Quality of service delivered by alcoholic beverage suppliers to customers in the South African hospitality industry

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Abstract

Service quality can be described as the relative distance between a customer's expectation of how they feel a service should be performed, and their perception of how that service was executed. Anecdotal evidence suggested that, according to this definition, a service quality "gap" exists between the service attributes expected by businesses in the hospitality industry and those actually offered by service providers in the South African alcoholic beverage industry.

The primary objective of this study was to investigate whether there is a discrepancy between the reselling customer's expectations and perceptions of the service quality delivered by South African alcoholic beverage suppliers. This is necessary due to the importance of the South African alcoholic beverage industry within the global and local contexts, as well as service quality's significant role in business. Secondary objectives involved exploring service quality dimensions and what customers' actual expectations and perceptions are.

This exploratory research study was conducted through the use of online SERVQUAL surveys to obtain the relevant data from respondents. Screened respondents were reached via email and social media platforms. This study found that there is a discrepancy between customers' expectations and perceptions of service quality in this context. It also found that there are discrepancies for each of the RATER dimensions, of which Reliability showed both the highest expectation and gap score, and that all five RATER dimensions have a unique effect on customers' perception of service.

Keywords: Alcohol, Gap model, SERVQUAL, South Africa, supply chain

Introduction

Service quality can be described as the relative distance between a customer's expectation of how they feel a service should be performed, and their perception of how that service was executed. This perspective – where service quality lies on an expectation-perception continuum – is held by several authors (Lehtinen & Lehtinen, 1982; Lewis & Booms, 1983; Grönroos, 1984; Townsend & Gebhart, 1986; Clow, Kurtz, Ozment & Ong, 1997). Duggal and Verma (2013) report that service quality can impact an organisation's general health, customer retention, word of mouth marketing, financial performance, likelihood to be recommended, loyalty, market share and return on investment (ROI), and may be used as a powerful tool in competitive differentiation strategies. This indicates that an integral factor in the success of a business does not only consist of acquiring customers, but it also entails understanding the customer's outlook on service. Service quality is however difficult to measure, as it is often intangible and difficult to explain, and a customer's perception forms when, where and how the service both starts and ends (Edvardsson, 1998).

Accordingly, several researchers have proposed models through which service quality may be assessed in a standardised manner (Duggal & Verma, 2013). One such instrument, that has had a
considerable impact on the field of service quality, is the two-part instrument SERVQUAL, developed by Parasuraman et al. (1988). The first part of SERVQUAL deals with the customer’s expectations of service whilst customer perceptions of service form the latter half of the expectation-perception perspective.

Anecdotal evidence suggests that there is an existing discrepancy between the service attributes expected by hospitality industry customers, and those delivered by service providers in the South African alcoholic beverage industry. The alcoholic beverage industry is a significant contributor to the local economy with manufacturing, wholesaling and retailing of beer, wine and spirits contributing roughly R96.5 billion to South African gross domestic product in 2015 (Holtzkampf, 2015). The country is also becoming an attractive continental entry point and as such, several international alcoholic beverage businesses have a foothold in South Africa (Clare et al., 2004). These include Heineken, Diageo, Edward Snell & Co., Pernod Ricard and Anheuser-Busch InBev, the largest beer brewer in the world. A particular influence on adequate service levels is the number of alternatives; the more alternatives there are, the lower the customer’s tolerance for poor service (Parasuraman et al., 1991b).

One could therefore reason that as competition increases, customers become less tolerant to poor service and become more likely to switch suppliers. Consequently, in contexts where competition is increasing, or is already particularly high, the need for a service quality orientation becomes even greater. Since hospitality industry players such as restaurants and pubs form part of the alcoholic beverage supply chain, and supply chain links have bidirectional service quality relationships, the supplier choices made by these hospitality businesses will have an impact on the service quality delivered to other members in the supply chain, such as the end-consumer.

Given the above, and the important role of service quality in business, one can conclude that an assessment of service quality in this context should be given serious consideration. Research has been conducted on service quality in other industries within South Africa, but limited research had been conducted on the South African alcoholic beverage industry (Dias, 2004; Moodley, 2009). Against this background, the aim of this study was to investigate whether there is a discrepancy between the reselling customer’s expectations and perceptions of the service quality delivered by South African alcoholic beverage suppliers.

