Effect of service quality on occupancy levels at Molopo Lodge in Mafikeng, South Africa

Ms F Isabirye
North-West University
Private Bag X2046, Mmabatho, 2735

Prof JJ Prinsloo
North-West University hein.prinsloo@nwu.ac.za
Private Bag X2046, Mmabatho, 2735

Prof TG Pelser*
University of KwaZulu-Natal
pelser@ukzn.ac.za
Private Bag X54001, Durban, 4000

Corresponding author*

Abstract

Molopo Lodge in Mafikeng, North-West Province, experiences difficulties in maintaining consistent service quality, thus culminating in a fluctuation in return visits. Consequently the purpose of the study was to determine whether service quality levels have an effect on inconsistent occupancy levels. Relevant literature was reviewed with respect to customers and service quality expectations, related to consistent occupancy levels. Hospitality establishments aim to ensure consistent service quality levels. One such requirement is to have a reliable system which caters to meet a certain standard. A questionnaire was designed and used to collect data from 163 purposely, conveniently chosen respondents. The results of the data analysis reflected the direct effect of service quality on occupancy levels. The results of the regression analysis proved that providing quality service would have a positive impact on overall customer experience. Thus, the results of the empirical findings confirmed the existing body of literature regarding the relationship between service quality dimensions and overall experience. Customers overall experience is dependent on good service quality, which has a potential for driving more consistent occupancy levels at the Molopo Lodge and other similar enterprises.

Keywords: service quality, destination marketing, overall experience, customer satisfaction, customer loyalty

Introduction

The hotel industry and all businesses whose service rely on building long term relationships need to concentrate on maintaining customers' expectations which are greatly influenced by service quality. The perception of quality within an organisation begins at the front entrance. In some instances it all start at the front-office desk and the attitude of all frontline employees. Competitive strategies such as the competitive advantage is based on superior levels of service quality. This tendency is essentially the most effective way for a service operation to gain a meaningful and powerful position within the market. For most businesses, customers are very important, whether in production or service oriented industries.

Customers play an important role in generating income and profits for the business. With the ever increasing uncertainty, it is important to retain current customers, while attracting potential new customers in the market. According to Brink & Berndt (2004:12), customer service is an essential survival element for any South African business. It has been identified as a method or element which can be used to distinguish an organisation from competitors. Further, it is also an important tool for improving customer retention and increasing brand loyalty.

Customer relationships are very important in the hospitality industry. The hospitality industry is a key component in the service sector, as it provides accommodation, food and beverage for guests. The guesthouse industry is highly unlikely to go out of business - it satisfies two physiological needs for consumers, namely shelter and food (Adebayo, 2017). This industry is also highly competitive, with new companies, continuously entering the market. (Reid & Bonjanic, 2010:24). Competition amongst guesthouses in Mafikeng is very high, hence the emphasis on customer retention. Guesthouses are always looking for means and activities of acquiring, developing and increasing loyal and profitable customers.

Reid & Bonjanic (2010:60) emphasizes a theory advanced by researchers that, customer retention increases through successful relationships, thus marketing and long term profitability should increase. Guesthouse owners invest large sums of money into building rooms and providing other facilities and services. According to Maier & Chon (2010:6), the hospitality industry involves a variety of businesses, which are committed to serving people away from home.

Molopo Lodge in Mafikeng, North-West Province, South Africa, experiences difficulties in maintaining consistent service quality, thus culminating in a fluctuation in return visits to the Lodge. Consequently, the purpose of the study was to determine whether service quality levels have an effect on inconsistent occupancy levels at the Molopo Lodge.

Background

Currently, there are eighty guesthouses operating in Mafikeng. They all offer different services and rates per night. The Tourism Grading Council of South Africa is a business unit of South African tourism (TGCSA, 2017a). It is renowned globally for being a credible quality assurance body for tourism products within the South African guesthouse industry. TGCSA promotes star grading, and is an independent assessment agency which attempts to establish a common set of standards "star ratings" that provides guidelines to hospitality establishments, based on their services. TGCSA also ensures that the hospitality establishments, which are visited by potential clients adhere to and maintain a certain level of service as well as, offering the best possible customer service. It is the only government mandated, industry-supported quality assurance authority in South Africa. This is also the reason why only graded establishments are allowed to utilise their logo. Hospitality establishments apply for grading and these grades range from one to five stars, according to the type of hospitality service provided.

According to TGCSA (2017c), there are no two or five star graded establishments in Mafikeng. However, there are several three and four star guesthouses in the Central Business District (CBD) as shown in Figure 1.

