
**THE EFFECT OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN JINJA HOTELS,
A CASE STUDY OF JINJA NILE RESORT**

BY

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DECLARATION

I, **OTUTA JOHN**, with Registration Number **BU/UP/2023/1321**, hereby declare that this research report is my original work of creation. To the best of my knowledge, it has never been previously written, compiled, or submitted by any other scholar or student at any university or institution for any degree or qualification.

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APPROVAL

I hereby certify that this research report has been done under my close supervision and guidance. The work is original and has been carried out in accordance with the academic standards and requirements of Busitema University. I therefore approve it for submission in partial fulfillment of the requirements for the award of a Bachelor of Tourism and Travel Management.

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Signature: _____

Date: 27 May 2021

DEDICATION

I dedicate this work to my Parents, and family for unwavering moral support, encouragement, and understanding. I also extend my gratitude to my friends, course mates, lecturers, and the Almighty God for His continuous blessings and love.

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LIST OF ABBREVIATIONS

ABBREVIATIONS	MEANING
GDP	Gross Domestic Product
IV	Independent Variable
DV	Dependent Variable
JLL	Jones Lang LaSalle (Hotels & Hospitality Research)
OECD	Organization for Economic Co-operation and Development
SPSS	Statistical Package for the Social Sciences
SERVQUAL	Service Quality Model
SERVPERF	Service Performance Model
TRI	Tourism Research Institute
MTW	Ministry of Tourism and Wildlife (Kenya)
UBOS	Uganda Bureau of Statistics
UGX	Uganda Shillings
UN	United Nations
UTB	Uganda Tourism Board
WTTC	World Travel and Tourism Council

ABSTRACT

The research study examined the effect of service quality on customer satisfaction Jinja in hotels, with a major focus on Jinja Nile Resort Hotel in Uganda. The study guided by the SERVQUAL model, examined three major dimensions of service quality: reliability, responsiveness, and assurance and their influence on customer satisfaction. By adopting a quantitative cross-sectional design, data were collected from 55 respondents comprising hotel staff and guests using structured questionnaires and interview questions. The findings demonstrated that all three dimensions positively and significantly influence customer satisfaction, with responsiveness showing the strongest effect ($R^2 = 0.659$), followed by assurance ($R^2 = 0.632$) and reliability ($R^2 = 0.613$). Respondents rated professionalism, prompt service, and dependable delivery highly, though complaint handling showed room for improvement. The study concludes that increasing staff training, improving service recovery, and enforcing quality standards are essential for sustaining customer satisfaction and loyalty. This research study is expected to contribute evidence based insights into service quality and customer satisfaction in Uganda's hospitality sector, offering recommendations for hotel managers, policymakers, and industry stakeholders to increase and boost the development of Uganda's hospitality industry through enhanced service quality and customer satisfaction.

CHAPTER ONE

BACKGROUND OF THE STUDY

1.0 Introduction

This chapter presents the background of the study, the problem statement, purpose of the study, objectives of the study, research questions, the scope of the study, significance of the study and the conceptual framework

1.1 Background of the study

Service quality in hotels is defined by dimensions like reliability, responsiveness, assurance, empathy, and tangibles, all of which significantly influence the guest experience. According to Kheng et al. (2010), service quality is very critical for evaluating customer satisfaction, and its sustainability depend on the quality service. Achieving high service standards is significant for achieving customer satisfaction which promotes customer loyalty, a critical objective for businesses to achieve customer loyalty and retention (UBOS, 2024); Tampil et al., 2022).

Research indicates that a 1% improvement in service quality result in a 3.7% increase in customer satisfaction and retention Crossman, (2024). In a competitive business environment, hotels must maintain high service quality to attract and retain customers, thus gaining a competitive advantage Abdul-Qadir et al., (2021). According to the World Travel and Tourism Council (2021), the tourism sector accounted for 10.4% of global GDP in 2019, creating over 300 million jobs globally. Within this sector, service quality acts as a major determinant of customer satisfaction, leading to repeat business and positive word-of-mouth referrals Sulemana et al. (2023).

Globally, the emphasis on service quality is increasingly recognized as a major driver of customer satisfaction. For instance, investments in service training in Spain have significantly enhanced its tourism sector, which now contributes more than 12% to the national GDP with increased customer retention and repeat visits indicating Spain's efforts towards achieving customer satisfaction in the tourism and hospitality sector OECD, (2024). Similarly, Japan's commitment to the principle of "Omotenashi," which focuses on anticipating and fulfilling

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