



# Customers' perception of Service Quality and its impact on reputation in the Hospitality Industry

Tsietsi Mmutle\*  
North West University  
Department of Communication  
Faculty of Human & Social Sciences  
North West University- Mafikeng Campus  
Private bag X2046 Mmabatho 2735  
Email: [tsietsi.mmutle@nwu.ac.za](mailto:tsietsi.mmutle@nwu.ac.za)

Last Shonhe  
North West University  
Department of Communication  
Faculty of Human & Social Sciences  
NWU- Mafikeng Campus  
Private bag X2046 Mmabatho 2735

Corresponding author\*

## Abstract

Customer satisfaction and the management of their expectations are a strategic component to the sustainability of any organisation. It is argued that these two strategic components are the most important features that generate customer allegiance and desired retention. In the hospitality industry, hotels are attempting to obtain augmented customer satisfaction by concentrating on the quality of service they provide to guests. The objective of this paper was to examine the customers' perception of service quality and its impact on a selected hotel's reputation. A qualitative research method was used and data was collected using in-depth semi-structured interviews with both customers and employees as core stakeholders. The findings indicate that service quality has an impact on hotel reputation as poor service provision invariably leads to negative conversations and bad publicity concerning the hotel. It also emerged that the customers and service providers have more or less similar notions of what service quality entails. The hotel departments have mechanisms and strategies for meeting and exceeding customer satisfaction and especially of dealing with customer complaints and these are important when one desires organisational stability.

**Keywords:** Service quality, customer satisfaction, customer perception, reputation, Mmabatho Palms hotel.

## Introduction

Through the incessantly increasing competition in the global economy, hospitality institutions and mainly hotels, are placing greater prominence on meeting and exceeding customer needs and expectations. As such hotels have to deliver superior service quality to differentiate themselves from their competitors, and furthermore enhance their reputation. Service quality is currently one of the most important and widely researched topics in services (Zeithaml & Bitner, 2000). Services quality represents the majority of today's economy, not only in developed countries but also in the developing countries throughout the world. Service quality results from customers' comparisons of their expectations about a service encounter with their perceptions of the service encounter (Parasuraman et al., 1993).

In this arena, customers' perception of service quality plays an essential role in the buyer's perception of the supplier's product and service and it adds value to a product and builds



enduring relationships. In consequence, the understanding of the notion of customer perception, is a prerequisite for best service provision. Service quality determines the reputation of an organisation, and the level of quality provided often determines what consumers think of an organisation and thus this leads to its reputation being enhanced or downgraded. Thus in the current context, customer satisfaction and loyalty is an antecedent of reputation. Corporate reputation, when understood by numerous stakeholders, is decisive as it helps to slash the operational costs, and positively affects both monetary and customer-related indicators, such as consumer satisfaction, confidence and loyalty (Dowling 2001; Roberts and Dowling 2002; Caruana et al., 2004; Rose and Thomsen 2004). Most past studies on corporate reputation to quote but a few (Fombrun et al., 2000; Davies et al., 2002; and Page and Fearn, 2005) have applied a multiple stakeholder approach to corporate reputation and explored the influence of customers' behaviour regarding corporate reputation. Researchers consider consumers to be one of the most essential stakeholder groups as they generate revenue flows for corporations. The importance of customers in the context of this study is that they determine how reputable a service organisation is perceived to be. Thus, customer satisfaction through good service quality should be at the heart of any industry offering services to its clients.

According to Parasuraman et al., (cited by Musaba, Musaba and Hoabeb, 2014: 535) service quality is defined as "global judgment or attitude relating to the overall excellence or superiority of the service". On the other hand, service quality can be regarded as an assessment of how well a delivered service conforms to the client's expectations, needs and wants. Reputation is defined as a perception of past actions and future behaviour is viewed not in isolation, but rather in the context of what others are doing in the marketplace (CIMA, 2007: 6).

It is imperative for an organisation to clearly identify its customer's perceptions of service quality in order to be able to develop mechanisms to improve or maintain the quality of service they provide to their customers. In this paper, the researchers examined whether service quality has an impact on the reputation of a hotel in which they explored service quality – namely the Mmabatho Palms hotel, Mafikeng, South Africa. To a larger extent, identifying customer perception of service quality of the Mmabatho Palms hotel is important in order to discover its effect on the reputation of the hotel and furthermore to measure and draw a conclusion about the hotels' reputation. Additionally, we further advance the view that customers perceive service quality differently because they are unique and it becomes difficult to satisfy them. It is of utmost importance that research on customer perceptions of service quality and its reputational impact is done and the reason why this study needs to be carried out. It was necessary since it outlines how the customers perceive the service quality of hotels and in return the hotels will have an idea of what their customer see as good or bad service quality in order to guide them to improve their service, to quickly identify problems and to better assess client satisfaction levels.

Hotels need to know how customers perceive their service quality, and that helps them have an idea of what kind of reputation they have in the public's eye. The survival of hospitality industry in the current competitive environment where most hotels have quite similar luxurious physical facilities much depends on delivery of service quality aiming to result in customer delight and satisfaction. Thus hotels should ensure that the quality of service they provide is of good standard to maintain good reputation. Reputation can however be maintained through reputation management which is viewed as a practice of monitoring and influencing the image of an organisation. Positive feedback from satisfied guests sharing their experiences with the hotel is very precious. Negative reviews – in contrast – should be diminished and used to improve the quality of the hotel and for this reason, it is important for hotels to ensure that they provide the best quality of service.

To understand service quality from the viewpoint of customers, the researchers posed the following research question to assist them in determining customer perceptions of service quality:



### Is customer satisfaction a mediator of reputation through customer perceived service quality attributes?

Customer satisfaction has emerged as one of the most powerful tools for sustaining a competitive advantage for business success and survival nowadays, through excellence service quality. Parasuraman et al., (1987: 32) stated that "excellent service is a profit strategy because it results in more new customers, more business with existing customers, fewer lost customers, more insulation from price competition, and fewer mistakes requiring the re-performance of services". Mentzer et al., (1995: 45-46) stated that "maximising customer satisfaction will maximise profitability and market share".

Our conviction is that, often than not, Failure to identify customer perceptions' may lead to poor efforts in services delivery and can be attributed to failure in the entire quality of service. Identifying a customer's perception of service quality is important in order to know how to proceed in establishing a suitable feedback mechanism. In the main, developing a feedback mechanism is realised through a systematic, factual collection of data from customers, monitoring and evaluating perceptions on quality of service offered by the hotel. The purpose is to establish whether or not its service provision is efficient and of good quality. This information would then be used for the purpose of continuous improvement in service delivery and future research in the field of reputation management and service quality at large.

Because hotels exist as corporate citizens, the discussion is advanced from the premise of the Hospitality Industry. Contextually, the hospitality industry includes all businesses that cover all undertakings concerned with the provision of food, drink and accommodation away from home (Davis, Lockwood, Alcott & Pantelidis, 2012: 2). Different from other sectors, the hospitality industry is unique in nature because it is service-oriented and has a strong emphasis on human exchange in the service delivery processes. According to Chan and Mackenzie (2013: 16) hospitality industry has the following characteristics:

- *Product-Service Mix* - In the hospitality industry production and consumption are inseparable thus customers consume a mixture of both products and services. Furthermore tangible and intangible features are experienced in hospitality.
- *Two-way Communication* - For service excellences to be achieved in the hospitality industry, two-way communication is a critical factor which requires the involvement and participation of both customers and service employees in the service delivery process. Through interactions with customers, the needs and expectations of customers are learnt by service employees for their immediate actions to create customer satisfaction.
- *Relationship Building* - The hospitality industry highly depends on repeated customers for survival. Building long term relationship with customers can benefit the organisations for generating stable revenues regardless of the instability of seasons and furthermore, developing brand reputations through positive word-of-mouth of the repeated customers.
- *Diversity in culture* - people involved in the hospitality sector, no matter customers or employees experience diversity in culture through interacting with others. Employees who work in a hospitality organisations always interact with customers from different regions, or work and corporate with colleagues who have different backgrounds or cultures. Due to their differences in religious beliefs and values, some conflicts and misunderstandings can occur. Therefore, understanding of different cultures is imperative for the provision of quality service to customers based on national cultures and harmony among employees members.
- *Labour intensive* – The hospitality industry is service-oriented in nature, and it requires a huge supply of labour to create a memorable experience for the customers.