Figure 1: Selected guesthouses in Mafikeng CBD
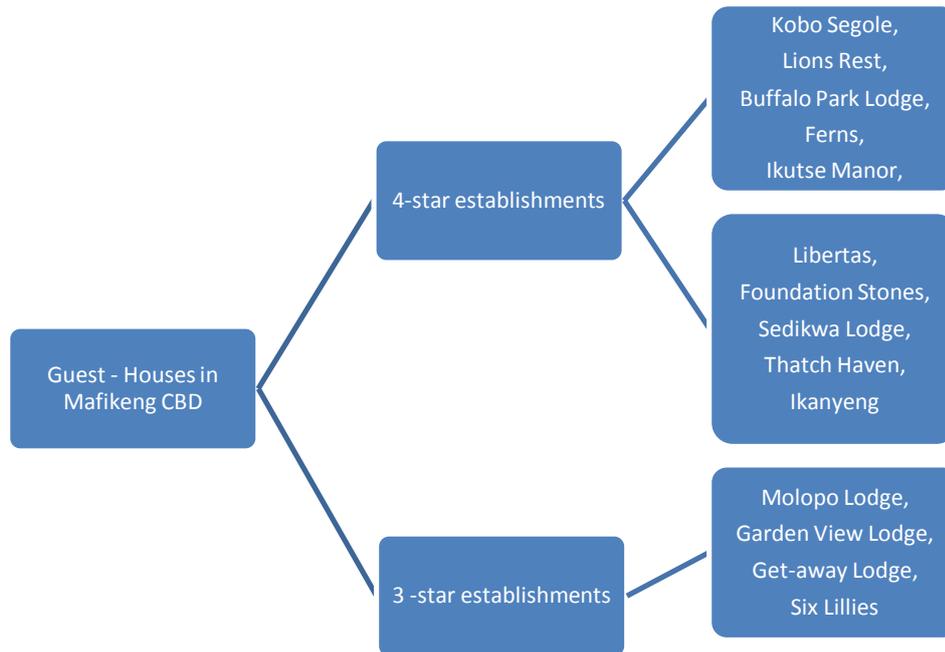
Source: Adapted from TGCSA (2017c)

The star grading assessments are explained as follows (TGCSA, 2017b):

- One Star – Fair (acceptable/modest). Provides clean, comfortable and functional accommodation.
- Two Stars – Good quality service and guest care.
- Three Stars – Very good service quality and guest care.
- Four Stars – Superior (excellent) service quality.
- Five Stars – Exceptional service quality and luxury accommodation (matching the best international standards)

Each of these establishments have their own unique products and services which are on offer to their guests. With competition amongst some of the guesthouse establishments listed being very high, the Molopo Lodge has to ensure that long lasting relationships are formed through excellent service quality, thus increasing customer loyalty and retention. Most of the guesthouses and lodges are situated in the quiet residential areas of Mafikeng and are in close proximity to most businesses and tourist destinations.

The primary objective for hospitality establishments is to develop and provide products and services that will satisfy customers' needs and wants (Zeithaml & Bitner, 2003:113). Customer satisfaction is an important aspect when dealing with customer retention. When customers are satisfied and their expectations have been met, they generally remain loyal. Reid & Bonjanic (2010:62) stated that, superior customer satisfaction occurs when an organisation provides superior services which meet the customers' needs and exceeds their expectations. This often results in cementing good customer relationships.

However, all customers may not be that easy to please, extra effort should be made to ensure that good customer relationships are maintained, as this leads to sustainability of the enterprise. The majority of customers complain in an attempt to reverse an undesirable

situation. Through relationship marketing, an organisation can achieve customer loyalty by solely focussing on the needs of the consumers. The percentages presented in Table 1 is a reflection of the low occupancy levels during selected months at the Molopo Lodge. The percentages indicate that during 2014 there was an increase in occupancy levels during selected months as compared to 2013 and 2015 during specific periods.

Table 1: Occupancy levels

Period/Month	January	April	May		
Occupancy 2013	75 %	80.67 %	79.84%		
Period/Month	January	February	April	December	
Occupancy 2014	82.58 %	85.89 %	89 %	88.38	
Period/Month	January	April	July	August	September
Occupancy 2015	77.74 %	77.83 %	77.90 %	77.42%	73.5%

Source: Molopo Lodge, 2016

Furthermore, through the years (2013-2015), management noticed that the occupancy levels fluctuated consistently. The aim of this study was to determine whether service quality levels had an effect on occupancy levels in the Molopo Lodge in Mafikeng. The objectives of the study were to determine:

- The association amongst factors that influence occupancy levels and overall service quality or experience at Molopo Lodge.
- The factors that influence occupancy levels of Molopo Lodge.
- The extent to which customers with existing relationships, remain loyal to Molopo Lodge.

Literature review

Groenewald *et al.* (2014:525) suggested that, marketing should be considered as an investment and not an expense. The authors further stated that, marketing is a separate entity which does not have contributory elements. However, it should be linked to a particular product or service. Tourism marketing is a relatively new phenomenon with similar marketing principles and features that can be applied in different industries within the marketing environment (George, 2013:23). The main focus of tourism marketing lies in creating value and promoting a desired experience where consumers will purchase from a particular organisation and not from their competitors. It is also understood that tourism marketing is a process where an organisation anticipates customer needs and tries to satisfy their needs on a long-term basis, with the aim of achieving profitable sales (George, 2013:24).

Destination marketing is a very exciting extension of tourism marketing. Destinations are product offerings that are designed to meet the needs of tourists. It is a perceived location that entices and attracts people to visit on an ongoing basis (George, 2013:501). Incidentally, Pike and Page (2014) state that a destination is a place where a consumer travels to temporarily, from the region they reside in, creating a tourism flow (demand) in both time and space. The marketing of destinations brings together all aspects of tourism namely marketing, accommodation and hospitality services. Destination marketing is defined as selling a dream and translating it into a first class visitor experience. Both private and public sectors in

destination marketing organisations promote tourist attractions and amenities (George, 2013:534).