**Literature Review**

**Service Quality**

Due to increased competition, businesses have been forced to not only compete on their offerings, but also on how those offerings are delivered to the customer. Service delivery and the quality thereof has thus become an integral part of organisational strategy, with competitors continuously attempting to offer customers “more” than their rivals (Deshmukh et al., 2005). Most service quality definitions are centred around the customer (Duggal & Verma, 2013). This is understandable, as customers take part in service execution and as such co-produce services along with the supplier, making them an integral part of the entire experience (Edvardsson, 1998).

Grönroos (1984) argued that service quality is dependent on two constructs; expected service and perceived service. That service quality is a comparison made by customers between their service expectations and their perceptions, is well supported (Clow, Kurtz, Ozment, & Soo Ong, 1997; Deshmukh, Vrat, & Seth, 2005; Grönroos, 1984; Lehtinen & Lehtinen, 1982; Lewis & Booms, 1983; Parasuraman et al., 1985). In agreement with aforementioned authors, in this paper we define service quality as the relative distance between a customer’s expectation of how they feel a service should be performed and their perception of how that service was executed.

Perhaps more fervently debated than the definition of service quality, is the discussion around the paradigm dimensions that it consists of. Various researchers have proposed combinations of factors through which to define service quality (Cadotte & Turgeon, 1988; Garvin, 1987; Grönroos, 1984; Haywood-Farmer, 1988; Hedvall & Paltschik, 1989; Parasuraman et al., 1985, 1988). Initially,
Parasuraman et al. (1985) found ten dimensions which have an impact on customer expectations and perceptions. However, it was later found that these ten dimensions contained overlaps and that service quality could be ascribed to only five dimensions; namely Reliability, Assurance, Tangibles, Empathy and Responsiveness [RATER] (Parasuraman et al., 1988).

The RATER dimensions allowed the authors to develop the Gap Model - a framework that recognizes that there are many ways in which the creation and delivery of service quality can be mismanaged (Collier & Evans, 2017). The Gap Model is based on the view that service quality lies on a perceived quality continuum, ranging from unacceptable quality to ideal quality, with the perceived quality being a function of the discrepancy between expected service (ES) and perceived service (PS). This model further posited that when ES > PS, perceived quality is at an undesirable level to the customer; when ES < PS perceived quality is at a desirable level; and when ES = PS perceived quality is satisfactory.

In a review of service quality construct development, Deshmukh et al. (2005) suggested that there is no well-accepted single method on how to measure service quality, but that of the available tools the combination of the Gap Model and SERVQUAL has the strongest support from researchers. SERVQUAL measures whether a discrepancy exists on the customer's expectance-perception continuum of service quality, and does so along the five RATER dimensions (Parasuraman et al., 1985, 1988, 1991a). Despite some criticism (Teas, 1993; Reeves and Bednar, 1994; Dabholkar et al., 1996; Robinson, 1999; Oliver, 1996; Cronin and Taylor, 1994) the model has remained steadfast in its position as the most complete service quality measurement tool (Nyeck et al., 2002) and was thus selected as the most appropriate instrument for use in this study.

Supply Chain Service Quality

Researchers have investigated service quality in several industries and contexts (Bahia & Nantel, 2000; Benlian et al., 2011; Huang et al., 2015; Yang et al., 2010; Bauer et al., 2006; Zeithaml et al., 2002) yet service quality in supply chains has received limited attention (Nix, 2001; Seth et al., 2006). Seth, Deshmukh and Vrat (2006) state that model development for service quality in a supply chain context has not been sufficiently addressed. The compounding nature of a supply chain, as indicated in Figure 1, makes assessing quality within a supply chain complicated.