Gronroos (1984, 1990) and Little and Little (2009) state that customers evaluate service quality based on perceptions of a two-dimensional service quality concept, a technical quality or outcome of the service act dimension, (what is delivered) or how well the service performs as expected and as promised or what the customer receives in the end or what is delivered (Opoku et al., 2008) and the functional quality, or process-related dimension (how it is delivered), i.e., their perception of the manner in which the service is delivered (Opoku et al., 2008). They believe that the "how" of service delivery is critical to inform perceptions of service quality. Gronroos (1984: 38) states that "this is another quality dimension, which is very much related to how the moments of truth of the buyer-seller interactions themselves are taken care of and how the service provider functions, therefore, it is called the functional quality of the process". Technical quality, also known as extrinsic quality which is defined as what the customer is actually receiving from the service, or the quality of the outcome or result of the service, is the "what" is delivered during the service delivery process. Functional quality is also known as intrinsic quality, perceptual quality, and interactive quality; and describes the manner in which the service is delivered. Functional quality refers to employees' actions or the human interaction that takes place during the service encounter; it is the "how" a service is delivered or provided (Gronroos, 1984, 1990, 1992; Mels et al., 1997).

Furthermore, when customers do not have the expertise, time, and/or desire to make an assessment of technical quality, they may rely primarily, and sometimes completely, on the perceptions of functional quality to assess service quality (Opoku et al., 2008). Service quality and corporate reputation are thus part of the current debates on service, in various fields such as management, marketing, organisational communication and performance. From this perspective, the primary purpose of this paper was to examine customer's perceptions of service quality and its impact on reputation. In doing so, this paper acknowledges that customer expectations, loyalty and satisfaction remains important precursors of measuring reputation from the viewpoint of customers. Consequently, Bromley (2002) and Sandberg (2002) on other hand viewed reputation as a socially shared impression and a consensus about how organisations will behave in any given situation. This view, denotes that a reputation is the widely shared beliefs of stakeholders, which in the context of this study rely heavily on service quality for customers to determine organisational reputation. Organisations with higher reputation are having higher capital enjoy more benefits than those having low reputation. Gray and Balmer (1998) stated that in today's competitive environment, the firms' ultimate survival depends upon building and maintaining a good corporate reputation.

### **Conceptualising Service Quality**

Service quality is a major issue because it is the result of a judgmental value that involves both the expectations as well as the perceptions of the customers. Service quality is defined as "the consumer's overall impression of the relative inferiority/superiority of the organisation and its services" (Bitner & Hubbet, 1994: 77). According to Parasuraman et al., 1988 (cited by Musaba, Musaba & Hoabeb 2014: 535) defined perceived service quality as "global judgment or attitude relating to the superiority of the service". The superiority of the service is confirmed by what the service delivers, which is the outcome and is evaluated after the performance, and how the service is delivered, which is the process and is evaluated during delivery. It can be said that quality is the ability of the organisation to meet or exceed customer expectations. For the purposes of this present study, service quality is the ability of an organisation to provide products and services to a customer in an extraordinary way. Service is the activities and benefits a particular organisation provides to another and it can be described as a sub-product of a product (Kotler, 1996: 58), he further said "Customers' perception to service heavily depends on service quality".

Quality is considered to be one of the organisation's management top competitive priorities that are important for the organisation's growth. Parasuraman, Zeithaml, and Berry (1988) posit that service quality and customer perception are related concepts, but they are not exactly the same thing. The authors argue that researchers believe that customers'



perceptions about service quality are based on long term, cognitive evaluations of an organisation's service delivery (Parasuraman et al., 1988 as cited in Musaba, Musaba & Hoabeb 2014). Therefore, it was crucial for us in this paper to gather information from the residents or day visitors of Mmabatho Palms hotel who have been using the facility for a long time, such that richer information on the perception of the hotel's service quality is gathered. Customers must experience a service before they can be satisfied or dissatisfied with the outcome and they may evaluate the levels of satisfaction or dissatisfaction, and then use the information to update the perceptions of service quality.

Mmabatho Palms hotel as a service provider, is evaluated on a similar basis and should its customer's perceived service exceed expected service, then customers would continue using the facility and perhaps enhancing reputation. However, what service quality entails, differs from one individual to another, thus the customers perceptions on Mmabatho Palms service quality is likely to differ between customers depending on how long they have been using the facility and if their expectations were satisfactorily met. Service quality enables the firm to retain its existing customers, retain good employees, and reduce internal and external costs. Over the years, service quality has been measured by the SERVQUAL instrument developed by Parasuraman et al., (1985) (Akinyele, 2010), and service quality has been found to increase repurchases and decrease a customer's tendency to switch to other brands (Oletewo, 2017).

### **Attributes of service quality**

This section explains the main aspects of service quality in the hotel industry and five dimensions that were developed by Parasuranam et al., (1988: 23) are as follows:

1. **Tangibles** - the physical facilities, equipment and employees appearance. According to Brink and Berndt (2005: 60), this dimension refers to the facilities, equipment and material which must reflect positively on the organisation. Therefore the physical appearance thus the aesthetic look of Mmabatho Palms hotel must be superb and be able to satisfy the perception a customer have before visiting the facility. Presentation is fundamental to achievement. Everything about the hotel property will be assessed through photos and reviews before a visitor even chooses to purchase a room. In the event that your rooms are obsolete, your hall is filthy or your eatery looks cramped, visitors will make an underlying judgment about your property that won't be to support you.

Equipment plays a vital role on service quality, Mmabatho Palms should be in a position where its equipment be it in the rooms, casino or restaurant is elegant, user friendly and in alliance with new technology. The same applies to the employees. They should look proficient and presentable on the grounds that they are an indispensable part of the property. The physical appearance of the hotel employees keeps up the general appearance, however the way they act likewise adds to the reputation of the hotel. Employees thus ought to be urged to dependably approach visitors with deference and in a spirit of service provision.

2. **Responsiveness** - the willingness to help and respond to customer need. Organisations ought to be receptive to the moving or shifting needs of their clients and giving courses and preparing programs that are important to the business. Dale, van der Wiele and van Iwaarden (2007: 240) define responsiveness as the willingness to assist customers and to provide prompt service on a continuous basis. This dimension focuses on attentiveness and willingness in dealing with customer requests, queries and prompt complaint resolution. The hotel employees should have the capacity to attend to guests' inquiries, queries and complaints timeously, and thus quality of service is optimized and guest satisfaction is enhanced.
3. **Reliability** - the ability to perform service dependably and accurately. Some organisations tend to oversell their services, prompting them to 'fabulous' guarantees that distort their genuine potential. The organisations must provide the client with the precise service it suggests through advertising and it must convey what is guaranteed



in a particular time period set out within the specified time frame. If service delivery is done in a proper manner, it will enhance the perceived quality that the customer experiences (Brink & Berndt, 2005: 60). Mmabatho Palms hotel should thus strive to be reliable at all times and never to over-promise when they cannot deliver a certain product as in food and beverage items or other services.