However, Pike and Page (2014), also state that destination marketing is a highly competitive business as it is associated with operational activities and attracting people to various places. Destinations rely on tourism as a major source of economic development. Destinations can be local, regional, national or international. A destination comprises six components: (1) attractions which entice customers to a destination; (2) amenities which support the supply of services that serve the needs of customers while away from home; (3) accessibility in transportation and infrastructure is necessary to ensure that the destination is accessible to the customer; (4) ambience in the atmosphere where the customer experiences a particular destination; (5) available packages; and (6) ancillary services for a satisfying holiday experience (George, 2013:502).

An overview of the area

The North-West Province, specifically Mafikeng, shares its history, culture and wildlife with tourists and is privy to a large number of graded accommodation within the city. The wide variety of accommodation that is available, be it for individuals, businesses or families, caters to the budgetary needs of potential customers. The most important types of accommodation seeking customers are business and leisure travelers. The provision of good service quality as perceived by the customer is associated with customer satisfaction, loyalty and recommendation to potential customers via word-of-mouth advertising (Ramanathan & Ramanathan, 2013:10).

According to Prinsloo & Pelser (2015), mercenaries from Britain who exchanged their services for land grants founded Mafikeng in 1880. The region initially served as the head-quarters of the Barolong Boo Ratshidi tribe. Lord Baden-Powell battled and resisted a siege which lasted for 217 days. The siege of Mafikeng left a huge documented legacy in the settlements history which served as an attractant for global and local tourists (Cowley, 1986). Between 1895 and 1965, Mahikeng, formerly Mafikeng or Mafeking city (capital of North-West province), near the Botswana border served as the Bechuanaland protectorate until it became independent as Botswana in 1965. After gaining independence under the Apartheid regime in 1977, the economy flourished leading into an expansion of tourism development as a result of the relaxed gambling laws. This brought about the construction of casinos, hotels, resorts and game farms. A decision was taken by the Bophuthatswana Legislature to establish the capital of Bophuthatswana. The city was called Mmabatho, meaning mother of the nation. During 1980 Mafikeng was integrated into the homeland of Bophuthatswana (Cowley, 1986).

Mahikeng was the name given by the Barolong boo Ratshidi who settled in the area during the early nineteenth century (Anon, 2015). The Barolong spelling of using an *H* was later changed to an *F* in order to comply with a more standard Setswana spelling. As a result, the town became Mafikeng. Mafikeng is a Setswana name meaning "Place of Rocks" or "Place of Stones." In Setswana, *fika* means stone, *mafika* is the plural, and the *-eng* ending means "place of". Mahikeng is situated close to the Botswana border and is synonymous with being an administrative and commercial town which is a huge contrast to its rich history. In 1996 Mafikeng became the capital city of the North West province, but this time with Mmabatho as part of Mafikeng (SA History, 2017). In February 2010, the former Minister of Sports Arts and Culture, Lulu Xingwana approved the town's name to be changed to Mahikeng (Anon, 2016).

What is hospitality?

Hospitality is in essence the provision of accommodation, food and beverage services. Providing these services and ensuring individualised attention creates a personal relationship amongst guests visiting your establishment. Ottenbacher *et al.* (2009), defined hospitality as

a widely spread field which encompasses attractions, workshops, accommodation, food and beverage services and business and leisure activities. George (2013:21), stated that hospitality refers to a sector in the tourism industry that provides food and accommodation to tourists. George (2013:21) further reiterated that, hospitality is a sector within the tourism industry with the role of providing shelter and food to the tourists or guests. These definitions highlighted the fact that the core purpose of the hospitality industry is to provide accommodation, food and beverages.

Essentially, hospitality can only exist when a need arises for one or both of these services. According to Petzer *et al*. (2008:2), the hospitality industry has been rapidly growing. This growth has been influenced by an increase in demand by both leisure and business segment. Rogerson & Kotze (2011) stated that prior to 1994 the hotel and tourism sector suffered drastically because of the negative impacts apartheid had on the industry. They further stated that since the transition from an "apartheid" state to a democratic state in 1994, South African tourism, specifically the hotel industry has experienced an exponential growth within the tourism sector and has a potentially good outlook.

Methodology

According to Gorard, (2013:8), research design in social sciences involves putting together a research project from the initial stage, to maximize the possibility of generating evidence that will provide a suitable answer to the research questions within the resources provided. The research design refers to the overall strategy where the researcher chooses to bring together different components of the study in a logical way, making sure that the research problem is addressed effectively. The study takes the form of a descriptive explanatory design in order to provide an accurate description and explanation of the different types of business models used when analysing the effect of service quality on occupancy levels in the guesthouse industry. Williams (2011), state that the research approaches available to researchers are of three types namely; quantitative, qualitative and mixed. In this study, a quantitative research approach was used to reach the research objectives.

The target population of this study consisted of guests or clients accommodated at the Molopo Lodge over a three-year period (2013, 2014 and 2015) from various business sectors spread across South Africa. Based on the guest register, the total number of guests over the specified three years quantified to 19 052. The average number of guests per year was estimated to be 6351. Guests were chosen from the Molopo Lodge to participate as part of a non-probability convenient/ purposive sample where all individuals were given an equal opportunity of being selected without any bias. In combination with convenience, purposive sampling guided the study towards qualified respondents, referring only to possible respondents who were accommodated at the lodge leisurely. The sample for this study was quantified as one hundred and sixty three (163). A questionnaire was utilised as the research instrument to collect the quantitative data. The questionnaire was designed in a way to obtain as much information as possible, regarding relevant data. The questionnaire comprised of 16 questions and the design was adopted from questionnaires used by similar studies like: Mbungwana (2009), Kangogo *et al*. (2013) and Watiki (2014). Questionnaires were captured and analysed using the Statistical Package for the Social Sciences (SPSS) version 20. The use of SPSS in data analysis helped determine the relationship between the different variables.