For example, an upstream party in the supply chain might know what their customer expects, but because of the number of links in the chain this knowledge is "lost". This could occur due to a combination of Gap Model discrepancies or a downstream party’s inability, not reluctance, to deliver the necessary services. A further example which could occur is that the service quality of a downstream party could be mistaken for a party’s higher up the chain, leading to the receiver mistakenly attaching their perceived service quality to one, several, or all the upstream parties.
There is agreement that service quality in the supply chain can be examined through the Gap Model, although adaptations must be made for an improved fit (Seth, Deshmukh and Vrat, 2006). Firstly, gaps should be seen as bidirectional with each party on either side of the gap having an effect on the other (Seth et al., 2006). Secondly, the service quality of the entire chain includes the expectation-perception discrepancies at every connection and the discrepancy across the chain as a whole (Seth et al., 2006). This is due to supply chains consisting of several stakeholders, which differs from the conventional service quality models that focus only on a two-tier structure between supplier and customer, or supplier and consumer. Thirdly, Seth et al. (2006) proposed three additional bidirectional (forward and reverse) gaps which cause service quality discrepancies:

- Gap 1A: Interactions between the supplier and focal firm.
- Gap 2A: Interactions between the focal firm and distributor.
- Gap 3A: Interactions between the distributor and customer.

Figure 2, which depicts all the stakeholders and service quality discrepancies relevant to this study, allows one to visualise the study in its entirety. As indicated in Figure 2, each of these three gaps consists of the bidirectional Gap Model situated between two stakeholders. The supply chain gaps are therefore a function of the five bidirectional Gap Model discrepancies. Figure 2 also indicates the interrelated nature of the additional supply chain gaps within the four stakeholder groups, defined as follows:

- Consumers: Individuals who purchase alcoholic beverages from hospitality-based customers for on-site consumption purposes and are of the legal age to do so.
- Customers: Businesses that purchase alcoholic beverages from focal suppliers for resale to consumers and are holders of an appropriate on-consumption alcohol license which allows them to do so according to the law. These businesses are in the hospitality industry and may include restaurants, bars and pubs.
- Focal suppliers: Businesses that distribute and sell alcoholic beverages directly to customers and are holders of an appropriate alcohol distribution license which allows them to do so according to the law. Examples include distributors, wholesalers, breweries, wineries and distilleries.
- Supplier’s suppliers: Businesses that do not distribute and sell alcoholic beverages directly to customers, but supply focal suppliers directly with alcoholic beverages as well as other goods and services. Examples include corporate brand owners, importers and manufacturers.
### The South African context

The fast-moving consumer goods sector is a recognised leader in supply chain management practices, but research tends to focus on developed countries (Hofman, O’Marah, & Elvy, 2011; Lorentz & Hilmola, 2008). The nature of FMCG supply chains in Africa, and specifically South Africa,
are different to the rest of the world (Rodriugues & Potter, 2013). For example, Rodriugues and Potter (2013) found that South African retail customers find emergency orders more important than their UK counterparts. Research conducted by Cilliers and Nagel (1994) mentioned that a lack of holistic management and integrated systems could be a possible cause of this. It has also been found that South African supply chain management strategies are not at a similar level of development to those found in the UK (Rodriugues & Potter, 2013).

As markets mature, global firms shift their focus away from developed markets, such as the UK, to less competitive markets exemplified by developing countries (Jernigan, 1997, 2000). This is visible in Africa where the rise in urban populations, the increase in disposable income, and an unrestrictive legislature regarding the marketing and promotion of alcohol are all contributing factors towards the increased availability of alcohol (Obot, 2013). In some African countries, such as South Africa, Kenya, and Nigeria, international alcoholic beverage suppliers are among the top marketers of all industries (Obot, 2013). Some of the firms present on the African continent are among the small number of multinational firms that control the production and marketing of alcoholic beverages globally (Jernigan, 2000).

