



Innovative and Regenerative Practices for Enhancing Service Quality in Luxury Hospitality: A SERVQUAL Model Study of Oberoi Hotels in Himachal Pradesh

Sonia Khan¹, Mr. Abhishek Rajan^{2*}, Vivek Singh Aswal³

¹ Professor, Dept. of Vocational Studies, HPU, Shimla, Himachal Pradesh, India

²Senior Lecturer, IHM Kufri, Shimla, Himachal Pradesh, India

³Lecturer, IHM Kufri, Shimla, Himachal Pradesh, India

* Corresponding author: abhishekrajan@gmail.com

Abstract. This study investigates innovative and regenerative practices aimed at enhancing service quality in luxury hospitality, with a specific focus on the Oberoi Hotels in Himachal Pradesh. The primary objective is to evaluate guest satisfaction by applying the SERVQUAL model, which measures five critical dimensions: tangibles, reliability, responsiveness, assurance, and empathy. This research utilizes a quantitative methodology, collecting primary data through self-administered questionnaires from 303 guests, including Free Independent Travelers (FITs), during peak tourist seasons. The data were analysed using descriptive statistics (mean, standard deviation) and inferential techniques (one-sample t-tests and correlation analysis) to determine the correlation between SERVQUAL dimensions and guest satisfaction levels. The results reveal a high degree of guest satisfaction, with tangibility and reliability emerging as the most influential dimensions, followed closely by responsiveness and assurance. The findings emphasize that superior service quality in luxury hotels significantly impacts guest loyalty and retention. The study recommends periodic service audits, continuous staff training in empathy and responsiveness, and leveraging technology to personalize guest experiences. These insights provide actionable strategies for maintaining service excellence in luxury hospitality, thereby strengthening competitive positioning and enhancing guest experiences.

Keywords: Service Quality, Luxury Hospitality, SERVQUAL Model

1 Introduction

Tourism, a multifaceted phenomenon involving travel for leisure and exploration, has evolved significantly over centuries to become a pivotal sector for socio-economic and cultural development [1]. Beyond its recreational aspects, tourism facilitates cultural exchange, fosters regional development, and generates employment and wealth [2]. As an increasingly accessible activity, tourism contributes substantially to the global economy, shaping societal norms and values [3]. The inclusivity and diversity of tourism, coupled with its ability to adapt to various cultural and geographical contexts, underscore its importance as a global driver of progress [4].

Himachal Pradesh, often referred to as "Dev Bhumi" (the land of gods), is an exemplary destination showcasing the harmonious interplay of natural beauty, cultural heritage, and sustainable tourism development. Nestled amidst the Himalayas, the state attracts millions of tourists annually due to its picturesque landscapes, spiritual significance, and diverse activities. Tourism plays a critical role in Himachal Pradesh's economy, emerging as a key revenue generator. Efforts to bolster this sector include infrastructure development, policy initiatives like strategic collaborations between the government and private sector.

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Central to the success of tourism is the accommodation industry, which serves as the backbone of tourism infrastructure. From luxury hotels to budget hostels, accommodation facilities cater to the diverse needs of travellers, influencing their overall experience and satisfaction. In this context, luxury properties such as Oberoi Hotels in Himachal Pradesh exemplify premium hospitality offerings, combining high service standards with local cultural elements. This study focuses on three prominent Oberoi properties—The Oberoi Clarks, The Oberoi Cecil, and The Wildflower Hall—analysing their service quality during peak tourist seasons through the SERVQUAL model..

2. Review of Literature

Tourism development serves as a pivotal driver of economic and social progress, contributing to job creation, cultural preservation, and global interconnectedness. Himachal Pradesh exemplifies this potential by leveraging its abundant natural and cultural resources to attract a diverse range of visitors. Milestones such as the establishment of the Himachal Pradesh Tourism Development Corporation (HPTDC) in 1972 and subsequent strategic policies underscore the vital role of government intervention in promoting sustainable tourism..