Validity and reliability

The quality of any research study and its trustworthiness depends on the methods applied and the care with which they are applied. Validity and reliability are tools which are relevant in this

context (Veal, 2011:46). The Cronbach's Alpha was based on 22 standardised items and gave a score of 0.896, which is above the suggested threshold of 0.70.

Potential problems and shortcomings regarding the questionnaire were rectified. It was pilot tested on five typical respondents at the Molopo Lodge, who did not form part of the main sample of the study. The pilot study was intended to increase the effectiveness of the instrument and provide an opportunity to make modifications and corrections. Limitations of the questionnaire were noted and corrected before being administered to the main sample for the final study.

Ethical consideration

To secure full consent, the researchers had to disclose in full, the procedures of the proposed study before proceeding (Cooper & Schindler, 2008:37). Prior to the study being conducted, an official letter requesting permission to undertake the study was given to the Manager of Molopo Lodge. The contents of the letter fully explained with relevant details what the study entailed. All participants in the study were made aware that their participation was voluntary. All the needed information was explained in the consent letter, attached to the questionnaire.

In this study, ethical approval was obtained from the Ethical Committee at the North-West University, Mafikeng Campus (Reference No. 00490 15 A9). Assurance was made that the voluntarily respondents and participants in the study were treated fairly and always felt comfortable. They were not deceived in any manner and were well informed throughout the process. All the personal data obtained was treated with confidence and was handled in a professional manner and will be stored in a safe place for at least 5 years.

Theoretical framework

In this study, the effect of service quality on occupancy levels and the probit regression model was used to analyse the primary data collected from the respondents. The probit model is one of the regression models that is appropriate for dichotomous dependent variables (Hoetker, 2007). Besides, it is simple to get the marginal effect of the coefficients. The probit model is the most appropriate model to identify certain factors which will influence the inconsistency and fluctuations of occupancy rates (Hoetker, 2007).

In several social science applications of the probit and the logit model approach, in particular those involving in decision making, the dependent variable may represent the probability that an event occurs or the preference level a decision maker has for two alternative outcomes (Aldrich & Nelson 1984: 30). In this case a guest is either satisfied or dissatisfied with the overall service quality. Hence, the dependent variable (y) overall experience can take only two variables: 1 if the guest is happy with the overall experience and 0 if they are unhappy with the overall experience. Ten factors were taken as independent variables against overall experience of the customers as the dependent variable in the model.

A framework for this study was developed as reflected in Figure 2. The major objective of the study was to analyse the relationship between service quality and overall customer experience. Overall customer experience refers to the manner in which the guesthouse gets maximum return on the service provided. This includes, physical attributes (look and feel of the guesthouse), amenities and features, staff at the front desk and other guest-facing staff. Such consistent attributes will ultimately lead to a positive outcome in the overall experience a guest gets which is consistently be reflected in the profit and in occupancy levels.

Figure 2: Conceptual framework

Independent variables   *Dependent variable*

X_1 = gender

X_2 = education level

X_3 = employment status

X_4 = purpose of visit

X_5 = information about the lodge   **Service quality/experience**

X_6 = quality of rooms

X_7 = quality of service from staff

X_8 = food quality

X_9 = amenities

X_{10} = number of visit per month
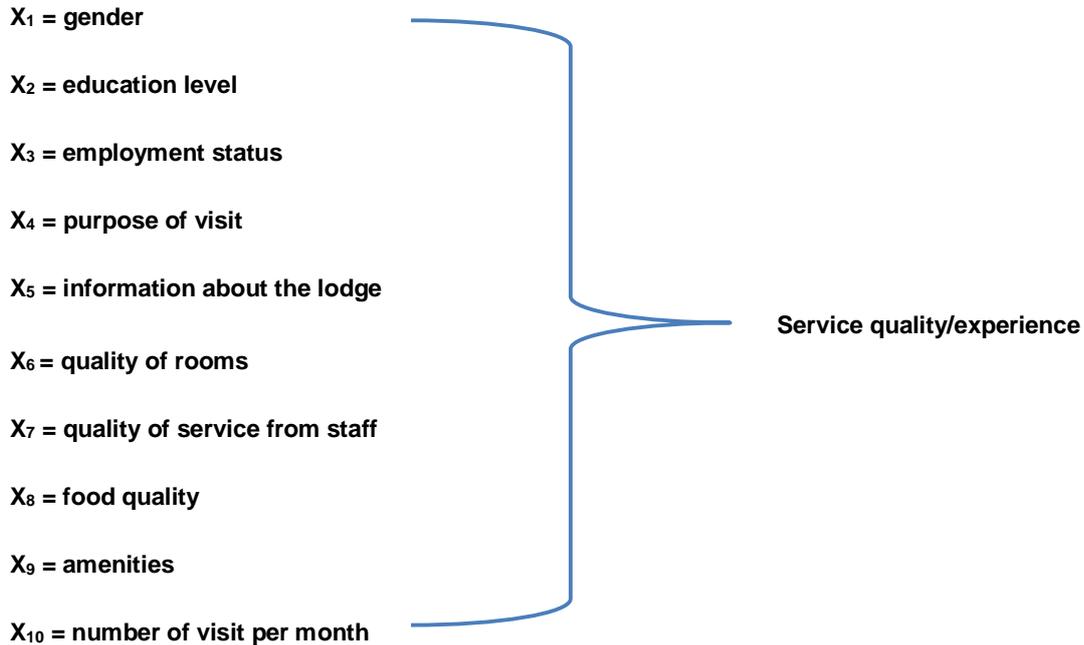
Moreover, the model measured service quality at the Molopo Lodge from the customers' perspective. The study assumes that, there is a relationship between the independent variables (Xs) and dependent variable which is overall experience (y) by customers at the Molopo Lodge as shown in Figure 2.

