation and perception of tourist on restaurant service quality in the country.

Secondly, there were no clear picture of where the tourist went to eat and what kind of restaurants did their guide and travel agents choose for them. This made it difficult to understand which restaurants did the respondents referred to while they were filling the questionnaire. Moreover, the questionnaire were not open questions which otherwise would have generated more information about the restaurants and it would have been more beneficial to the restaurants as well.

Thirdly, the result from this study would create bias as the majority of respondents were European (15.1%) which would cause the result to show only the European perspective but it would be different when compared with other nationalities.

Lastly, the data collected was in a very short time during the month of June 2016 when it was low tourist season in Bhutan. The result would be different if conducted in high season because then there would be many distinct of nationality of tourist.

## 5.6 Suggestions for future research

1. Further, this research will serve as groundwork for future researchers to study and explore more in depth into service provided by hospitality firms in the country.

2. Future researcher should consider studying about difference expectation and perception regarding tourism product and hospitality service in Bhutan. This would show clear picture of what tourist are looking for in Bhutan.

3. Future researcher can also consider taking studies on;

- i. Current remuneration and pay scale of the hospitality industry,
- ii. The working conditions in the hotels and restaurants,
- iii. Youths' attitudes towards working in hotels and restaurants, and
- iv. Governments' efforts and plans for hospitality industry,
- v. Local perception on hospitality industry in Bhutan.

4. Similar study can also be conducted with larger sample size and during the peak tourist season in the country.

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## APPENDIX A



### Questionnaire

#### Measurement of Service Quality of Restaurants in Bhutan

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Dear Respondents,

I am an MBA student in Hospitality Management, Faculty of Hospitality and Tourism, Prince of Songkla University, Phuket Campus, Thailand. The purpose of this survey is to collect data for my thesis on “Measurement of Tourist Expectation and Perception of Service Quality: case study of restaurants in Bhutan”. I assure you that the data collected will be used for academic purpose only and will be kept confidential.

Sonam Tshering  
Researcher

#### Part One: Personal Information

Please tick (✓) in the options which correspond to your answer.

##### 1. Nationality:

- |   |  |
|---|--|
| a. American   | e. European  |
| b. Chinese  | f. Australian  |
| c. Japanese   | g. South Asia (India, Bangladesh, Maldives, Srilanka...) |
| d. South East Asia (Thailand, Malaysia, Singapore, Philippines, Vietnam...) |  |
| Others (_____)  |  |

##### 2. Gender

- |         |           |
|---------|-----------|
| a. Male | b. Female |
|---------|-----------|

##### 3. Age

- |                |                 |
|----------------|-----------------|
| a. Under 20    | d. 41-50 years  |
| b. 21-30 years | e. 51- 60 years |

- c. 31-40 years
- f. Over 60 years

**4. Marital status**

- a. Married
- b. Single
- c. Others

**5. Education**

- a. High school or lower
- b. Bachelor Degree
- c. Ph.D.
- d. Diploma
- e. Master Degree

**6. Annual Household income**

- a. < US\$ 40,000
- b. US\$ 40,001-60,000
- c. US\$ 60,001-80,000
- d. US\$ 80,001-100,000
- e. US\$ 100,001-120,000
- f. > US\$ 120,000

**7. Occupation**

- a. Self-employed/ Entrepreneur
  - b. Employee
  - c. Government Official
  - d. Manager
  - e. Retired
  - f. Professional
- Others (please specify \_\_\_\_\_)

**Part Two: Travel Behavior**

**1. What was your purpose of visit to Bhutan?**

- a. Tourist
- b. Official
- c. Business
- d. Meeting friends and Family

Others: \_\_\_\_\_

**2. Whom did you travel to Bhutan with?**

- a. Alone
- b. In Group
- c. Couple
- d. With Family

**3. Is this your first visit to Bhutan?**

- a. Yes
- b. No

**4. What was your main source(s) of information on Bhutan? (you can select more than one)**

- a. Friends & relatives
- e. Facebook

- b. Hotel website
- c. Marketing materials
- d. Online travel guides/agents
- f. Government website (TCB)
- g. Agents website
- h. General website

Others: \_\_\_\_\_

**5. What is the most important thing that you look for when you travel?**

- a. Nice and well-furnished Accommodation
- b. Nice and good food
- c. Adventure

Others: \_\_\_\_\_

**6. How long did you stay in Bhutan?**

Days: \_\_\_\_\_

**7. What is your opinion about food in restaurants in Bhutan?**

- a. Good Quality
- b. Good Selection
- c. Limited choices
- d. Good healthy food
- e. Organic food
- f. Un healthy food

Others: \_\_\_\_\_

**8. Were you aware about western food available in Bhutan?**

- a. Yes
- b. No

**9. How often did you eat in the restaurants of the hotel you stayed?**

- a. Three times a day (all three meals)
- b. Two Times a day (two meals)
- c. Once a day (one meal)

**10. What did you like the most in Bhutan? (you can select more than one)**

- a. Hotel rooms
- b. Foods
- c. Sightseeing
- d. Tradition and Culture
- e. Hiking and Trekking
- f. People and community

**Part Three: Expectation and Perception of Service in Standalone Restaurants and Restaurants in Hotel.**

Please **circle** (O) the number which you would best feel right about your *Expectation* of service of restaurants in Bhutan and your *Perception* after you have experienced the services from them.