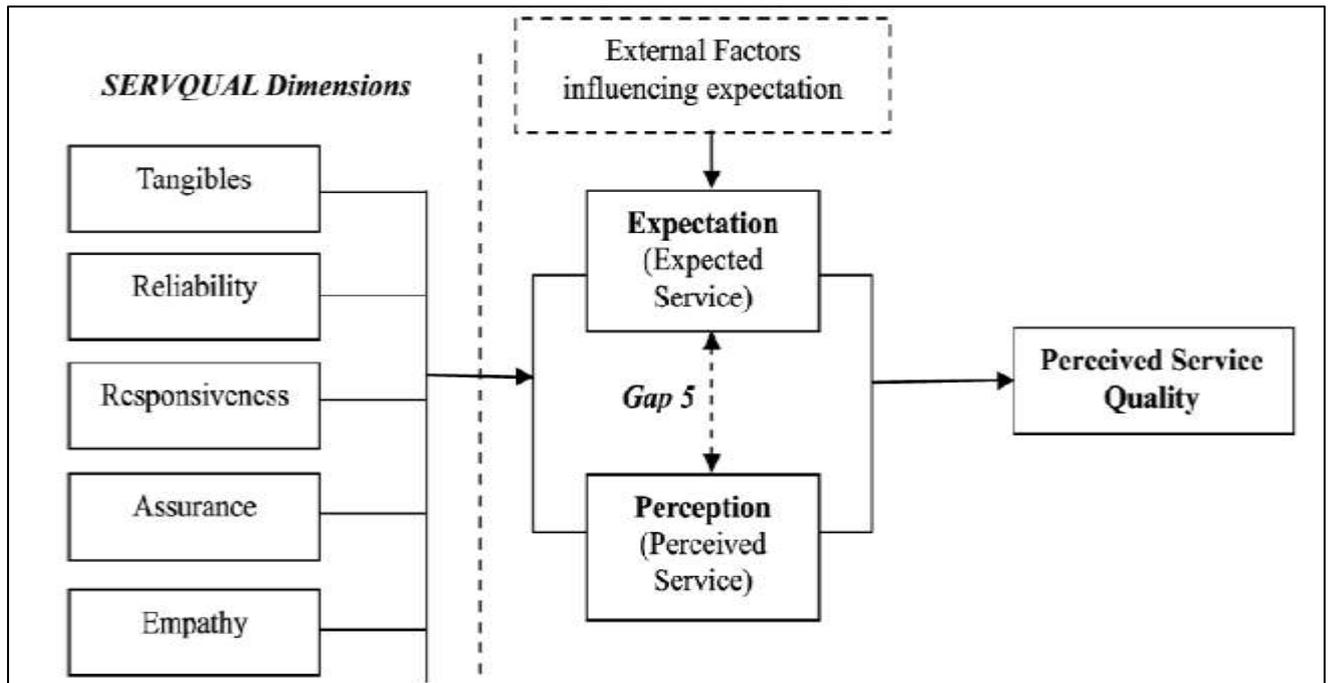
4. **Assurance** - the ability of employees to inspire confidence and trust. Judgement of high or low service quality largely depends on how the customers perceive the actual performance based on their expectation. Quality assurance is connected to customer service and that terrible service offered to clients bring about disappointment or dissatisfaction. Best or guaranteeing quality realises consumer loyalty and additionally client retention. Mmabatho Palms hotel in this instance should at all times assure its clientele that it offers the best service.
5. **Empathy** - the extent to which caring individualised service is given. It is at times a challenge for organisations to surpass client desires and request. For example, deficiencies of employees at the hotel and the requirement for best service and occasion facilitating have seen an expansion in sizes, extending the staff-customer proportion. This expanded proportion has implications on the level of individual consideration and compassion given to each client.

From the five dimensions stated above, reliability has consistently proven to be the most important factor in customers' judgement of service quality, and reliability improvements lie at the heart of service quality enhancement efforts. Additionally, unreliable service implies broken promises on the attributes that customers care about the service received. If the core service is not performed reliably, customers may assume that the organisation is incompetent and may switch to another organisation or service provider – particularly with the nature of hospitality industry.

### **Challenges of measuring service quality**

Our core focus remains determining the challenges Mmabatho Palms hotel faces in measuring service quality, since quality differs with every customer. Service quality is a major issue because it is the result of a judgmental value that involves both the expectations as well as the perceptions of the customers. Unfortunately, there is no agreement about a definition of service quality although originally quality was centred on specifications, service organisations have centred on the customer to tackle whether the service provided has (or not) quality. When quality is defined from the consumer's point of view, it can be considered as subjective and idiosyncratic, since it depends on the personal interpretation of the stimuli to which the consumer is exposed (Moreira & Campos Duque Dias, 2010: 33).

The service quality (SERVQUAL) model (Figure 1), relates visitors' expectations concerning aspects of a visit to the actual experience (Veal, 2011: 84), it involves initial identification of key service dimension which are seen as critical to management and visitors (customers). Discrepancies between expectations and experience on the various key service dimensions – the pattern of disconfirmation provides a guide to management on where action may be necessary. SERVQUAL was one of the first models to measure the consumer's perception about the quality of the service which was developed by Parasuranam et al., (1988: 17) where the answers to statements are obtained in order to identify the customers' general expectations and the customers' service perceptions using a Likert scale of seven categories that span from 1 (strongly disagree) to 7 (strongly agree).



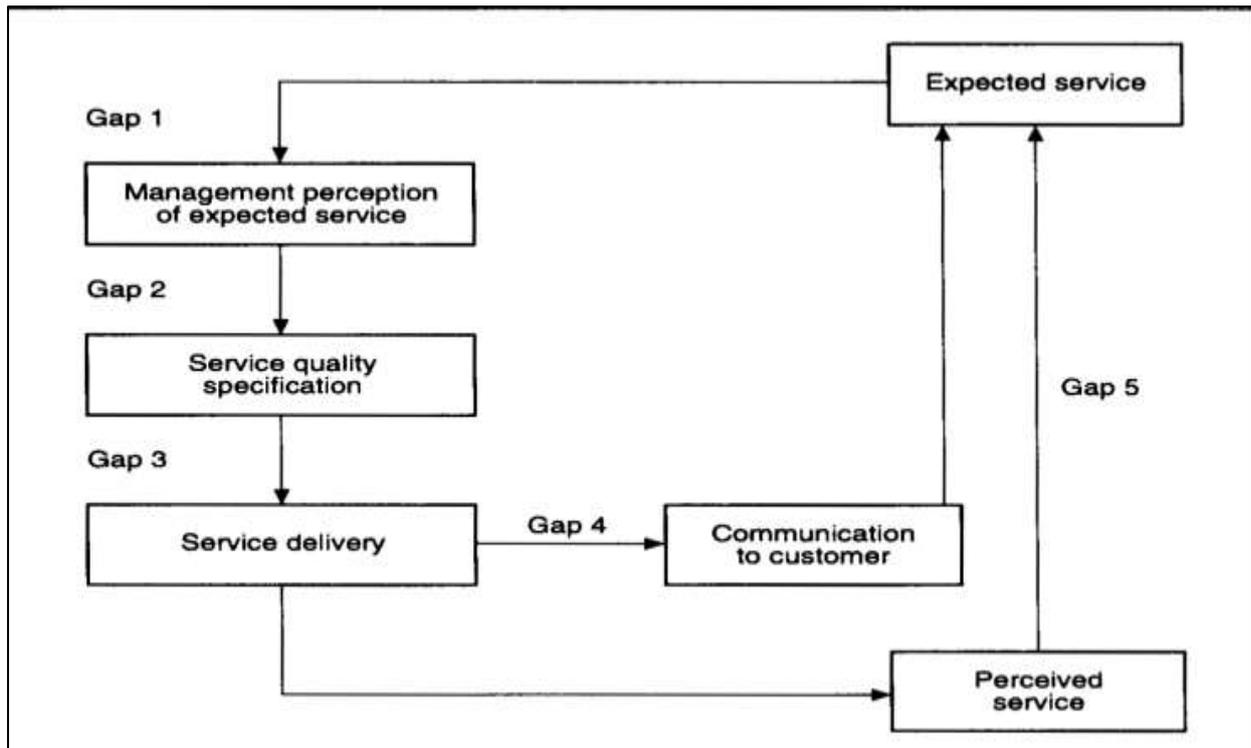
**Figure 1: SERVQUAL model.**

Cronin and Taylor (1994: 125) criticised the SERVQUAL scale for its scarce theoretical support and for its weak empirical evidence and propose the SERVPERF model, using the same 22 statements of SERVQUAL, based on the performance of the service provided and not on the expectations and the customers' perceptions. The key element of research and the types of expectations are potentially different when assessing quality and satisfaction. Quality assessment is based on dimensions and measures, while the satisfaction assessment is based as a result of a transaction. Regarding the type of expectations, satisfaction is based on the customer's expectations and needs, while service quality is based on service excellence and ideals.