Results and interpretation

Demographic characteristic of Molopo Lodge visitors

The demographic results revealed that respondents were mostly male (58%) and residing in South Africa (78%). The majority of the respondents had a tertiary qualification (67%), were employed (88%) and visited the Molopo Lodge on business (78%).

Thirty four percent (34%) of respondents were influenced through "word of mouth" whilst 28% was informed by travel agents, internet (11%), Department of Education (4%), Department of Finance (1%), work (21%) and sign post (1%).

The association between dependent and independent variables

In order to assess the strength of association between the explanatory variables and overall level of experience, which influenced the service quality of Molopo Lodge, the Pearson Product Correlation Coefficient was used. The Correlation (r) was applied to measure the extent to which the independent variables (X's) were significantly associated with the dependent variable (service quality or overall experience). The objective was to determine which factors (independent variables) were associated with the overall satisfaction of the service quality offered by the guesthouse. The strength of association varies between -1.0 and +1.0 and values near +1.0 signified a positive association and those near -1.0, a negative

association. Correlation analysis determined the strength of the relationship as well as the extent of association between variables.

Table 2, presents results from the correlation coefficient matrix of the explanatory variables and overall experience. The study found that, the education status of the respondents was positively correlated to overall experience resulting to 0.16. This result reflected a weak correlation coefficient of 16% and a $P< 0.05$ significance. The implication may be that, visitors with a higher level of education are usually employed at decision making levels of their organisation compared to those with lower level of education. As a result of their strategic levels in their organisation, they tend to travel to guest lodges and are normally used to being accommodated at or near the venue.

The results shown in Table 2, reflect a positive and significant association between employment and overall experience at 0.25. Although, it is significant but negative, an association was established between employment and gender with the overall experience of the Molopo Lodge. This implied that gender differentiation was a distinct factor that affected the quality of services offered by the Molopo Lodge even though the degree of association to which gender influenced overall experience was weak. According to Mohd Salleh *et al.* (2016), past research revealed that gender has a great impact on service quality and overall customer satisfaction. Women are more skilled at making comparisons and they can identify items which suit their needs.

Furthermore, the positive association between overall experience and employment attributed to the fact that the majority of visitors to the Molopo Lodge are booked by their employers. The strong, negative yet significant association between overall experience and gender is a direct indication of how these two variables are inversely related and their direct impact on the service quality of Molopo Lodge. Females are generally not compromising when it comes to sanitation, ablution facilities and the general decor and beddings in the rooms, whilst males sometimes pay little attention to those details. (Lee *et al.*, 2011) found that, females tend to pay attention to cleanliness, physical representations and the appearance of service encounters.

Table 2: Correlation results illustrating the association between variables

	Experience	Gender	Education	Employ-ment	Purpose visit	Quality rooms	Service quality	Ame-nities	*N* Visits
Experience	1								
Gender	0.05	1							
Education	0.16**	-0.13	1						
Employment	0.25**	-0.29**	0.15	1					
Purpose visit	-0.19*	0.10	0.06	-0.19	1				
Quality of rooms	0.11	-0.15	0.01	0.16	0.01	1			
Service quality	0.29*	0.11	-0.08	0.21*	0.14	0.14	1		
Amenities	-0.06	-0.05	-0.22*	0.18	-0.31**	-0.37***	-0.08	1	
Number visits	0.15	-0.34*	0.36*	0.16	-0.14	0.11	0.03	-0.09	1

Note: ***$p < 0.001$; ** $p < 0.05$;* $p < 0.01$; ** Correlation is significant at the 0.05 level (2 tailed) and *** correlation is significant at the 0.1 and * correlation is significant at 0.01

The study also found that the "purpose of visit" was negatively associated with the overall experience which was determined by the service quality of the guesthouse resulted to -0.19. For every unit change in the "purpose of visit", there was a negative response towards service quality offered by the Molopo Lodge. This implied that "purpose of visit" influenced Molopo Lodges' ability to attract clients. As a result, if the current existing "purpose of visit" by guests changed, the number of guests that are attracted by Molopo Lodge will also decline. The implication may be that, they might have, negative repercussions on their income and it might affect the long-term sustainability of the Lodge. According to Kangogo *et al.* (2013), the delivery of good services is essential for survival. Failure to do so might result in the possible reduction of repeat guests.