Accommodation, a cornerstone of the tourism supply chain, enhances destination appeal through varied offerings like luxury hotels and eco-lodges. High-quality accommodation, such as Oberoi properties in Himachal Pradesh, significantly shapes guest experiences, fostering satisfaction and repeat visits. Recent studies have emphasized the role of personalized services and digital innovations in luxury hospitality, which improve guest engagement and satisfaction levels. Moreover, smart technologies, such as AI-powered chatbots and real-time feedback systems, are revolutionizing guest experiences by offering tailored recommendations and seamless service delivery [5].

Service quality remains a critical factor in the hospitality industry, with the SERVQUAL model offering a robust framework to evaluate guest expectations and perceptions across dimensions like reliability, responsiveness, and empathy. Its application in tourism has demonstrated effectiveness in improving service delivery and guest satisfaction, particularly in luxury accommodations where personalized service and staff competence play vital roles. A recent studies highlights that adapting the SERVQUAL model to assess digital service quality dimensions enhances guest perceptions in high-end hospitality environments.

In the Indian context, sustainable and regenerative practices are becoming increasingly important in the luxury hospitality segment. Studies have shown that incorporating sustainability initiatives, such as waste management, water conservation, and locally sourced products, positively influences guest satisfaction and brand. Furthermore, incorporating wellness programs and experiential tourism offerings, as demonstrated by luxury properties such as Ananda in the Himalayas and ITC Hotels, caters to the evolving preferences of discerning travelers seeking holistic experiences.

In Himachal Pradesh, using SERVQUAL to assess Oberoi properties provides actionable insights into meeting diverse guest expectations, reinforcing the state's reputation as a premier tourist destination. Recent applications of the SERVQUAL framework in Indian luxury hotels highlight the importance of integrating technological innovations and sustainable practices to enhance service quality and maintain competitive advantage.

Table 1: Comparative Analysis of Previous Studies with Current Study

Aspect	Previous Studies	Current Study
Scope of Application	Choi and Chu (2001) [6] and Ali et al. (2021) [7] applied the SERVQUAL model in general hospitality settings, focusing on traditional service quality dimensions.	Focuses on luxury properties (Oberoi Hotels) in Himachal Pradesh, specifically evaluating guest satisfaction through SERVQUAL, including insights from Free Independent Travelers (FITs).
Technological Integration	Buhalis and Leung (2018) [8] and Ivanov and Webster (2019) [5] explored smart technologies, including AI and automation, in enhancing service quality.	Acknowledges technological importance but emphasizes tangible and interpersonal dimensions such as empathy, responsiveness, and staff engagement.
Sustainability and Regenerative Practices	Chang et al. (2024) [9] highlighted the impact of eco-friendly initiatives on guest satisfaction and brand loyalty.	Explores regenerative practices not just for environmental sustainability but also for enhancing overall guest satisfaction and service quality.
Geographical and Contextual Focus	Previous studies applied SERVQUAL across global hospitality settings, with limited focus on India or specific tourist destinations.	Provides a region-specific analysis of service quality in Himachal Pradesh, offering insights relevant to luxury properties in similar tourist destinations.
Guest Perception and Loyalty	Secchi (2018) [10] assessed the impact of digital service quality dimensions in high-end hospitality.	Evaluates guest perceptions primarily through SERVQUAL dimensions and highlights their direct impact on guest loyalty and retention.

3. Research Methodology

The population and sample are subsets of the universe and the population, respectively, and they both need to reflect the attributes of the whole universe and population. The current study is being conducted using Sample 303. To obtain the necessary sample, the "simple random sampling" technique was applied. As sample of 300 plus is required to collect from the study area. Therefore, sample of 320 were collected and while checking the details of them it had found that some of them left some questions unanswered thus, these samples were not included for the final analysis of the data and at last sample of 303 was taken up for the final data estimation.

Descriptive statistical measures, including frequency distribution, skewness, kurtosis, standard deviation (S.D.), mean, median, and mode (central tendency), have been employed in this study. These statistical tools were utilized to evaluate the normality of the collected data and to summarize its numerical characteristics. Additionally, the mean score, median, mode, standard deviation, skewness, and kurtosis were calculated for the Service Quality Assessment Scale (SQAS) and are presented in Table 1.

