Abstract

Title:	Customer Expected Services and Perceived Services toward Service Quality for Budget Hotels in Chiang Mai City.
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This study aims to investigate customer satisfaction towards service quality on budget hotels in Chiang Mai city. There were altogether 250 customer respondents, who stayed overnight at a budget hotel in Chiang Mai city, participated in the study. The convenience sampling technique of non-probability was adopted in the selection process.

Majority of respondents, who stayed at budget hotels in Chiang Mai City, are Thai (50.4%) followed by foreigners (49.6%). They are well educated with bachelor's degree or higher (77.2%) and are employed (78.8%) with monthly incomes below 30,420 Baht per month (44.4%). However, the respondents were nearly equally distributed between males (57.2%) and females (48.2%). Most respondents are aged below 40 years old (66.8%) and they stayed at the hotel for 1-3 nights (77.4%). Generally most of them selected the hotel from recommendations of friends and associates they know (49.2%). Many customers selected the hotel due to its good location (73.6%). Most of them will revisit the hotel (61.2%).

In terms of the five dimensions in the Service Quality Dimensions Theory (Tangible, Reliability, Responsiveness, Assurance, and Empathy) are the key determinants of Expectation and Perception from customers. Among those five dimensions, the respondents agreed that "Assurance" is the most important dimension that affected their Expected Services ($\bar{x}$ = 3.819) and Perceived Services ($\bar{x}$ = 4.164) with GAP +0.345. The elements in Expected Assurance Services are: 1. The behavior of staff in the hotel instills confidence in their customers; 2.Customers feel safe in their transactions with the hotel; 3. Staff in the hotel are consistently courteous with their guests, and 4. Staff in the hotel have the knowledge to answer guests' questions. Perceived Assurance Services results ($\bar{x}$ = 4.164) are consistent with the same elements in Expected Assurance Services with GAP +0.345. Average overall

Perceived Services ($\bar{x} = 4.114$) are higher than average overall Expected Services ($\bar{x}= 3.779$). The results concluded that customers were more than satisfied with budget hotels in Chiang Mai City.

According from the results of the study, respondents' Expected Services and Perceived Services, Tangible Dimension has the lowest Scale of Agreement. Budget hotels in Chiang Mai city should improve on this weakness. The hotels should consider: 1. Hotel has modern-looking equipment (facilities); 2. Hotel's physical facilities are visually appealing; 3. Hotel's staff are neat-appearing (appearance); 4. Materials associated with the service are visually appealing at the hotel.

It is recommended that budget hotels should improve on Tangible Dimension because it has the lowest Scale of Agreement. The hotels should consider: 1. Hotel has modern-looking equipment (facilities); 2. Hotel's physical facilities are visually appealing; 3. Hotel's staff are neat-appearing (appearance); 4. Materials associated with the service are visually appealing at hotel. The second recommendation relates with location. Location is the most important factor that attracts respondents to stay at the hotel more than affordability within their budget, service and quality, reputation, and facility. The third recommendation is to maintain relationship with those existing customers because by word of mouth plays very crucial role in the hotel industry.