Service quality and educational level was also found to be significant, and positively associated with a result of -0.21 while the association between overall experience and service quality was also found to be significant but positively associated to service quality with a result of 0.29. The study established a negative but significant association between overall experience and service quality, which has been used interchangeably in this study. The study proved that, there was a direct indication of how these two variables were inversely related and their direct impact on the service quality of the Molopo Lodge. The implication maybe that, the quality of service offered by the Molopo Lodge had a direct influence on the overall experience of guests who visited the Lodge for the first time. Hence, as the service quality of the Lodge improves, the overall experience of visitors is positive. This could lead to an increase return in visits as well as recommending the Lodge to friends and relatives who may visit Mafikeng. Van Meerendonk (2017) suggests that managers who place good strategies and ensure that guests are valued at all times, results in loyalty amongst guests.

Furthermore, a negative but significant association was established between amenities and gender with a result of -0.22, amenities and employment with a result of -0.31 as well as amenities and purpose of visit with a result of -0.37. Similarly, it was observed that, the type of employment and position held in an organisation determined the quality of rooms that hosted a particular guest. The quality of rooms is determined by the type of amenities available in that room. The poorer the amenities found in a Lodge, the less attractive the lodge is to middle and senior personnel from organisations that utilise their services. Given that the majority of customers who visit Molopo Lodge are sponsored by organisations, it is imperative for them to improve the quality of amenities in the Lodge. Furthermore, the negative association between gender and amenities is a support to earlier findings where gender was shown to have an inverse relationship with overall experience. This implied that, if the amenities were good, it would attract more female given that there were more male visitors to the Lodge than female. In research findings by Schultz (2012), an understanding of the basics such as guest amenities in hotel rooms are important and if they are not present it will negatively affect service quality and guest experience.

The analysis also found a negative but significant association between gender and number of visits per month with a result of -0.34 while a positive but significant level of association was established between the number of visits per month and educational level. Furthermore, it was observed that the level of education was found to be positively correlated to number of visits per month. The implication may be that highly educated first time visitors may not return to the Lodge because of their level of exposure to different lodges in different parts of the country.

On the other hand, first time visitors with low levels of education and limited exposure to guest lodges may find Molopo Lodge attractive and may return in future. The study also found gender and number of visits per month to be negatively associated. The implication may be that the gender bias towards the quality of services offered and the overall experience between males and females widen, the association between gender and number of visits per month weakens. In marketing literature, studies showed that female customers tend to rate service quality lower in comparison to their male counterparts.

It is essential for management to understand the effects of gender on service quality and therefore develop effective strategies to counteract any negative impacts. It is vitally important for managers to understand potential gender effects in the evaluation of service quality for the development of effective marketing strategies. Investigating such relationships is significant, because without sound evidence and guidelines, managers may run the risk of making wrong decisions. On one hand, ignoring gender differences may create problems if there are gender-based differences. A gender-sensitive approach may become even more problematic if there are no differences between male and female customers (Karatepe, 2011).

Binary logistic regression analysis (multivariate analysis)

Binary logistic regression was used to test the impact of some independent variables on the overall experience at Molopo Lodge, which is a major determinant of the quality of service. From the analysis, the R, R^2 and the standard error of estimate was used to determine the overall regression model fit to the data. The independent variables were measured against overall experience as dependent variable at 95% confidence interval level (see Table 3).

The R-Square statistic indicates whether the independent variable accounts for variations in the dependent variable. Should the percentage be high, which it is, in this case at 71%, the variables explained the variation. The adjusted R-Square indicates whether the number of independent variables included in the regression was enough to explain the dependent variable. The regression analysis revealed that, the R-square (R^2) is 0.711 indicating that 71.1% variation of the dependent variable (overall experience) is explained by the explanatory variables. The F-ratio of 0.6610 shows a 66.1% overall model fit for the data.

Table 3: Binary logistic regression analysis (multivariate analysis)

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	α	Std. Error	Beta		
(Constant)	2.448	0.636		3.848	.000
Education level	-0.310	0.124	-0.246**	-2.494	.015
Purpose of visit	-0.124	0.074	-0.137*	-1.679	.098
Information Source	-0.084	0.031	-0.295*	-2.733	.008
Service quality	0.152	0.085	0.200*	1.791	.078
Overall Experience	0.252	0.109	0.268**	2.309	.024
Price	0.389	0.128	0.493***	3.042	.004
+F	0.6610				
Overall Sig.	.000b				
R	.843a				
R²	.711				
-2 Log likelihood	.000a				

***p < 0.01; **p < 0.5; *p < 0.1, a Dependent variable: overall experience

From the analysis, the educational level of respondents was associated with decreasing likelihood of increasing overall experience (t = -2.492 and p = 0.015) as a result of poor service quality offered to clients. The findings are a validation of earlier results using Pearson's Correlation which found a positive but significant level of association between the number of visits per month and educational level. This suggested that highly educated first time visitors may not return to the Molopo Lodge whilst first time visitors with low level of education and limited exposure to guest lodges may find Molopo lodge attractive and return in future.

Similarly, it was observed that the purpose of visits by respondents were significant and negatively affected by the overall experience of customers (t = -1.679 and p = 0.098). The reason could be that, Molopo Lodge attracted most of its clients from organisational bookings with relatively low sensitivity to individual experiences. However, the chances of the overall experience amongst these employees remained poor, the odds of these people returning to the Lodge on a personal level remained low.