Table 2 Descriptive Statistics of SQAS Scores

Descriptive Statistics	Guests
Mean	74.22
Median	68.00
Mode	138
S.D.	38.371
Skewness	0.171
Kurtosis	-1.934

The calculated skewness and kurtosis values were insignificant, thus, it can be statistically neglected and also lying with in accepted range of ± 2 to prove normal distribution. Basic assumption for normality of data, Skewness and Kurtosis values are in under acceptable limits of ± 2 .

Under the inferential statistics, following parametric tests were used to conduct the particular study in scientific and statistical manner such as one sample t-test and correlation coefficient

4. Data analysis and interpretation

Table 3 : Demographic Analysis of Guests Profile

Demographic variable	Frequency	Percentage
Age		
Below 18 year	06	2%
19-30	205	68.33%
31-50	82	27.33%
Above 50 year	07	2.33%
Gender		
Male	214	71.33%
Female	86	28.66%
Nationality		
Indian	300	100%
Foreigners	0	0%
Educational Qualification		
Higher Secondary	19	6.33%
Graduate	18	6%
Post Graduate	105	35%
No formal education	16	5.33%

Other	42	14%
Occupation		
Student	41	13.66%
Self Employed	116	38.66%
Government/ Private sector	131	43.66%
Retired	10	3.33%
Unemployed	02	0.66%
Yearly Income		
Less than 3 lakhs	58	19.33%
3-4 lakhs	66	22%
5-6 lakhs	81	27%
7-8 lakhs	54	18%
Above 8 lakhs	41	13.66%

Source: Primary Data

4.2 Satisfaction level of Guests towards SERVQUAL model

For understanding and improving the quality of hospitality products and services, it is important to measure the satisfaction level guests and designing the products and services accordingly. In this lieu, SERVQUAL model is the most used and reliable model to explore the experiences of visitors about various services offered by the hotel chains. Therefore, objective “To measure the satisfaction level of Guests towards SERVQUAL model” and hypothesis (H₁) “Guests have high level of satisfaction towards SERVQUAL model” are designed. In order to achieve the objective and test the hypothesis (H₁) correlation co-efficient and one sample –t –test are estimated and results are presented in table 4.2 and graphs (4.1 to 4.8), respectively. Table 4.2 documents the association of said variables with each other under highlighted categories of SERVQUAL model. Tangible (TAN) component of model correlated with other components in following manner; reliability (0.841), responsiveness (0.725), assurance (0.765) and empathy (0.713). Likewise, Reliability (REL) with responsiveness (0.810), assurance (0.828) and empathy (0.781), Responsiveness (RES) with assurance (0.824) and empathy (0.797), and assurance (ASS) with empathy (0.795). Moreover, it is concluded from the findings that guests’ satisfaction towards SERVQUAL model is significant and highly inter correlated with each other component. However, level of satisfaction varying item to item and construct to construct that signifies the suitability of the model too.

Note: TAN=Tangible, REL=Reliability, RES=Responsiveness, ASS=Assurance, EMP=Empathy. Additionally, Table 4 representing the satisfaction level of guests in overall and in between different components of SERVQUAL model. Highest amount of correlation is reported between tangibility and reliability of guests' services followed by the responsiveness and assurance, reliability and responsiveness, and so on. Thus, the proposed objective one "To measure the satisfaction level of Guests towards SERVQUAL model" and hypothesis (H₁) "Guests have high level of satisfaction towards SERVQUAL model" are achieved and tested, respectively.