The earlier mentioned and discussed five dimensions represent the differences between consumers' expectations and perceptions of a firm's performances along each quality dimension. Perceived service quality is a function of the magnitude and direction of the five perceptual dimensions (Parasuram et al., 1988: 23).

### **The Gaps model**

Mill (2011: 10) illustrates customer gaps of expected service and perceived service in hotels. Firstly, the difference between expectations and perceptions which can be caused by inadequate marketing research that means research not focused on service quality plus insufficient market research. Thus, Mmabatho Palms hotel should at all times do proper market research to attain adequate information of what its customers perceive to be either good or bad service provision, and moreover what their expectations are regarding service delivery.



**Figure 2:** Further illustration of the Gaps model.

The Second gap (Figure 2), is the communication to a customer, this gap implies that guarantees given by market communication activities are not consistent with the service delivered. This gap is due to market communication planning not being incorporated with service operations. Organisations tend to promise more than they can deliver to the customer through their marketing, therefore it is imperative that Mmabatho Palms hotel communicate with its clientele accurately and not misleading (Mill, 2011: 10).

The Third gap is not knowing what customers expect, this is caused by the absence of customer driven standards thus absence of process management to focus on customer requirements and absence of formal process for setting service quality goals. Therefore, mechanisms should be adopted by the hotel which help realise and meet customer expectations. These mechanisms include research, so that the needs and wishes of the customer are better observed and appreciated (Gronroos, 2002: 102).

Lastly, the Fourth gap is the gap of not delivering service standards and not selecting the right service designs and standards, which is a result of insufficient human resources policies caused by ineffective recruitment and the lack of empowerment, perceived control and teamwork. Development of service delivery standards becomes a requisite for the hotel, and management should ensure the standards are adhered to, at all times and never to be compromised, therefore ensuring customers' satisfaction and expectations are met.

### Service Marketing in Hotels

A service system is a dynamic configuration of people, technology, organisations and shared information that creates and delivers value between the provider and the customer through service (Johari & Gautam, undated). According to Parasuraman, Zeithaml, and Berry (1985:33) there are a number of unique characteristics that separate services from tangible goods and these characteristics are:



**Intangibility** - services are performances, rather than objects, they cannot be seen, felt tasted, or touched in the same manner in which goods can be sensed. However because of this intangibility of services, Mmabatho Palms hotel will in order to make it tangible to the customers, give evidence to prove its quality through the hotel ambience, environment and its image.

**Inseparability of production and consumption** - involves the simultaneous production and consumption which characterizes most services. Services are purchased first and then produced and consumed simultaneously, at the same place and time. Therefore Mmabatho Palms hotel employees should use polite language and well-groomed behaviour, have good knowledge of the hotel and areas as to guide the guests accurately so as to enhance the relationship and better experience for the guests.

**Heterogeneity** - concerns the potential for high variability in the performance of services. The quality and essence of a service can vary from producer to producer, from customer to customer and from day to day. Each service is unique therefore it is one-time generated, rendered and consumed and can never be exactly repeated as the point in time, location, circumstances, conditions. Mmabatho Palms hotel in this instance should have the best product and services so that they can meet the expectations of the customers. As a result the customers will have a good impression of the hotel.

**Perishability** - means service cannot be saved. Example, if a guest is dissatisfied with the service of a hotel front desk employees they cannot return back the service rendered to them. Thus, he or she will not return to the hotel for another stay. This characteristic is of major concern to service marketers because it inevitably leads to supply and demand problems. The capacity lost in service can never be regained and to equalise supply and demand is a difficult task. These distinct service problems present service marketers with the challenge of setting up good recovery strategies for service process failures.

### **Challenges of service marketing**

It is peculiar to mention that service marketing has no challenges and its own limitations. It will equally be unwise of us in this paper to undermine some of the challenges encountered in service marketing, particularly in the hospitality industry. To begin, Tench and Ralph (2014) position that marketing is the management process responsible for identifying, anticipating and satisfying customer requirements profitably. However, often than not service marketers face marketing challenges which revolve around issues such as understanding customers' perception of services, making need services and tangible expectation customers, keeping and dealing with promises made to customers (Zeithaml & Bitner, 2003: 14). Notwithstanding, some of the challenges includes, but not limited to:

- competition not only from fellow service industry but also from their clients who often question themselves whether or not they should engage a service at all;
- while testing new services is a constant challenge communicating about these services simultaneously is also not easy
- Services are intangible and so customers cannot see or hold them before they buy it. Buyers are therefore uncertain about the quality of service and feel they are taking a risk. The buyer is unable to conceptualise and evaluate a service from beforehand. From the seller's perspective he finds it challenging to promote, control quality and set the price of the service he is provide.

It goes without saying that any service industry depends heavily upon its employees and people. At most, the physical presence and usage of appropriate employees is the backbone of a service industry. If a service industry wants to create a niche for itself it has to focus on recruiting the right employees and training them appropriately. Training should essentially

include activities that enhance interpersonal skills. Along with this the right attitude, aptitude and service knowledge goes a long way in creating consumer satisfaction. For service marketers to address some of these challenges they should consider adopting the service marketing triangle shown in Figure Accordingly, Mmabatho Palms hotel is not exclusive and should effectively use the service marketing triangle as guide in addressing the challenges it faces with marketing its services and creating awareness.

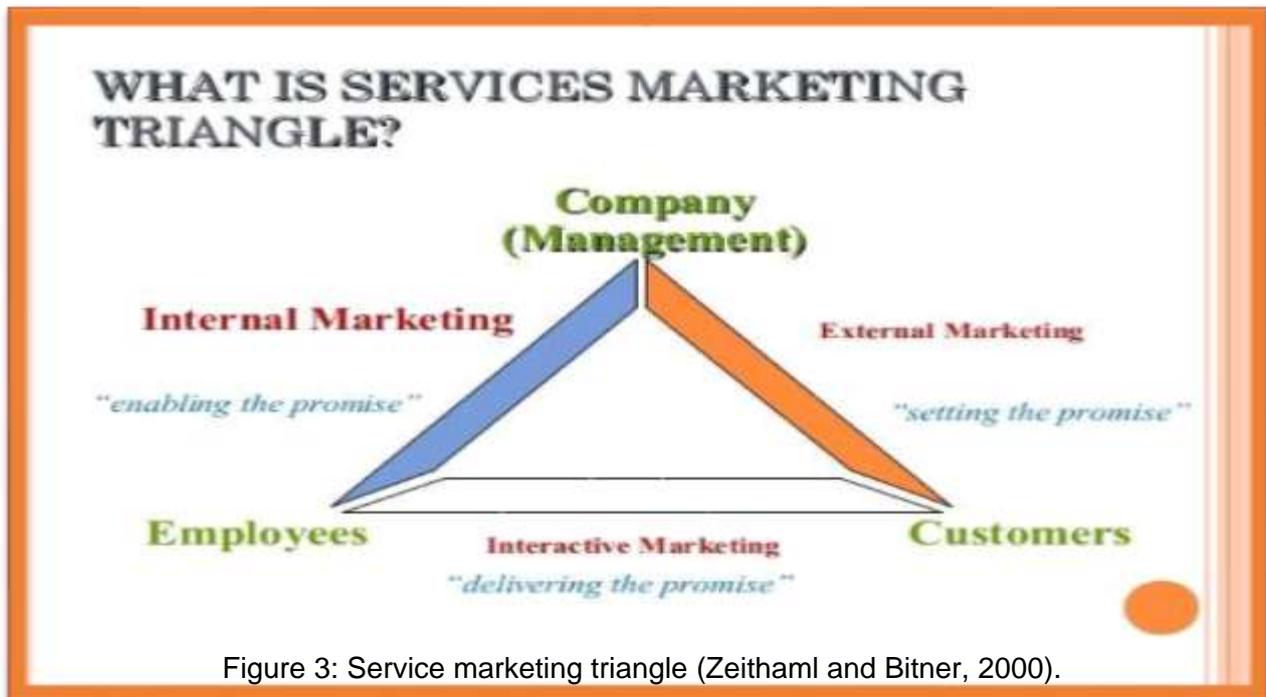


Figure 3: Service marketing triangle (Zeithaml and Bitner, 2000).