Sl.#	Statements	Expectation					Perception				
		High	→			Low	Satisfied	→ Unsatisfied			
1	Modern and comfortable furniture in restaurant	5	4	3	2	1	5	4	3	2	1
2	The physical facilities, visual attractiveness, and quality	5	4	3	2	1	5	4	3	2	1
3	Cleanliness of the restaurant	5	4	3	2	1	5	4	3	2	1
4	Neatness and cleanliness of employees	5	4	3	2	1	5	4	3	2	1
5	Cleanliness and hygiene of Cutleries	5	4	3	2	1	5	4	3	2	1
6	Welcomes gestures of employees	5	4	3	2	1	5	4	3	2	1
7	Restaurant's interest to solve problems	5	4	3	2	1	5	4	3	2	1
8	Service is performed correct at all the time	5	4	3	2	1	5	4	3	2	1
9	Delivery of service on time	5	4	3	2	1	5	4	3	2	1
10	No mistakes while providing service	5	4	3	2	1	5	4	3	2	1
11	Employees informs about service time	5	4	3	2	1	5	4	3	2	1
12	Employees' promptness in service	5	4	3	2	1	5	4	3	2	1
13	Employees' willingness to help guests	5	4	3	2	1	5	4	3	2	1
14	Employees' response to guests need	5	4	3	2	1	5	4	3	2	1
15	Trained and professionals staff	5	4	3	2	1	5	4	3	2	1
16	Employees are confident in their work	5	4	3	2	1	5	4	3	2	1
17	Employees know their job well	5	4	3	2	1	5	4	3	2	1
18	Comfortable while communicating with employees	5	4	3	2	1	5	4	3	2	1
19	Politeness and manner of employees	5	4	3	2	1	5	4	3	2	1
20	Ability of employees to answer your doubts	5	4	3	2	1	5	4	3	2	1
21	Restaurants understands need of customers	5	4	3	2	1	5	4	3	2	1
22	Restaurants had customer's interest at heart	5	4	3	2	1	5	4	3	2	1

**Part Four: Perception of Quality of Foods Service.**

**1. Where did you like the food and service the most?**

- a. Restaurant in Hotel
- b. Standalone Restaurants
- c. Both

**2. If you revisit Bhutan, which restaurants would you choose?**

- a. Restaurant in Hotel
- b. Standalone Restaurants

**3. Please rate the quality of food service for each of the following criteria based on your perceived service you received from *Standalone Restaurant* and *Restaurant in Hotel*.**

*(5 – Strongly Agree, 4- Agree, 3- Neutral, 2- Disagree, & 1-Strongly Disagree)*

Sl.#	Statements	Standalone Restaurants					Restaurants in Hotel				
		S. Agree →					S. Agree →				
		S. Disagree					S. Disagree				
1	The overall taste of the food was good	5	4	3	2	1	5	4	3	2	1
2	The presentation of the food was professional	5	4	3	2	1	5	4	3	2	1
3	Varieties of vegetable dishes were available	5	4	3	2	1	5	4	3	2	1
4	Varieties of meat were available	5	4	3	2	1	5	4	3	2	1
5	Vegetable and meat were properly cooked	5	4	3	2	1	5	4	3	2	1
6	Food were served at the correct temperature	5	4	3	2	1	5	4	3	2	1
7	Healthy and Nutritious food were available	5	4	3	2	1	5	4	3	2	1
8	Varieties of breakfast menu were available	5	4	3	2	1	5	4	3	2	1
9	Good choices of soups and salads were served	5	4	3	2	1	5	4	3	2	1
10	All food served were fresh	5	4	3	2	1	5	4	3	2	1
11	In general, food service was good	5	4	3	2	1	5	4	3	2	1

**4. Which restaurants would you recommend to your friend who might want to visit**

**Bhutan in future?** *(you can select more than one)*

- a. Chha Bistro & Bar
- b. San Maru Korean Restaurant
- f. Benez Restaurant
- g. Paro United Café & Bar

- c. Sinchula Indian Restaurant
- d. Cloud 9 Burger
- e. Peday's Restaurant
- h. Lemon Grass Restaurant
- i. Mojo Park

Other: \_\_\_\_\_

Email: \_\_\_\_\_

**Thank you. Have a nice trip. Safe Journey**



## APPENDIX B

### Certificate



## VITAE

**Name** Mr. Sonam Tshering

**Student ID** 5830120013

### **Educational Attainment**

<b>Degree</b>	<b>Name of Institution</b>	<b>Year of Graduation</b>
Bachelor of Commerce	Darjeeling Government College, India	2003
Post Graduate Degree	Mahidol University International College, Thailand	2007
Teacher Training	University of Applied Sciences, Salzburg, Austria	2010

### **Scholarship Awards during Enrollment**

Thailand International Development Co-operation Agency (TICA) 2015-2016

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Instructor Royal Institute for Tourism and Hospitality Tourism Council of Bhutan

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### **List of Publication and Proceeding**

Tshering, Sonam and Prateep Wetprasit (2016). Measurement of Tourist expectation and perception of service quality: case study of restaurants in Bhutan. *Suratthani Rajabhat University International Conference: Facilitating Autonomous Learning via Research-Based Approaches*, 27-28 October 2016, Surat Thani, Thailand.