Table 4 Satisfaction of guests toward SERVQUAL model in the selected hotels

Constructs	TAN	REL	RES	ASS	EMP
TAN	1.00	0.841	0.725	0.765	0.713
REL		1.00	0.810	0.828	0.781
RES			1.00	0.824	0.797
ASS				1.00	0.795
EMP					1.00

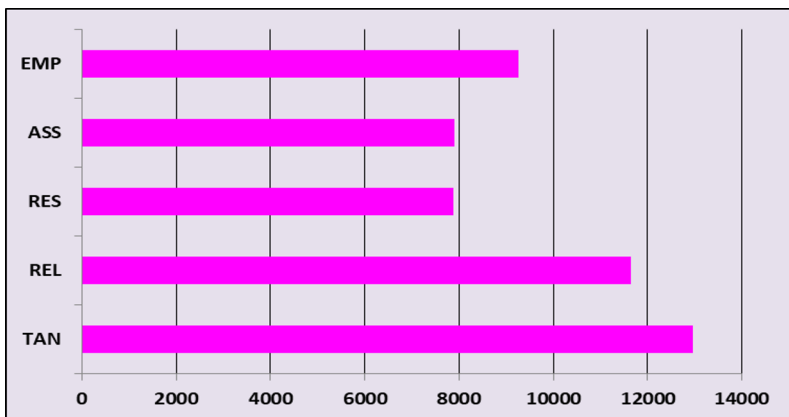


Figure -1 Satisfaction of guests toward SERVQUAL model in the selected hotels

Figure 1, presents an overall view of guest satisfaction with the five dimensions of the SERVQUAL model: tangibles, reliability, responsiveness, assurance, and empathy. It highlights that guests reported the highest satisfaction in the dimensions of tangibles and reliability, followed by responsiveness and assurance.

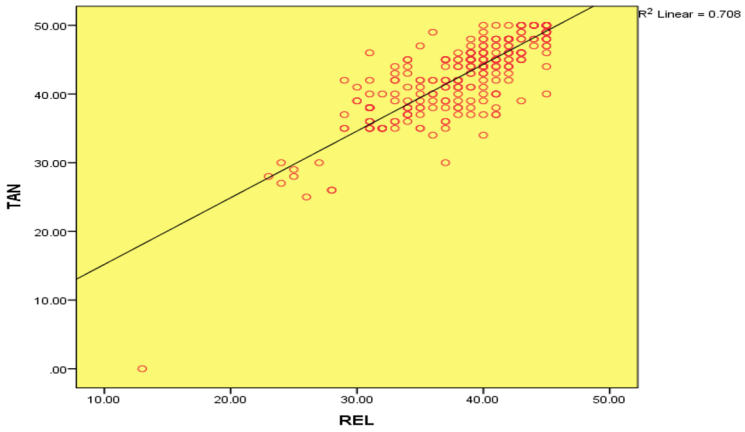


Figure 2. Relationship between TAN and REL

Fig. 2 shows a positive correlation between tangibles and reliability. It indicates that well-maintained facilities, modern equipment, and visually appealing environments enhance guest perceptions of the hotel’s reliability in delivering services as promised.

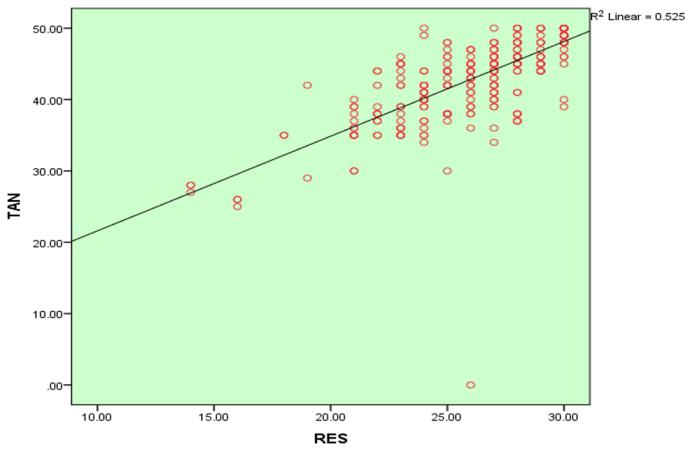


Figure 3. Relationship between TAN and RES

Fig 3 demonstrates a correlation between tangibles and responsiveness. It suggests that a visually appealing and comfortable environment contributes to prompt and attentive service, positively influencing guests’ perceptions of responsiveness.