Between these three points (service marketing triangle) there are three types of marketing that must be successfully carried out for a service to succeed: external, interactive, and internal marketing (Zeithaml & Bitner, 2000). According to Gronroos cited by Guzzoni (2005: 8), internal marketing has to be managed by the company's leadership, thus the leadership of Mmabatho Palms hotel should be hands on to ensure that promises are enabled within the hotel before they can be put out to the customers. Therefore internal marketing takes place through the enabling of promises. Promises are easy to make, but unless providers are recruited, trained, provided with tools and appropriate internal systems, and rewarded for good service, the promises may not be kept. From this perspective, understanding of internal marketing would assist Mmabatho Palms hotel employees and leadership to recognise the importance of the products or service offered. Employees and leadership should be ambassadors of the brand or services rendered.

Secondly is the interactive marketing aspect which happens between the employees and the clients, and it occurs at the 'moment of truth' when the customer interacts with the hotel and the service is produced and consumed as postulated by Gronroos cited by Guzzoni (2005: 8). From the customer's point of view, the most vivid impression of service occurs in the service. It is in these encounters that customers receive a snapshot of the hotel's service quality, and each encounter contributes to the customer's overall satisfaction and willingness to repeat use or return to the hotel. The end result of interactive marketing is reputation, after delivering the promises as intended customers are able to give their impressions and perceptions of service quality – which if positive could lead to good reputation.

Thirdly the external marketing is what takes place between the company's management and the clients. Through its external marketing efforts, Mmabatho Palms hotel makes promises to its customers regarding what they can expect and how it can be delivered. External marketing



can be reinforcement of the hotels promises to the public and equally serves as retention strategy for existing customers.

Guzzoni (2005: 20) further illustrate that the firm (company) is the management as well as full-time marketers and salespeople who give promises to the customers and have to enable the promise through continuous development and internal marketing with their employees. This internal marketing is a necessity for external and interactive marketing and can be reached through attractive and stimulating places of work, together with good internal communication.

The employees are those working in close contact with the customers, and therefore conduct interactive marketing. In the study Mmabatho Palms hotel is the company that represents management along with marketing, who then give promises to the customers and enable those (promises) through internal marketing with employees. Furthermore the employees of Mmabatho Palms hotel therefore conduct interactive marketing since they work in close conduct with customers. In the main, service marketing and the service marketing triangle becomes imperative for any service industry striving for customer satisfaction and loyalty. It is equally through service marketing that service industries are able to understand and conceptualise consumer needs through consumer insights.

### **Conceptualising Corporate Reputation**

A brand is created and controlled by an organisation, but a reputation is something that is attributed to it by others. This fact raises the thorny issue of 'control'. The reputation of an organisation is influenced by its performance, policies and people, but ultimately it is the stakeholders who decide what the reputation of the organisation actually is. Thus although stakeholders expect the management of an organisation to protect and enhance its reputation, this is something management has only indirect control over (CIMA, 2007: 6).

The concept of reputation is founded on the general premise that a favourable general estimation that the public has of an individual or organisation will positively impact on the public attitude and behaviours toward that entity (Walsh & Beatty, 2007: 128). However, the authors believe that if the public is not satisfied with the service or products it receives from the organisation, it will have a negative attitude and behaviour towards the organisation, and thus the organisation's reputation is likely to be tarnished. Ali et al., (2012) suggest that corporate reputation is acknowledged as one of central determinants of consumer loyalty. Corporate reputation not only motivates the existing customers to adopt favourable attitudes, but also impacts potential customers. Potential customers conceive ideas about corporations from their advertisements and from other sources, for instance word of mouth from existing customers. Building a strong image is more important in the context of service organisations which are not offering tangible products to customers. Therefore, service providing organisations use corporate reputation as a key tool to mould consumer behaviour towards making repetitive purchases from an organisation.

From the above perspective, we define corporate reputation from our point of view as, the overall perception internal and external stakeholders have on an organisation based on its past and present actions. Such actions resonate with the stakeholder group in identifying the overall performance of the organisation. Consequently, corporate image is likely to play only a secondary role in customers' choice decisions unless competing services are perceived as virtually identical on performance, price, and availability (Lovelock, 1984; Andreassen & Lanseng, 1997; Andreassen & Lindestad, 1998). In general, corporate image and reputation is considered an asset which gives the organisation a chance to differentiate itself aiming to maximize their market share, profits, attracting new customers, retaining existing ones, neutralizing the competitors' actions and above all their success and survival in the market (Fombrun & Shanley, 1990; Bravo et al., 2009; Sarstedt et al., 2012).



On the way of building good reputation, organisations might face several challenges, because the company needs to win the trust of the stakeholders by fitting in core values, being responsible for own actions, providing with goods and services of a high quality, treating personnel well and providing the shareholders with fair value. One of the challenges is developing a strong brand, which can be compared to a promise, hence, positive reputation is based on keeping the promises, and for the customers the quality of the offered goods and services matters, community image involves the performance of the company on the market, as well as the opinion of other organisations operating in the same sector. Tang (2007) stresses the significance of corporate reputation for service industries more important than those providing tangible products. Corporations are increasingly working hard to build positive image and good reputation in the community.

### **Importance of reputation in hospitality**

For prospect and existing customers a good reputation can signal excellent quality and human-resource management as well as highly innovative products and services. Reputation raises certain expectations from the organisation, in this specific case a hotel. Positive reputation facilitates an effective communication between the firm and the customer, which causes a distribution of favourable word of mouth (Roper & Fill, 2012: 35). From the notion the researcher believes reputation, if managed very well and effectively the organisation is able to retain existing customers and as well draw new customers. Therefore Mmabatho Palms hotel and any other hotel in the world will learn the importance of reputation and how to can enhance their success.

In the hospitality industry, reputation is considered to be a critical factor in the overall evaluation of any organisation (Bitner, 1990, 1991; Gronroos, 1984; Gummesson and Gronroos, 1998; Andreassen and Lanseng, 1997; Andreassen and Lindestad, 1998; Kandampully and Hu, 2007; Sarstedt et al., 2012) because of the strength that lies in the customers' perception and mind when hearing the name of the organisation (Fombrun, 1996; Hatch et al., 2003; Nguyen, 2006; Bravo et al., 2009). Thus, continuous research on reputation is a must for those organisations that want to successfully differentiate their positioning in the market. A notable factor in the hospitality industry is the relationship between the service provider the customer, at most, this relationship is based on the service offered and the performance of the organisation in offering the service. Such performance of an organisation often leads reputation as perceived by customers and their overall perception of the image portrayed by the organisation.

Although service quality as "perceived by customers" (Zeithaml et al., 1990: 19), but the service provider is the one who create and deliver the service. Service providers are the organisation's ambassadors; because they hold the ultimate balance of quality in service in the customers' mind (Surprenant & Solomon, 1987). In fact they act as a boundary-spanning that links commercial organisations from inside and outside by obtaining information and disseminating this information to all parties; this is also known as "Discretionary behaviour", or "Travelling the extra mile for the customer beyond the call of duty" (Chung & Schneider, 2002; Solent, 2006; Slatten, 2008).

Fombrun (1996: 72) defines corporate reputation as "a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals". With a firm having different stakeholder groups, perceptions of these stakeholder groups can differ and besides different perceptions from different stakeholder groups the author argues that corporate reputation is issue-specific. For instance Mmabatho Palms hotel might have an excellent reputation for service quality and a poor one for social responsibility. According to the dictionary ([dictionary.cambridge.org](http://dictionary.cambridge.org)), reputation is the opinion that people in general have about



someone or something, or how much respect or admiration someone or something receives, based on past behaviour or character traits.

From this perspective, we can regard corporate reputation as the overall perception the publics (internal and external) of an organisation have on it, and on the other hand reputation is the opinions that other individuals have on another person.

### **Systems Thinking Theory and Systems Theory**

To advance this paper theoretically, we borrowed ideas from systems thinking and systems theory interchangeably. Systems' thinking has its foundation in the field of system dynamics, founded in 1996 by MIT (Massachusetts Institute of Technology) professor Jay Forrester. Systems thinking is a management discipline that concerns an understanding of a system by examining the linkages and interactions between the components that comprise the entirety of that defined system. Simply put, system thinking is a method of critical thinking by which one analyse the relationships between the system's parts in order to understand a situation for better decision-making. Systems thinking can be used on issues of where an action affects (or is affected by) the environment surrounding the issue. I.e. natural or competitive environment. In this case, what customers say about the service quality of Mmabatho Palms hotel might affect its reputation (whether positively or negatively).

