

# THE IMPACT OF SERVICE QUALITY ON TOURIST OVERNIGHT STAYS IN COLOMBO AND GALLE, SRI LANKA: TOURISTS' PERSPECTIVES

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### **ABSTRACT**

Sri Lanka is renowned for its stunning natural beauty and this fascinating island with a rich cultural heritage and diverse landscapes and ecosystems, makes it the perfect holiday destination among adventure and relaxation-seeking tourists. However, the Sri Lankan Central Bank estimates, that there has been a reported decline in tourist overnight stays in Sri Lanka in 2021 and research suggests service quality of hotels might have been one issue. Therefore, this study aims to determine how service quality in hotels affects the number of overnight stays of tourists in the coastal areas of Colombo and Galle. This study employed a quantitative research approach using self-administered questionnaires which covered a sample of 384 foreign tourists and 35 items of a five-point Likert scale were evaluated. The survey data collection process used cluster sampling techniques to ensure representative responses. Deploying simple linear regression analysis, the impact of service quality on tourists' overnight stays was identified. It was found that there is a significant positive impact of the service quality of hotels on tourists' overnight stays in Colombo and Galle. Thus, the hotels need to maintain high service quality that will increase the tourists' overnight stays while encouraging tourists to extend their visits. The study contributes to scant business and management literature on tourism and service quality.

keywords - Tourists overnight stays, service quality, hotels, tourist's experience, tourist's satisfaction, coastal area

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#### 1. INTRODUCTION

### **Background of the study**

The tourism sector, highlighted by <u>Camilleri (2017)</u>, plays a key role in the global economy, significantly driving economic growth, job creation, and foreign exchange in many countries. Despite facing constant challenges such as safety and environmental issues, this industry continues its remarkable growth path. Given the critical role that tourism plays in the country's economy, it is imperative to understand the factors that influence tourist stays in these particular coastal destinations. As a result, this research aims to address the issue of declining tourists' overnight stays in Colombo and Galle by shedding light on the critical relationship between service quality and tourists' overnight stays.

## Statement of the problem

According to the <u>Central Bank of Sri Lanka</u> (2021) there has been a significant decline in tourists' overnight stays. However, the <u>Central Bank of Sri Lanka</u> (2021) stated that many tourists have visited Sri Lanka's Colombo and Galle districts. As a result, the authors investigated what factors influence tourist's overnight stays. After reviewing the literature, the authors examined whether service quality affects tourists' overnight stays in Colombo and Galle. The selection of these factors for the study is in line with the existing literature on "factors affecting tourists' overnight nights" (<u>Marton et al., 2021</u>) and (<u>Hon and Fung, 2019</u>).

Tourist Guest Night Stays (TGNS)
of 2019/2020/2021

No of TGNS
Galle
3686

No of TGNS
Galle
3686

No of TGNS
Colombo
1171

No of TGNS
Galle
749

No of TGNS
Galle
749

Colombo
248

No of TGNS
Galle
80

2019

2020
2021

Figure 1 Tourist Guest Night Stays of the year 2019, 2020 and 2021

Source: The Central Bank Annual Report 2021.



### **Research questions**

The research aims and objectives must be clearly defined considering the research questions.

• How do the service quality indicators impact on tourists' overnight stays in Colombo and Galle coastal area, Sri Lanka?

## Research objectives

• To investigate the impact of service quality on the number of tourists overnight stays in Colombo and Galle coastal area, Sri Lanka.

The purpose of this study is to investigate the effect of service quality on tourists' overnight stays in the coastal areas of Colombo and Galle. By conducting a comprehensive review of the existing literature, this research not only addresses the knowledge gap but also highlights the relevance of the study in the context of the research questions and objectives.

#### 2. METHODOLOGY

According to Ford (2009), the scope of the research study is that collecting data is necessary and important to investigate the study. In this research study, the authors used primary data to explore the research topic, which focuses on investigating the perspective of tourism. The selection of Colombo and Galle districts as the population is crucial in ensuring the relevance and accuracy of the study's findings. Therefore, the authors collected data from the Colombo and Galle areas. To collect the data, the authors conducted an online survey with the use of a QR code and analyzed the data accordingly. The population in this study refers to the total number of tourists who arrived in Sri Lanka in 2021. The authors have determined that a sample size of 384 would be representative of the population based on the sample proportion with the use of the Krejice and Morgan Table (Shukla, 2020). For this study, the authors used a sample size of 384 foreign respondents and a total of 35 five-point Likert scale items. The used sampling method is the cluster sampling method. The entire set of data was examined using simple linear regression.