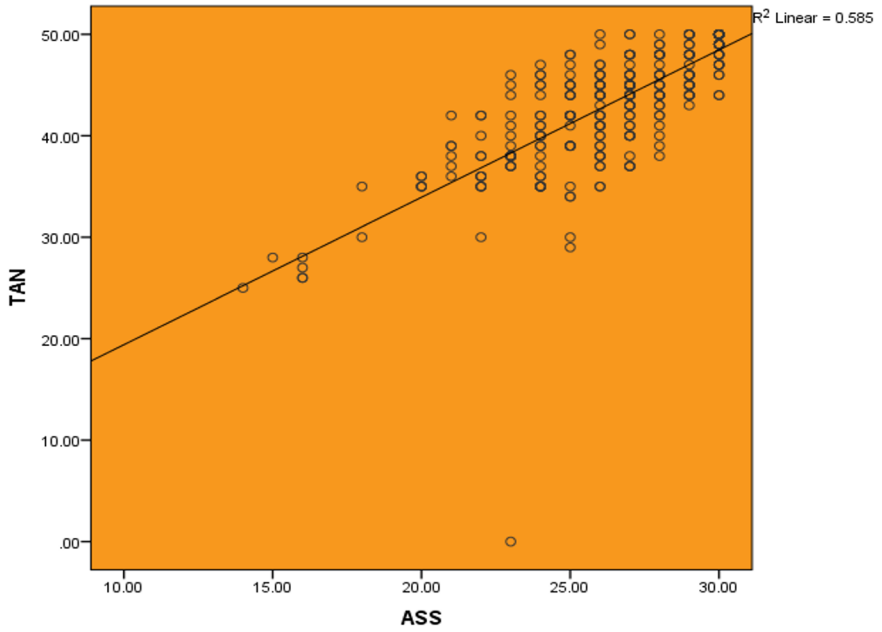


Figure 4 Relationship between TAN and ASS

Fig 4 illustrates the link between tangibles and assurance. It highlights that high-quality physical facilities and amenities reinforce guests' trust in the hotel's professionalism and commitment to safety.

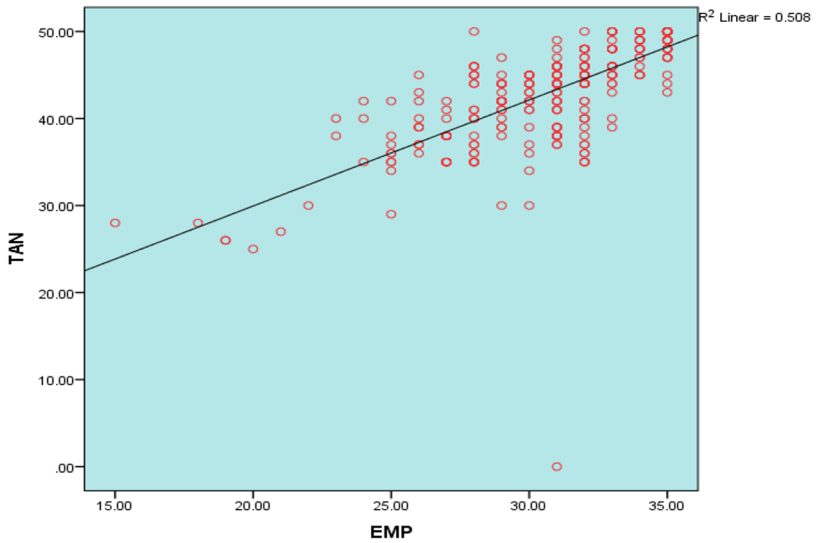


Figure 5 Relationship between TAN and EMP

Fig 5 , explores the relationship between tangibles and empathy. It suggests that a well-maintained, aesthetically pleasing environment positively influences guests' perceptions of the staff's ability to offer personalized and attentive service.