The whole system is a systems thinking view about the total organisation in connection to its surroundings. It gives a method for comprehension, investigating and discussing the outline and development of the association as an incorporated, complex creation of many interconnected systems (human and non-human) that need to cooperate for the entire whole to work effectively (Tate, 2009). A whole system can succeed only through managers collaborating in and across a number of functional systems. Thus, the management of Mmabatho Palms hotel should be fully hands-on in all functions of the hotel to ensure that good service quality is realised at all times.

On the other hand, system's theory suggests that for organisations to be effective they must concern themselves with the environment if they are to survive. In the systems theory a set of distinct parts interact to form a complex whole, thus service quality and reputation are interrelated and if service quality is neglected it will have an impact on the reputation of an organisation. Mmabatho Palms hotel service quality is the determinant of its reputation in this scenario, as a result neither of the two elements should be neglected for the system to be integral.

The whole system can fail only if leadership at the level of the whole system fails, and where several senior managers are involved and possibly disengaged. Hence, such failure may be labelled a systemic failure of leadership. If the hotel management does not regularly evaluate its employees and the customer service, the provision of quality service might fail leading to customers switching to other alternative hotels. Furthermore, these customers will not recommend friends and family to use the facility which would lead to bad publicity and reputation.

Systems thinking and systems theory are important because the universe of business today is mind boggling and developing more perplexing each day. Managers must battle with changing customer needs alongside a constantly developing worldwide economy in which occasions toward one side of the globe will influence your organisation. Making effective decisions is much more difficult in this brave new world, and systems thinking and systems theory provide a model of basic leadership that helps associations adequately manage change and adjust.

In this paper, we take a general systems theory approach, because organisation are influenced by the environment in which they operate, if an organisation is to be effective and



successful it must pay attention to the external environment (open system approach), and take steps to adjust itself to accommodate the changes in order to remain relevant. All parts of the organisation are interconnected and interdependent, if one part of the system is affected all parts get affected. In our context, Mmabatho Palms hotel has to interact with its environment (public) and pay attention to its customers and not focus only on the profits, thus neglecting customer service quality.

### **Methodology and design**

People's perceptions at most, often span from opinions held of a particular subject of interest – their experiences, behaviour, and often observations become key aspects of a qualitative inquiry. Consequently, in this paper a qualitative methodology and design is employed to understand customer perceptions of service quality. According to Veal (2011: 35) qualitative approach is generally concerned with information in the form of words, conveyed orally or in writing. Thus, it makes it possible to gather a relatively large amount of information about the research subject. Qualitative research methods provide details about human behaviour, emotion, and personality characteristics. The qualitative approach underlies the natural-scientific method in human behavioural research and holds that research must be limited to what we can observe and measure objectively (Welman & Kruger, 2005: 6). The Qualitative approach was adopted because we sought to understand customers' experiences and opinions of how they perceive service quality and what the practical implications of service quality are on for example, reputation.

Accordingly, after obtaining ethical consent, an exploratory design was followed with the employment of a non-probability sampling. Non-probability sampling advantage according to Welman and Kruger (2005: 69) is that is less complicated and more economical in terms of time and financial expenses. Non-probability sampling may be done on a spontaneous basis to take advantage of available respondents, without the statistical complexity of a probability sample. Through the non-probability sampling, semi-structured interviews with open-ended questions were administered to 100 respondents – on average daily, the hotel host about 40-80 guests (if there are booked functions, the number exceeds 120-360). The interview guide consisted of two groups (A and B); group A was for service providers (hotel employees) which had 15 questions, on the other hand, group B was for customers, questions (10 question per section) were divided into two sections A and B. Section A included questions on perceptions of service quality and reputation, while section B involved questions on customer satisfaction, expectations and reputation. The interviews took place in November and December 2016, as we regarded this period as the festive season – internationals and locals voyage in numbers during the festive season. The demarcation of respondents included a combination of hotel personnel and customers (both residents and day visitors) – 32% of the respondents were service providers of the hotel, while 68% of the respondents were customers whom were accessible and willing to share their view on service quality. Data received from the interviews was transcribed and thematically analysed to induce similar patterns and observe trends of customer perceptions of service quality so as to draw inferences.

### **Choice of the research area**

This research study was carried out in Mahikeng of the North West Province, South Africa. Mahikeng is the capital city of the North West Province where Mmabatho Palms hotel casino convention resort is situated, and is a host of various viable activities in the area due to its location and surroundings. The hotel is known for its accessibility in relation to business, residence, weekend getaways and entertainment. The hotel hosts mainly local customers whom at times seek entertainment and weekend getaways, international customers from countries such as Botswana, Namibia, China and Spain, to name few, also travel to the hotel



when they visit Mahikeng as the capital city for business or leisure (tourism) because the hotel has facilities to host business meetings, conferences and events. Customers visit as day time visitors (visiting for a day) or residents, by residents we mean customers that stay for a period of a month or more at the establishment – mostly internationals and locals from other parts of the country.

The luxurious 4-star Peermont Walmont hotel at Mmabatho Palms has 150 rooms and suites and features décor and furnishings of the highest quality. Mmabatho Palms offers a variety of conference venues. The Grand Leopard Room features a pre-assembly area, can house up to 300 guests, cocktail style and can be sub-divided into two rooms, namely the Leopard Room and Mebala Room. The Leopard Room also features a 26,64m<sup>2</sup> stage. The Mokala Room is located just off the Reception area and is ideal for smaller meetings, workshops and think-tanks. Situated alongside the Legotla Room, the Bogosing Room caters for up to 160 delegates in cinema-style seating. The Lekgotla Room is situated at the main entrance to Mmabatho Palms, this venue is perfect for award ceremonies, and gala dinners while The Boma can accommodate up to 120 delegates for private, sit -down outdoor dinner functions.

## Findings and Discussion

A range of themes emerged from the analysis and interpretations of the research respondents' conversations. The findings from the conversations of the research respondents are therefore presented in this paper in terms of the themes that emerged from the analysis. Consequently, all respondents were asked similar questions and afforded the same amount of time to respond based on their experiences and understanding of the phenomenon under investigation – customer perception of service quality.

### a) Theme 1: Attributes of service quality

It emerged that customers' attributes of what constitutes service quality differed with each customer because of their status at the hotel. The attributes of service quality for residents were hygiene, timeous service and a good employee attitude which were their top characteristics of service quality. However, there are some attributes they added to service quality considerations such as internet access, standard of food and beverage service and how employees should be welcoming and have a good customer relations approach. On the other hand, day visitors also had their own attributes which were similar to those of the residents. They attributed service quality as involving professionalism, good responsiveness, hygiene factors, employee empathy and regular evaluation of service, this basically is an indication of hospitality.

Employees of the establishment also had their own attributes of service quality in their respective departments of the hotel. From the front office departments, employees mentioned that their attributes of service quality were respect, smiling, friendliness and patience. The other employee who was identified as a porter, mentioned that 'ensuring that customers are assisted with their luggage and shown their respective rooms' attributes service quality. However, it is rather unfortunate that none of the front office employees mentioned the knowledge of the hotel and its service facilities as it is important for an employee to know the hotel in and out. The food and beverage departmental employees who were interviewed mentioned that their attributes of service quality are a good attitude, caring and making sure that every individual gets needed attention. This suggests that if employees have a good attitude towards customers and that the customers feel that they are valued, it therefore would mean that their expectations are met and lead to repeat business.

Additionally, housekeeping departmental employees' attributes of service quality were their determination to do their job well, customer satisfaction, good interpersonal skills and to be quality driven. None of the employees would quantify customer satisfaction in practical terms.



Some of the employees mentioned that the attributes of service quality including that “willingness to learn all hotel duties to be able to achieve all the requirements that will be used or needed by the customers” were vital. This statement proved to be a linkage between how customer expectations are met and the perceived customer satisfaction at the end of the transaction. There is no doubt that a happy customer is a satisfied and fulfilled customer.