The study also found that sources of information were negative, but highly significant (t = -2.733 and p = 0.008). The implication may be that, in businesses such as hospitality, word of mouth and or recommendation by individuals to friends and relatives who have had an experience of the overall service quality offered by the Lodge might contribute to the promotion of the Lodge. However, in the case of Molopo Lodge a highly significant but negative association was found between sources of information and the overall experience of customers. This analysis further confirmed findings from the Spearman Correlation analysis which showed a positive association between overall experience and service quality. The implication was that overall experience was influenced by service quality and the quality of service determined customers overall impression about the guest lodge. If the overall impression was good during their stay in the Lodge, through word of mouth, they would definitely recommend and even re-visit the Lodge. On the other hand, if the overall experience was bad, they would never recommend the Lodge and hence could only utilise the services when they were compelled to, by their employers.

The study proved that, there was a positive and significant relationship between service quality and overall experience. From the regression analysis, it was found that, the quality of service was positive but significant with a result of t = 1.791 and p = 0.078. Furthermore, the overall experience was also found to be positive and significant (t = 3.042 and p = 0.024). From the analysis, these two factors were very crucial in determining return visits by first time guests as well as positively recommending the Lodge to new clients. It must be emphasised that the impact of overall experiences was more than service quality. It was further important to note that service quality was one of the factors that determined the overall experience of individual guests who visit the lodge. The study has shown that, the odds of people returning to the Lodge will depend on improved service quality which includes aspects such as room service, room decor, food quality, employees' reception to guests, and Lodge infrastructure.

Similarly, the rates per night was positive and significant in determining the overall experience of customers (t = 3.042 and p = 0.004). Consumers of services are price sensitive and normally demand more for less. Therefore, they always demand services commensurate to the price they pay for the service. Even if the price is paid by their employer, they are usually aware and will demand services worth the price. As such, if they feel that the price paid is greater than the satisfaction they received, they will give a bad recommendation to their superiors who will stop using the services of the Lodge. The implication may be that, as the price increases, so should the quality of service offered increase.

The standardized beta coefficient helped understand which significant variables was the most important and their relative magnitude of importance. Resource allocations focused on educational level (-0.246), purpose of visit (-0.137) and source of information (-0.295) indicates that they are negatively correlated but still significant. These factors play an important role because the education level will determine their perception of service and experience while the source of information gives an indication of loyalty, which then impact on the purpose of their visit. The variables being negative but significant leaves room for improvement. The room being well furnished (0.200) and the staff being knowledgeable about the area (0.268) is positively significant together with the food and beverage staff being courteous (0.493) implied that these factors are very important to guests when it comes to having a great overall experience at the Molopo Lodge. In this situation, a good recommendation of the Lodge from

other guests plays a crucial role in satisfying guests, which in turn will lead to a good overall satisfaction of the guests.

Implications and recommendations

The following recommendations are presented based on the research findings:

- In order to further improve service quality with the intent of satisfying customer's needs and enhancing their overall experience, management should pay more attention to customer complaints and individualised attention should be given to customers in order to understand their requirements.

- Management should provide continuous training for the employees on issues such as communication skills to improve their interactions with customers.

- As the Molopo Lodge is a customer-oriented organisation, they should recruit self-motivated, enthusiastic employees who can handle customers and solve customer complaints and other issues in a professional manner.

- To retain existing customers and improve service quality, management should put plans in place to ensure that the staff continuously provide and maintain meticulous service at all times.

- Management of the Lodge should regularly have research activities in order to keep abreast of customer satisfaction levels.

- The marketing effort can be focused on the demographic profile and can be expanded to develop the private sector since the guesthouse is already well known in the public sector market.

- Due to the ever-changing social and economic environment, management should be proactive to keep abreast with the changes and therefore continuously encourage the guests to provide them feedback.

- Lodge management needs to pay attention to suggestions from loyal customers relating to any complaints that may arise. Attending to and rectifying any problems by making follow ups significantly contribute to improvements in increasing customer satisfaction.

Conclusion

Overall customer satisfaction paralleled with an overall good experience is an essential requirement for business while customer valuation is an asset to any organisation. Furthermore, quality service in today's competitive market environment is critical and imperative. The objective of this study was essentially to determine the effect of service quality on occupancy levels the Molopo Lodge in Mafikeng, North-West Province, South Africa The results of this research paper confirmed the prevailing body of literature, regarding the relationship between service quality dimensions and overall experience. One of the key factors affecting an organisation's customers, is the success or failure of the organisation to provide adequate levels of satisfaction. From the findings, it can be concluded that the effect of service quality on occupancy levels in the guesthouse industry in Mafikeng is evident. Customers

overall experience is dependent on very good service quality, as customers are knowledgeable on their preferences.

Source: Molopo Lodge, 2016

Source: Molopo Lodge, 2016

Source: Molopo Lodge, 2016

References

Adebayo, O.O. (2017). Managing customer satisfaction. [ONLINE] https://cia.org.ng/files/articles/managing-customer-satisfaction [Accessed 8 June 2017].

Anon. (2015). Mahikeng. In Columbia electronic encyclopaedia. 6th Edition. p.1, Literary Reference Centre, EBSCOhost [accessed 2 April 2016].