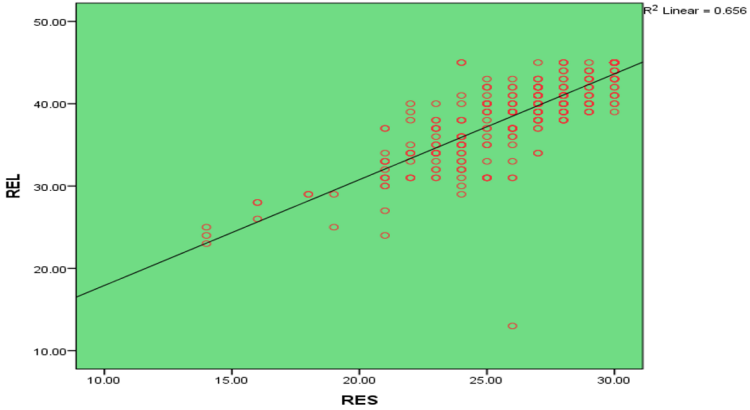


Figure 6 Relationship between REL and RES

Fig 6, shows a strong correlation between reliability and responsiveness. It indicates that consistent and accurate service delivery enhances guests' expectations of prompt responses to their queries and needs.

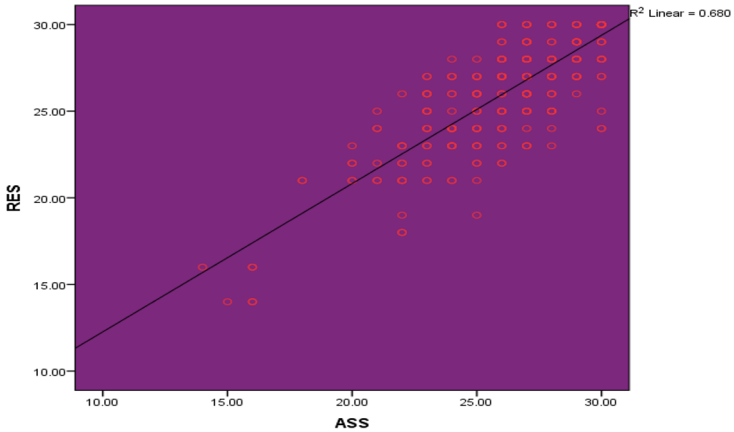


Figure 7 Relationship between RES and ASS

Fig 7, illustrates the relationship between responsiveness and assurance. It suggests that responsive staffs, addressing concerns efficiently, strengthens guests' confidence in the hotel's professionalism and service quality.

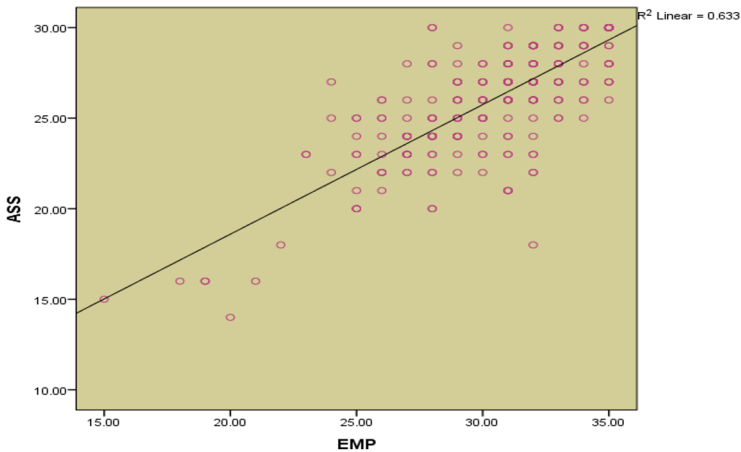


Figure 8. Relationship between ASS and EMP

Figure 8, highlights the positive correlation between assurance and empathy. It demonstrates that when guests feel assured about safety, professionalism, and reliability, they are more likely to perceive the staff as empathetic and attentive to their needs.