Lastly, the security department employees attributed service quality as doing what is expected of them by the guests, general cleanliness, good communication skills and an employee striving to meet customer expectations in line with Peermont’s standards. Furthermore security guards at the hotel indicated that the safety of guests including their belongings was top priority and a strong determinant of service quality. Moreover, it was further highlighted that ‘determination, reliability, and perseverance’ are the desirable attributes of service quality. Employees that show determination and reliability give a positive image of the hotel and of the identity of the organisation, as customers are more than likely to express their satisfaction to their friends and family.

#### b) Theme 2: Customer expectations and instantaneous needs

Most of the respondents from the resident group mentioned that their expectations were met to some extent but they did not wish to clarify any further as to why they said “to some extent”. However, some did indicate that their expectations were partly met as the food was good and there was internet access, even though it is limited (500 megabytes) and at times the connection signal was weak. It also emerged that the standard of the hotel and its condition was overwhelming to some extent. Safety and security were cited as key customer expectations, notwithstanding the nature of the good hospitality offered by the hotel management and its employees.

It further emerged from the day-visitors responses, that most of their expectations were not met as the service was considered to be slow. This was attributed to number of people visiting the establishment during the day, either for pleasure or business. Furthermore, they mentioned that the employees often become too relaxed when serving day visitors and the service is not satisfactory. Some of the visitors highlighted that the management of the hotel needs to address the issue of employees failing to accommodate the needs of a number of guests. Another strong indication of requirements was the level of employees training, and in this regard, management needs to regularly monitor and evaluate employees efforts in serving customers. It is clear that training needs to be provided to employees for maximum and desirable performance levels to be attained.

#### c) Theme 3: Perceptions before visiting the facility

Most of the respondents from the hotel resident group were non-responsive in relation to their perceptions prior their respective visits. However, some respondents were business people and they mentioned that, they thought the hotel had five star equipment, employees were friendly and appropriately skilled for the business. Several issues were raised which included the limitations with regards to internet access for business purposes and the flexibility of using boardrooms for meetings. This proved that some of the expectations were not fulfilled and thus the poor perceptions held prior to the visits remained the same. Furthermore, certain respondents affirmed that the establishment was partially fulfilling their perceptions of the service offerings based on word-of-mouth, which at times proved to be either truthful or misleading – this was an indication that perceptions are based on one’s experience or knowledge of the establishment.

The day-visitors were all responsive and it emerged that most of them perceived the hotel to be of high quality when compared to other hotels and stated that it had good recreational facilities, exceptional service and a good variety of entertainment. Others highlighted that they perceived the hotel to be a ‘nice place for hanging out’ and that it was exclusive and exquisite as seen on the internet sites. Some of the day visitors were overwhelmed by the service



rendered at the establishment to such a point that they cited the hotel as a place of leisure and it was considered necessary for quality outings with friends, colleagues, and family.

d) Theme 4: Strategies for meeting customer satisfaction

Employees from the front office department highlighted that they do have strategies for meeting customer satisfaction, such as treating every customer like a mystery customer and always approaching the customer first. One employee from front office who is a reservationist, mentioned that he has no strategies in mind, as the service provided is often over the phone – the only tactic needed is human etiquette and proper training on how to deal with a variety of clients.

It emerged from the food and beverage departmental employees that they do have strategies for meeting customer expectations which includes, but is not limited to, approaching guests in a friendly manner and ensuring that they provide good service to the guests, thus seeking to meet their varied needs.

Additionally, the housekeeping department has strategies for meeting customer expectations by ensuring that all mechanisms are in place so that customer satisfaction can be met. Their approach to customers is professional and they have skilled and trained employees. They also ensure that the rooms are carefully cleaned, and there is team work and issues are tackled or dealt with on the spot as they arise.

Employees from the security department also have their own strategies which they cited as making the customers happy or satisfied, by providing all their (service) needs relating to security issues.

e) Theme 5: Reactions if customer expectations are not met

It emerged that the resident customers of the hotel have different reactions if their expectations are not met. Some had more or less similar responses – for example, they highlighted that they complain or address any issue with the line managers of the hotel. Having said that, if there are no resolutions to issues raised they have no problem switching service providers. Others said they would just keep quiet and be upset instead of addressing the issue. While one of the business resident guests said, *“I will accept the situation I am in, because sometimes I will not have any other option. I cannot leave the hotel because the internet is limited when other expectations are fulfilled”*. This is an indication that were possible, certain issues are resolved, while on the other hand some respondents would ignore and move on.

Half of the day visitors mentioned that if their expectations are not met they express their disappointment and try to talk to the manager on duty. It also emerged from the other half that they will tell their friends and family of their poor experience at the hotel and they will switch to other alternative hotels or hanging spots. Most often, dissatisfied customers share their opinions with others, and as such, the reputation and image of the hotel becomes negatively exposed through bad word-of-mouth publicity. Some of the respondents indicated if actions are not taken to address customer challenges, then they deliberately advice other customers of the poor services offered. It's surprisingly to note how quickly management often react after the spread of negative word-of-mouth, as some respondents articulated.

f) Theme 6: Mechanisms to deal with customer complaints

From the front office departmental employees interviewed, only a few (reservationist and receptionist) stated that there are mechanisms in place to deal with customer complaints, these mechanisms included, morning and afternoon checklists, downtime reports, history and focus reports. It also emerged that employees from the food and beverage department have similar mechanisms to deal with customer complaints and react by first finding the cause of the complaint ,and then finding a solution because customer satisfaction is their first priority.



The housekeeping department also have mechanisms for dealing with customer complaints. The department employees highlighted that even though more ought to be done to improve customer service, they do have mechanisms such as a checklist that they go through and use to solve a complaint. Moreover, they are guided by a policy and there is protocol to be followed when dealing or addressing complaints. At times, if the grievances escalate beyond their control and resolve, senior managers are informed to address the concerned customer and salvage pride if possible.

The security personnel also stated several mechanisms that are in place to deal with customer complaints, which involved, firstly, the understanding of the concern and reporting the matter or complaint to their line manager who will solve it. Secondly, if the issue is not adversative they try and help the client to solve the problem and that in many cases, patience is the best tool to employ in resolving complaints. An indication from the respondents is that mechanisms are available from the lowest level where the complaint might be experienced, however, if a customer is not satisfied the matter can be elevated to the management.

g) Theme 7: Service quality impact on hotel reputation

It emerged from the hotel resident guests that they all had the same or similar views on whether service quality has an impact on hotel reputation. They all agreed that service quality has an impact on reputation, because reputation is built through the quality of service the hotel offers to its customers. Furthermore, if the service quality is poor then people are going to talk negatively about the hotel. In the main, some of the guests mentioned that, yes, service quality has an impact on the reputation of the hotel because if service quality is poor all our friends, family, and perhaps associates will know and we lose business. They emphasised that sharing their opinions with others is imperative and if the service is poor they won't recommend them to visit the facility and that means no business for the hotel. As a result of the court of public opinion, negative debates and discussions have a detrimental impact on reputation and organisational image. However, quality services as perceived by customers can lead to a more credible and reputable establishment.

The hotel day-visitors also highlighted their thoughts on service quality impact on reputation. They all agreed that service quality has an impact on reputation because if customers are not happy it gives the hotel a negative publicity which results in less guest arrivals. Furthermore, customer service contributes to projecting a favourable image and reputation of the hotel. On the other hand, other guests asserted that, *'if service is of excellent quality, the hotel will have a very good feedback and recommendations from clients'* - resulting in good reputation and image.

The employees of the hotel also offered their thoughts on whether service quality has an impact on the reputation of the hotel. Starting with the front office department, the employees agreed that service quality has an impact on hotel reputation because should they provide poor service quality they are bound to lose customers as they will switch to other alternative hotels at the same time negatively talk about the hotel.