One of these firms’ key focal areas is the hospitality sector, a highly competitive industry. In order to produce a competitive advantage, restaurants need to make the right beverage and supplier service quality choices (Kleynhans & Roberson, 2017). In South Africa the hospitality industry generates more than R1 billion in revenue per annum and its contribution to both global and local alcohol supply chains is vital (CATHSSETA, 2013). Service quality is however not only important to supply chains, but it is also specifically important to consumers. The industry is one that creates happiness for consumers and consumers therefore arrive at restaurants and hospitality outlets with higher service expectations than at other service providers (Pizam & Shani, 2009). This not only raises the importance of the service quality that the hospitality customer offers its consumers, but also the importance of the service quality it receives from suppliers due to the bi-directionality of supply chain service quality. For example, if an alcohol supplier were found to be unresponsive and unable to deliver an order of items on short notice that are out of stock at the customer’s premises, said customer might be unable to serve its consumers the products, thereby failing to meet the consumer’s already-elevated expectations.

In summation, the literature indicates that the Gap Model should be able to adequately identify service quality discrepancies in this context, but that it should be adapted for supply chains to include service quality discrepancies between up- and downstream partners and discrepancy-bidirectionality. This model is built on the expectancy disconfirmation paradigm and therefore includes the paradigm constructs, customer service expectations and customer service perceptions. Each of these constructs are evaluated along the RATER dimensions that consist of service attributes.

**Methodology**

Business research is broadly classified as exploratory, descriptive or causal research, depending on the techniques used and/or the purpose of the research (Zikmund, Babin, Carr & Griffin, 2013). Exploratory studies do not attempt to provide definitive answers but are useful in providing insight (Babbie, 2010), which aligns with the intent of this study – namely to clarify whether service quality discrepancies exist between the reselling customer and alcoholic beverage suppliers, rather than to provide conclusive evidence for why such discrepancies may exist. The use of a unique transdisciplinary approach, which enabled the authors to link marketing and operations management theory to provide understanding of a problem within the hospitality context, also informed the research design choice.

Definitiveness and an inability to generalise results are often noted as shortcomings of exploratory studies due to non-representative samples (Babbie, 2010). To overcome representation issues (amongst other factors), a survey was selected as the most appropriate research instrument. Surveys are known for their ability to easily capture large amounts of data and their online versions
can be distributed to a large number of respondents (Herbst & Coldwell, 2004). Seeing as the target population was dispersed across South Africa, an online survey was a more practical solution than interviews or focus groups. Surveys are also inexpensive and can be shared from one respondent to another, enabling a snowball effect of participation.

SERVQUAL is a two-part questionnaire that compares customers’ expectations of service to their service perceptions along the five RATER dimensions (Parasuraman et al., 1988). The first part of the questionnaire contained twenty-two standard SERVQUAL statements about customer expectations which the respondent rated on a Likert scale of opinion, ranging from Strongly Disagree to Strongly Agree. These statements are presented in Table 1. The second part of the questionnaire contained twenty-two standard SERVQUAL statements about customer perceptions which were all rated on the same scale by the same respondent. Although some service quality studies have made use of the seven-point Likert scale, the five-point scale was chosen for this study in order to align it with the research design of other South African studies that have made use of SERVQUAL in a similar context (Moodley, 2009; Weijters, Cabooter, & Schillewaert, 2010). The scale therefore ranged from 1 = “Strongly Disagree” to 5 = “Strongly Agree”. In total, each part of the questionnaire contained four statements about tangibles, five statements about reliability, four statements about responsiveness, four statements about assurance, and five statements about empathy.

| Tangibles | 1. Excellent beverage suppliers should have modern looking equipment. |
| Reliability | 5. When excellent beverage suppliers promise to do something by a certain time, they should. |
| | 6. When a customer has a problem, excellent beverage suppliers should show a sincere interest in solving it. |
| | 7. Excellent beverage suppliers should perform the service right the first time. |
| | 8. Excellent beverage suppliers should provide the service at the time they promise to do so. |
| | 9. Excellent beverage suppliers should insist on keeping error free records. |
| Responsiveness | 10. Excellent beverage suppliers should tell customers exactly when services will be performed. |
| | 11. Excellent beverage suppliers should give customers prompt service. |
| | 12. Excellent beverage suppliers should always be willing to help customers. |
| | 13. Excellent beverage suppliers should never be too busy to respond to customers’ requests. |
| Assurance | 14. The behaviour of employees at excellent beverage suppliers should instil confidence in customers. |
| | 15. Customers of excellent beverage suppliers should feel safe when doing business with them. |
| | 16. Employees of excellent beverage suppliers should be consistently courteous with customers. |
| | 17. Employees of excellent beverage suppliers should have the knowledge to answer customers’ questions. |
| Empathy | 18. Excellent beverage suppliers should give customers individual attention. |
| | 19. Excellent beverage suppliers should have operating hours convenient to all their customers. |
| | 20. Excellent beverage suppliers should have employees who give customers personal attention. |
| | 21. Excellent beverage suppliers should have their customer’s best interests at heart. |
| | 22. The employees of excellent beverage suppliers should understand the specific needs of their customers. |
| Note | For the “Perceptions” portion of the questionnaire, the 22 questions above were repeated; however the word “should” was deleted from each statement, and replaced with a suitable verb(s) where necessary. |