Anon. (2016). Xingwana approves 28 geographical name changes. [ONLINE] https://mg.co.za/article/2010-02-02-xingwana-approves-28-geographical-name-changes [Accessed 8 June 2017].

Brink, A. & Berndt, A. (2004). Customer Relationship Management and Customer Service. Cape Town: Juta & Co.

Cooper, D.R. & Schindler, P.S. 2008. Business Research Methods, New York: McGraw-Hill Publishers.

Cowley, J.W. (1986). Mafikeng to Mmabatho: Village to capital city. (Geographical Proceedings: Poster paper presented to the Conference of the Society for Geography, University of Stellenbosch. South Africa, 44-58).

George, R. (2013). Marketing tourism in South Africa. 4th Edition. Cape Town: Oxford University Press.

Gorard, S. (2013). Research Design: Robust approaches for the social sciences. London: Sage Publishers.

Groenewald, A.C., Prinsloo, J.J. & Pelser, T.G. (2014). Strategic marketing insights for small business meat retailers. *International Business and Economics Research Journal*, 13(3):525-538.

Hoetker, G. (2007). The use of logit and probit models in strategic management research: Critical issues. *Strategic Management Journal*, 28:331–343.

Kangogo, E.J., Musiega, D. & Manyasi, J. (2013). Effect of customer satisfaction on performance of the hotel industry in the Western tourism circuit of Kenya. *European Journal of Business and Management*, 5(14):87-99.

Karatepe, O.M. (2011). Service quality, customer satisfaction and loyalty: the moderating role of gender. *Journal of Business Economics & Management*, 12(2):278-300.

Lee, J.H., Kim, H.D., Ko, Y.J. & Sagas, M. (2011). The influence of service quality on satisfaction and intention: A gender segmentation strategy. *Sports Management Review*, 14(1):54-63.

Maier, T. & Chon, K. (2010). Welcome to hospitality: An introduction. 3rd Edition. Clifton Park, NY: Cengage Learning.

Mbungwana, L.C. (2009). Customer satisfaction in hotels in Cape Town. Cape Town: University of Cape Town. (Master's thesis).

Mohd Salleh, M.Z., Said, A.M., Abu Bakar, E., Mohd Ali, A. & Zakaria, I. (2016). Gender differences among hotel guest towards dissatisfaction with hotel services in Kuala Lumpur. *Procedia Economics and Finance,* 37:27-32

Molopo Lodge. (2016). (Personal communication and internal documents, 11 January 2016).

Ottenbacher, M., Harrington, R. & Parsa, H. (2009). Defining the hospitality discipline: a Discussion of pedagogical and research implications. *Journal of Hospitality and Tourism Research*, 33(3):263-84.

Petzer, D.J., Steyn, T.F.J & Mostert, P.G. (2008). Competitive marketing strategies of selected hotels: An exploratory study. *South African Business Review*, 12(2):1-7.

Pike, S. & Page, S. (2014). Destination marketing organizations and destination marketing: A narrative analysis of the literature. *Tourism Management*, 41:1-26.

Prinsloo, J.J. & Pelser, T.G. (2015). Exploring the tourism potential of Mafikeng, South Africa. *African Journal of Hospitality, Tourism and Leisure*, 4(1) 18.

Ramanathan, U. & Ramanathan, R. (2013). Investigating the Impact of resource capabilities on customer loyalty. *The Journal of Services Marketing*, 27:404-415.

Reid, R.D. & Bonjanic, D.C. (2010). Hospitality Marketing Management, 5th Edition. Hoboken, NJ: John Wiley & Sons.

Rogerson, J.M. & Kotze, N. (2011). Market segmentation and the challenging South African hotel industry. *African Journal of Business Management*, 5(35):13523-13533.

Schultz, R.N. (2012). The effects of business image on customer retention in hotels in Eldoret, Kenya. *European Journal of business and management*, 4(18):185-193.

SA History. (2017). Mafikeng. [ONLINE] http://www.sahistory.org.za/places/mafikeng [Accessed 8 June 2017].

TGCSA. (2017a). About the TGCSA. [ONLINE] http://www.tourismgrading.co.za/about-the-tgcsa/ [Accessed 8 June 2017].

TGCSA. (2017b). Grading criteria. [ONLINE] http://www.tourismgrading.co.za/get-graded/whats-in-it-for-me/grading-criteria-3/ [Accessed 8 June 2017].

TGCSA. (2017c). Search for a graded establishment. [ONLINE] http://www.tourismgrading.co.za/find-a-graded-establishment/search-for-graded-accommodation/ [Accessed 8 June 2017].

Van Meerendonk, P. (2017). Total Customer Value contribution: Do you Know your Guests True worth [ONLINE] http://hotelexecutive.com/business_review/2686/total-customer-value-contribution-do-you-know-your-guests-true-worth [Accessed 8 June 2017].

Veal, A.J. (2011). Research methods for leisure and tourism: A practical guide. 4th Edition. Essex: Pearson.

Watiki, C. (2014). Service quality and customer satisfaction in hotels in Nairobi, Kenya. Nairobi: University of Nairobi. (Master's Thesis).

Williams, C. (2011). Research methods. *Journal of Business & Economics Research*, 5(3):65-72.

Zeithaml, V.A. Bitner, M.J. (2003). Services marketing: Integrating customer focus across the firm. 3rd Edition. New York: McGraw-Hill.