The objective of this research study was to investigate the impact of service quality on tourists' overnight stays in Colombo and Galle from the tourists' perspective. Quantitative approaches were used to analyze the data on service quality elements. The study aimed to provide deeper knowledge of the variables under investigation. In the tourism sector, client satisfaction and loyalty are significantly influenced by service quality (Ramya, Kowsalya and Dharanipriya, 2019). To investigate this issue, the researchers have used secondary data from various sources to support the research question (Central Bank of Sri Lanka, 2021).

#### 3. RESULTS AND DISCUSSION

## Regression analysis

**Table 1** Model summary

Model summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
1	.628ª	.394	.393	.24450			



a. Predictors: (Constant), service quality

Source: Authors' calculation based on Survey data (2023)

The table indicates that the model has a moderate positive fit, with an R-squared value of 0.394. This means that about 39.4% of the variance in the dependent variable can be explained by the independent variables in the model and, it has 0.628 R (correlation coefficient) in this model indicating that there is a strong positive relationship between the predictors and the dependent variable (outcome variable).

Table 2 ANOVA

			ANOV A			
Mod	lel	Sum of Squares	df	Mean Square	F	Sig.
1	Regressio n	14.877	1	14.877	248.86 5	.000b
	Residual	22.836	382	.060		
	Total	37.713	383			

- a. Dependent variable: Tourists overnight stays in Colombo and Galle area of Sri Lanka
- b. Predictors: (Constant), service quality

Source: Authors' calculation based on Survey data (2023)

The ANOVA table shows the results of the analysis of variance for the simple linear regression model with the dependent variable "Tourists' overnight stays in Colombo and Galle coastal area of Sri Lanka" and the independent variable "service quality".

The table indicates that the regression model is statistically significant with an F-value of 248.865 and a p-value of 0.000. This suggests that the independent variables together significantly explain the variation in the dependent variable.

**Table 3** Coefficients

Co	oefficients					
Model		Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
		В	Std. Error	Beta	_	
1	(Constant)	.645	.252		2.556	.011
-	Service Quality	.869	.055	.628	15.775	.000

a. Dependent variable: Tourists' overnight stays in Colombo and Galle area in Sri Lanka Source: Authors' calculation based on Survey data (2023)



The constant term represents the intercept of the regression line, which is the dependent variable's value when all predictor variables are zero. In this instance, the constant is 0.645; so, if all predictor variables are zero, the expected value of tourists' overnight stays in Sri Lanka's Colombo and Galle coastal area is 0.645.

The standardized coefficients (Beta) indicate the predictive significance of each predictor variable for the dependent variable. Service quality has the highest standardized coefficient of all predictor variables with a beta value of 0.628. This indicates that the predictor variable in the model, service quality has the greatest influence on tourists' overnight stays in Sri Lanka's coastal areas.

The correlation analysis reveals that there is a positive relationship between the service quality variables and tourist overnights stays.

The p-values associated with predictor variable's t-statistics indicate the statistical significance of each coefficient. This model's predictor variables for service quality have p-values less than 0.05, indicating that they are statistically significant predictors of tourists' overnight stays in Sri Lanka's coastal region. This suggests that the service quality has a significant positive impact on tourists' overnight stays.

H<sub>1</sub>: There is a significant impact of service quality on tourist overnight stays in Colombo and Galle coastal areas of Sri Lanka

According to the findings of the study, service quality has a positive standardized coefficient of (B value) 0.628. This model's predictor variable for service quality has p-values less than 0.05, indicating that they are statistically significant predictors of tourist overnight stays in Sri Lanka's Colombo and Galle coastal area.

#### 4. CONCLUSIONS / RECOMMENDATIONS

The quantitative analysis of the study, based on the collected data, has given final results establishing a significant positive relationship between service quality and tourists' overnight stay in Colombo and Galle coastal areas. These results highlight the primary role of service quality in attracting tourists to the coastal region. It is important to note that this conclusion was drawn from the specific data sets collected and analyzed in the study.

Considering these findings, the authors recommend that further research be conducted to examine the impact of other factors on tourist overnight stays in the Colombo and Galle coastal areas of Sri Lanka. Specifically, the authors suggest that future studies should explore the effects of the COVID-19 pandemic and economic crises in Sri Lanka on the tourism industry in this region. The research study was conducted under certain limitations. The data collection was limited to the Colombo and Galle coastal areas and for a limited period. Furthermore, the study solely focused on examining the impact of service quality on tourist overnight stays in the Colombo and Galle coastal areas of Sri Lanka. Such research could provide valuable insights into the factors that influence tourist behavior and inform policies aimed at promoting sustainable tourism in Sri Lanka.

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