Table 1: The SERVQUAL attributes (Expectations)

The target population for this study, “customers”, included all businesses in South Africa that purchase alcoholic beverages from suppliers and are licensed to resell these beverages to...
consumers who exclusively consume it at the licensee’s registered premises. According to the South African Liquor Act 59 of 2003 and provincial liquor laws, these are called “on-consumption” or “on-premise” outlets, of which there were roughly 8,000 enterprises in South Africa at the time this study took place (Statistics South Africa, 2018). Examples include restaurants, hotels, bars, pubs and night clubs. These businesses are dispersed across South Africa which necessitated sampling from the entire region, in order to reduce geographical biases in the data. To validate this, the survey therefore included requests for demographic information in addition to the actual SERVQUAL questionnaire data.

A screening question was also used to ensure that respondents were employed at on-premise establishments and that they were therefore customers of alcoholic beverage suppliers, as per the context of this study. An invite to participate in the survey was shared via email, as well as on the first author’s personal Facebook, LinkedIn, Twitter and WhatsApp platforms. Typeform.com, the online service used to host the survey, generates a unique link per survey which can be shared.

Once respondents had successfully completed the questionnaire, they were asked to share the survey link. The aim of this was to create a snowball effect for the distribution of the survey.

**Results**

The survey was completed by 66 respondents, of which six did not qualify due to their screening question selection. The final 60 respondents came from six of the nine provinces in South Africa, with respondents in the Western Cape making up the largest complement (62%).

The SERVQUAL statements were adapted throughout the survey so that under the Expectations section, a statement would include the “should” component of expected service quality, and under the Perceptions section the same statement included the “existing” or “perceived” component of service quality.

These expectation and perception statements therefore formed pairs that were bound to a specific theme. For example, the Expectations statement E1 read: ”Excellent alcoholic beverage suppliers should have modern looking equipment.” Its Perceptions counterstatement P1 read: “My current alcoholic beverage suppliers have modern looking equipment.” The theme in this statement is “modern equipment”, which falls under the Tangibles RATER dimension of service quality.

The mean Likert scores for each of the Expectation statements were compared to the mean scores of its Perception statements and the difference displayed as the statement’s gap score. These results can be seen in Figure 3. The statement themes are also marked with the RATER dimension they belong to.
This figure identifies several points of interest to this study. Firstly, the expectation means range from 3.93 to 4.90, which indicates that the respondents have varying levels of service quality expectations. The expectation-perception continuum and SERVQUAL have been criticized for its use of the expectation paradigm, as it is assumed that respondents always expect the highest level of quality (Cronin & Taylor, 1994; Teas, 1993). This, however, does not hold true for these respondents seeing as the expectation scores would all have an average of five if this were the case.

Secondly, all the perception means are lower than the expectation means which indicates that alcoholic beverage suppliers are not over-delivering on any of the service quality themes. This is further reinforced by the gap scores which are all positive.

Thirdly, the varying nature of the gap scores, ranging from 0.45 to 1.63, also shows how alcoholic beverage suppliers are performing based on individual themes.

The higher the gap score in this regard, the worse the supplier is performing against the statement criteria; the inverse being true as well. The RATER dimensions, however, provide a more comprehensive overview of the results from this study.