5. Research Findings

- i. The study reveals a high level of guest satisfaction across the SERVQUAL dimensions, underscoring the effectiveness of service quality in the selected hotels.
- ii. Tangibility and reliability emerged as the most strongly correlated dimensions, followed by responsiveness and assurance, and other components.
- iii. Guests expressed significant satisfaction with the tangibility aspects, including visually appealing properties, modern equipment, comfortable atmospheres, well-maintained facilities, and hygienic food and beverage services.
- iv. Reliability was also rated highly, with guests emphasizing services delivered as promised, promptness, accuracy, and the willingness of staff to serve.
- v. Responsiveness received favourable feedback for its ability to address complaints effectively, provide flexibility, maintain consistent services, and ensure courteous employee behaviour.
- vi. Assurance ranked high due to guests' trust in the safety, professionalism, and helpfulness of staff.
- vii. Finally, empathy was well-appreciated, with employees demonstrating attentiveness, individualized service, and a strong focus on convenience for all guests, including those with special needs.

These findings highlight the critical role of tangibility and reliability in meeting and exceeding guest expectations.

6. Conclusion and recommendations

Based on the findings, it is evident that maintaining high service quality standards is essential to ensure guest satisfaction and loyalty.

- i. To address this, it is recommended that the SERVQUAL model be consistently utilized to identify service quality gaps and implement targeted improvements.
- ii. Training programs should emphasize enhancing staff competencies in empathy, customer engagement, and technological proficiency.
- iii. Establishing and adhering to standardized operating procedures (SOPs) will help maintain consistent service delivery, which should be periodically updated based on guest feedback and emerging trends.
- iv. Leveraging technology, such as CRM systems and real-time service monitoring, can further enhance responsiveness and enable personalized experiences.
- v. Tangibility factors, such as facility upkeep, modernization, and brand alignment, should also be prioritized.
- vi. Additionally, clear communication channels and transparent policies will foster effective handling of guest concerns.
- vii. Finally, fostering a culture of continuous improvement, benchmarking against industry standards, and rewarding high-performing employees will ensure the sustained delivery of superior service quality.

Implementing these strategies will strengthen guest relationships, elevate service quality, and improve competitive positioning in the hospitality sector.

7. Discussion

The findings of this study emphasize the critical role of maintaining high service quality standards in luxury hospitality, particularly in properties like Oberoi Hotels in Himachal Pradesh. The analysis of the SERVQUAL dimensions—tangibles, reliability, responsiveness, assurance, and empathy—reveals that tangibility and reliability exhibit the strongest correlations with guest satisfaction. This indicates that visually appealing properties, modern facilities, and well-maintained amenities, coupled with dependable and prompt service delivery, significantly influence guest perceptions. The high scores in responsiveness and assurance further underscore the importance of addressing guest queries effectively, ensuring a secure environment, and maintaining a courteous and professional staff.

The study highlights that empathy, demonstrated through personalized service and attentiveness to guest needs, is equally pivotal in enhancing satisfaction. These insights reaffirm that consistent service quality contributes to guest loyalty and positive word-of-mouth, ultimately strengthening the competitive positioning of luxury hospitality brands. Additionally, the strong inter-correlations among the SERVQUAL dimensions suggest that improvements in one aspect can positively influence others, creating a ripple effect that enhances the overall guest experience.

8. Limitations of the study

While this study provides valuable insights into service quality at Oberoi Hotels in Himachal Pradesh, certain limitations must be acknowledged:

- i. The study focuses exclusively on Oberoi Hotels in Himachal Pradesh, limiting the generalizability of findings to other luxury hospitality brands or geographical locations.

- ii. Data collection was conducted during peak tourist seasons, which may not fully capture variations in service quality perceptions during off-peak periods.
- iii. While SERVQUAL is a robust framework, it may not account for certain intangible factors, such as emotional connections and cultural preferences that can influence guest satisfaction in a luxury hospitality setting.
- iv. The study does not account for the growing influence of digital and AI-driven guest experiences, which are becoming increasingly relevant in modern hospitality practices.

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