The food and beverage department also had similar thoughts, and they believed that service quality has an impact on reputation because if guest are satisfied they expect them to re-visit the hotel at the same time recommending it to family and friends. Unfortunately, some of the employees interviewed in the housekeeping department were non-responsive as to how service quality impacts the hotel's reputation. However, few appeared to agree that service quality has an impact on reputation considering that when the hotel was established it was a 2 star grading and it is now enjoying a 4 star rating. This statement is indicative of the fact that the more reputable and recognised the hotel becomes, the more these outcomes influence growth and expansion. Thus, this shows the impact service quality has on reputation. These employees ascertained that the growth of the hotel was a result of the good relationship with clients, since businesses grow if they perform well in any given environment, particularly in the hospitality industry.



The security department personnel also agreed that service quality has an impact on the hotel's reputation because if the service provided is of a good quality then customers are going to use the hotel again. These employees seem to agree that service quality has an impact on the hotel reputation because bad service means no return business and undesirable negative publicity, which often leads to many businesses closing down indefinitely.

### **SERVQUAL Model versus the findings**

SERVQUAL model as developed by Parasuraman et al., (1988) emphasises key tenants of evaluating customer perceptions. The model is indicative of how customers link service quality to five dimensions, namely, tangibles, reliability, responsiveness, assurance and empathy. Consequently, this present study examined customer perceptions of service quality and its impact on reputation. The results of our study highlighted various themes of discussion that emerged from the conversations, which we now discuss against the SERVQUAL model so as to provide a healthier consideration of the results and the literature.

- **Tangibles** – the literature states that 'tangibles' refers to the physical facilities, equipment and employees appearance. According to Brink and Berndt (2005: 60), this dimension refers to the facilities, equipment and material which must reflect positively on the organisation. From this understanding of tangibles, we can safely connect tangibles with our customer perception theme which strongly indicated that some of the respondents thought the hotel was a 5 star grading and had other luxurious equipment's to meet their expectations and needs. However, that was not the case as the hotel lacked some of the expected tangibles for the comfort of customers.
- **Responsiveness** – in the literature, Dale, van der Wiele and van Iwaarden (2007: 240) define responsiveness as the willingness to assist customers and to provide prompt service on a continuous basis. Our findings indicated that there were mixed emotions between the customers and service providers with relation to 'responsiveness or reception' offered at the hotel. Some of the customers believed that some of the service providers were unresponsive to their needs and little attention was paid to their expectations. This implies that some of the service providers did not possess the required 'willingness' to render services promptly and unconditionally. However, service providers felt that they are responsive to the best of their abilities in assisting customers of the hotel. They emphasised that the needs of customers were a priority for the success of the hotel.
- **Reliability** – the literature further highlight that reliability implies the ability to perform service dependably and accurately. To a larger extent, our respondents harmonised the hotel need to improve certain parts of rendering services to customers. Customers positioned that some of the service rendered was not adequate as compared to their expectations, they cited aspects such as poor internet connections and flexibility of using hotel equipment's as key barriers to providing desired services.
- **Assurance** – refers to the ability of employees to inspire confidence and trust. Judgement of high or low service quality largely depends on how the customers perceive the actual performance based on their expectations. Our findings suggest that employees of the hotel need proper and thorough training in handling the demands of customers. It emerged that certain customers felt that the hotel lacked strategies and mechanisms in dealing with customers. Moreover, service providers all confirmed that the hotel need to improve reporting complaints procedures and introduce more accessible mechanisms that will accommodate the interests of customers. In doing so, employees of the hotel will inspire confidence in the customers and maximise production which might positively position the hotel and enhance its reputation.
- **Empathy** – the SERVQUAL model denotes empathy as the extent to which caring individualised service is provided. It is at times a challenge for organisations to surpass client desires and requests. Understanding and recognising customer needs and their



expectations is imperative in a service-orientated industry. Our findings indicated that service quality has a major impact on reputation, and such impact can either be positive or negative. Customers indicated that if the hotel service was poor beyond measure, they would not recommend the hotel to anyone. This perspective simply implies that the hotel would lose customers and will not attract new business because service providers are not empathic to their desires. Therefore, the hotel need to meet the expectations of customers and recognise that customer needs vary from time to time. One customer suggested that: "if service is of excellent quality, the hotel will have very good feedback and positive recommendations from clients" - resulting in good reputation and image. The hotel should also recognise customer networks as an important platform for understanding the diversity and characteristics of their customers. Such networks will assist the hotel in rendering improved customer services as they obtain greater customer satisfaction and loyalty.

The SERVQUAL model is important for the hotel employees in order to better understand customer insights. Constant research and evaluation of service quality must be undertaken in order to update hotel strategies and develop mechanisms for providing fulfilling services to customers. Customer insights also assist in positioning the hotel's services against their expectations. It is equally imperative for the hotel to monitor employees understanding of service quality on a regular basis as this will assist the hotel to improve employees' knowledge, attitudes and behaviours when rendering service that reinforces customer satisfaction and loyalty. Another aspect that the hotel must attentively address is the connection between expected and perceived value. Customers hold expected value ideas prior to using any services, and the positive or negative outcome of the service determines the level of satisfaction of a particular customer. If the service is not adequate, the perceived value leads to customer dissatisfaction. Perceived value is important in service quality as a determinant of whether the customer will continue using the service or not.

## **Conclusion**

Quality is one of the most important watchwords when managing for high performance and competitive advantage and it has become the 'theme of the day'. Customers want quality whether they are buying consumer goods or receiving a service (Osotimehin et al., 2015). The results of this study shows that customers ascribed service quality ideas as including aspects such as venue hygiene, timeous service and a good employee attitude. These were the top characteristics of service quality sought by most customers. They further added the desired attributes of service quality; efficient internet availability, employees who are empathetic, regular service evaluation, good food and beverage services and how employees should be welcoming and have good customer relations. The service providers who are the employees from different departments of the hotel considered that service quality should include a good employee attitude, hygienic conditions, caring for guests and making sure that every individual gets good attention, good communication skills and striving to meet customer expectations in line with Peermont standards which are world class.

The results further highlighted that hotel employees concur that service quality has an impact on hotel reputation because if customers are not satisfied they will switch to other hotels and will not recommend other people to use the facility, perhaps even bad-mouthing the hotel. This shows customer satisfaction mediates reputation. The hotel should at all times advertise exactly what they offer, especially in the brochures and on the hotel websites, rather than misleading the customers. Some customers were not happy because their expectations were not met in various areas

Accordingly, Zeithaml et al., (2003) suggest that customer's expectation of a particular service is determined by factors such as recommendations, personal needs and past experiences. The expected service and the perceived service might not be equal thus leaving a gap; the



difference, imbalance or disparity which exists between customer's perception of organisations' performance and their prior expectation. Management of service quality largely focuses on managing the gaps between expectations and perceptions of customer's. The goal of the organisation is to minimise the gap between the guests' perceptions and expectations.

The results of the study revealed that customers had high expectations of service quality at the hotel, thus hotels' should design service standards that promote reliability to customers, consistency in service delivery and not promising more than they can deliver. In conclusion, knowing how customers perceive service quality and being able to measure service quality can benefit the hotels as it seeks to achieve and then maintain the required hospitality standards which make guests return. The measurement of service quality through customer surveys and feedback mechanisms can provide specific data that can be used in quality management. As a result, a whole range of hotels would be able to monitor and maintain quality service which is a determinant of reputation according to outcomes of this study.

### **Limitations and Practical implications**

This exploratory study was premised on a qualitative approach. The strengths of the approach were tested in order to yield the desired outcomes for the study and measure the primary purpose of investigating customer perceptions of service quality. However, the results indicated that there is a need for a mixed methods approach when dealing with customer perceptions for future research, fundamentals of the quantitative method (statistical analysis) would have assisted the present study to uncover other aspects of customer behavioural patterns and their implications to organisational reputation, particularly in the hospitality industry. Moreover, it is imperative for hospitality management to place more attention on the needs of customers when rendering services, one of the major factor is to maintain customer satisfaction through fulfilling services. Customer education is the emerging trend that hospitality management must regard as the key driver of organisational performance and success. Furthermore, customer education creates awareness and mediates the bottom line (organisational profit) while serving as image restoration and reputation management tool. The researchers hope that this study will in a small way generate some motivation for future researchers to add to the limited pool of research in this important area of the hospitality industry in Southern Africa.

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