As per the SERVQUAL questionnaire, each of the survey statements relates to one of the RATER service quality dimensions and their scores were used for both descriptive statistics, regression and reliability analyses (Curwin & Slater, 2008; Lind et al., 2001; Parasuraman et al., 1985, 1988, 1990, 1991a). By calculating the mean expectation and perception values per dimension and then subtracting the former from the latter, a gap score could also be calculated for each dimension. These gap scores are indicative of the nature of Gap Five in the Gap Model (Parasuraman et al., 1985). The mean dimensional expectation and perception values, along with their gap scores, are shown in Figure 4.
These results show that the respondents’ expectations are higher (µ = 4.57) than the perceptions (µ = 3.45) for all dimensions, which is in line with the findings in Figure 3. The positive gap scores (µ = 1.11) confirm that there is a difference between respondents’ expectations and perceptions of service quality. According to Parasuraman et al. (1985), when expected service is higher than perceived service, service is at an undesirable level to the customer. This figure also shows the range of expectations, perceptions and the Gap Five scores for each of the RATER dimensions. The Reliability dimension displays both the highest expectation and lowest perception values and therefore the greatest gap score.

**Dimensional effects on Gap Five**

In addition to the descriptive analyses on each dimension, this study also tested whether the dimensions all had the same effect on Gap Five or whether each of them had a unique effect on it. Results from the F-test on “quality dimension” as independent variable and Gap Five as dependent variable delivered a P-value of 0.00066 for F(4,232)=5.03. Therefore, with the P-value less than 0.001, the null hypothesis was rejected with high statistical significance at a 95% confidence level that the dimensions all had the same effect on Gap Five. The least square difference table that was used in the F-test to deliver these results is displayed in Table 2.
The rows in Table 2 with p-values lower than 0.05 are highlighted and contain each of the dimensions, which means that each dimension differs significantly from at least one other dimension and therefore differs in its effect on Gap Five.

**Qualitative data**

In addition to the SERVQUAL data, the authors also invited additional qualitative commentary from respondents. This data was collected to provide insight into the unique service quality issues faced within the alcoholic beverage supplier context. Since qualitative data falls outside the scope of this study, only a high-level thematic analysis of selected responses was conducted. This analysis enabled mapping of each response to one (or more) of the RATER dimensions, as indicated in Tables 3 and 4. Table 3 reports on the first set of qualitative responses regarding respondents' expectations of service.

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<th>Question</th>
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<td>Is there anything else you would like to share regarding the service quality you feel should be provided by alcoholic beverage suppliers?</td>
<td>&quot;Further service quality by improving on skill sets. Provide my staff with sales skills courses and training/ product info. Perhaps even incentives. Teach them about the products we are selling for them. Better product knowledge means better sales opportunities. Basics, but important.&quot;</td>
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<td>&quot;Most suppliers are not investing to build strong relationships with their clients. Their delivery trucks have long routes and schedules which compromise timeous delivery. Order lines are always busy, which results in suppliers not paying attention to detail of customer needs. No reviews are done to identify areas of improvement. Response to complaints are not that good.&quot;</td>
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<td>&quot;A number of the suppliers have either gotten too big and do not care about the needs of individual outlets. Similarly, reps are keen to promote their product, but there is no follow-through in a lot of cases on new products.&quot;</td>
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<td>&quot;I feel that when you have a supplier you should get at least one visit from them in a month for a face to face interaction.&quot;</td>
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<td>&quot;Find out who is responsible for stock control or ordering stock for my bar. If you can, call them by name when you deliver product, greet them, high five them, whatever. But don't just give an awkward &quot;Hi&quot; and hand them a clipboard. It sounds silly, but a name goes a long way. Especially considering the fact that driver/delivery teams are often the only physical contact point with the brand/supplier in use. I'm probably not going to be in the mood to unpack and count a few grands worth of stock, especially if it is just before a rush, so make it a bit nicer for us.&quot;</td>
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<td>&quot;They should be able to say when the deliveries would be made.&quot;</td>
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<td>&quot;Suppliers' attitude is that we (customer) cannot do without them, unfortunately, to a large extent this is the reality.&quot;</td>
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Table 3: Qualitative responses on expected service
The responses in Table 3 share some distinct similarities and provide very precise feedback to suppliers. It is apparent that these customers expect their suppliers to care more about their relationships with them, essentially expecting increased empathy via personal attention. For example, there are requests for training, staff upliftment, stronger relationships, attention to detail, a review system, better product information and improved communication. One could even reason that with a review system, stronger relationships and improved communication, suppliers would be aware of the requests for training, staff upliftment and requests for better product information. A few responses specifically focused on the amount of care shown by suppliers to customers. Responses also hint at what could be deemed supplier arrogance and there are specific requests for suppliers to care more for the hospitality customer’s employees. There were also responses concerned with a lack of attention to detail, communication and planning. The second set of qualitative responses investigated how customers choose their suppliers. Table 4 reports on these responses.

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<td>What makes you choose one alcoholic beverage supplier over another?</td>
<td>“Great customer service, understanding my brand and my brand’s needs, being fair among all customers, personal attention to my brand, ensuring the offer they are putting forward is correctly aligned to my brand. That there is minimum to no errors when delivering stock and if there is to be shortfall or change in delivery, timeous communication is given to forewarn of the pending situation and how it will be rectified.”</td>
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<td>“Service, willingness to make a plan in an emergency, being more specific on deliveries.”</td>
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<td>“Professional and highly skilled staff. Price. Good service equipment and facilities. Convenient location. Responsiveness to needs and queries”</td>
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<td></td>
<td>“Track record, reliability, operating hours, turnaround and delivery times.”</td>
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<td></td>
<td>“Service delivery. Pricing. Availability of products. Willingness to procure or supply products”</td>
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Table 4: Qualitative responses on supplier choice

In Table 4 one notices that several words are repeated. These include “price”, “service”, “delivery” and “convenience”, which relate broadly to reliability. Although customers in the hospitality industry expect increased empathy, as evidenced in Table 3, it appears as though the primary determinant of supplier selection is the supplier’s reliability. These qualitative responses make up the final results of the survey and hint at evidence of opportunities for current suppliers in the industry that are looking to improve on their service or to differentiate themselves from competition.

Conclusion and Recommendations

The primary objective of this study was to investigate whether there is a discrepancy between the reselling customer’s expectations and perceptions of the service quality delivered by South African alcoholic beverage suppliers. A discrepancy was identified for this sample of customers through the positive mean gap score between their expectations and perceptions of service quality. It was also confirmed that the RATER dimensions all had a unique effect on Gap Five through the rejection of the null hypothesis that they all have the same effect, where P < 0.001 for F(4,232)=5.03.

Based on this study, suppliers can acknowledge that discrepancies exist in the services that are delivered to customers in this context. They can also identify these discrepancies according to the RATER dimensions and quantify them by using the SERVQUAL tool. Being able to do this will allow suppliers to identify where these discrepancies originate from and how to fix them. Although this is in some respects a challenge, it is also a unique opportunity. For example, suppliers can take heed of the large gaps found for Reliability and Responsiveness, and adapt their operations to capitalise on customers’ desire for these attributes. In general, customers in this study revealed that service quality is wanting and are dissatisfied with the service they receive from their suppliers. They also indicated (qualitatively) that service is one of the main criteria they use when selecting suppliers.
The study also described how service quality across the entire supply chain could be a function of the service quality discrepancies within it and hospitality-industry players should therefore investigate whether the service they receive from their suppliers is impacting the service they deliver. As a starting point, the researchers recommend that focal suppliers look upstream into their supply chain to ensure that they are receiving the service quality from their own suppliers that will enable them to sustainably improve their own service quality to customers.

Small samples are an accepted limitation of exploratory studies (Babbie, 2010), however there is an opportunity for future studies to be conducted on larger sample sizes that are more representative of the target population. This can be accomplished by having access to more potential respondents and improving on completion rates. The validity of the supply chain-adapted Gap model could be tested and quantified by analysing other gaps in this supply chain and testing the hypotheses that these gaps have an effect on one another. Qualitative research could also be performed to determine whether the RATER dimensions and the SERVQUAL instrument need to be refined for this context.

References


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