AN INVESTIGATION INTO THE GUESTS' PERCEIVED SERVICE QUALITY
OF THE BED-AND-BREAKFAST AND GUEST HOUSE MARKET
INDUSTRY IN THE NELSON MANDELA BAY AREA

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DECLARATION

I, Jin Zhang, hereby declare that:

- the work in this dissertation is my own original work.
- all sources used or referred to have been documented and recognised;
  and
- this dissertation has not been previously submitted in full or partial
  fulfillment of the requirements for an equivalent or higher qualification at
  any other recognised education institution.

________________________________________

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December 2009
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ABSTRACT

The tourism and hospitality industry has made a meaningful contribution to the development of the South African economy. Not only the hotels, but also the demand for self-catering holiday properties such as guest houses and bed-and-breakfast (B&B) establishments is increasing which could boost the tourist industry. Moreover, the prospect of the self-catering holiday properties in South Africa is extremely positive, particularly when the country is given the opportunity to hold the 2010 FIFA World Cup. Thus, expectations and perceptions are significantly shaped and transformed by the prosperous environment. The self-catering holiday properties should provide the best possible service to international and domestic tourists and ensure that their needs are fully met.

The general purpose of this study was to evaluate the service quality of guest houses and B&Bs in the Nelson Mandela Bay by comparing guests’ expectations and perceptions. The results of this study could assist the managers of guest house and B&B in improving its service performance to more effectively fulfil the needs of dynamic tourist market.

The literature study provided an overview of tourism industry from the management and marketing perspectives, services marketing and a detailed discussion of service quality focusing on the nature of services, determinants of service quality and techniques for measuring service quality. The SERVQUAL model and its derivative, Lodging Quality Index (LQI), were adapted for measuring the guests’ perceived service quality in this research.
The empirical data was collected by means of a survey, using a self-administered questionnaire distributed to guests who were staying at guest houses or B&Bs in the Nelson Mandela Bay identified in terms of convenience sampling. One hundred and five useable questionnaires were received.

The empirical findings based on the perception-minus-expectation (P-E) gap analysis showed that the perception mean scores were consistently lower than the expectation mean scores. This implies that guests perceived service quality of guest house and B&B to be relatively low.

It is recommended that the managers of guest houses and B&Bs should:
- uniform the employees;
- use every tool to figure out what the guest wants;
- establish specific working procedures and help employees to understand their job responsibilities and managers’ expectations;
- invite suggestions of existing located facilities from guests, and move the inconvenient facilities if possible;
- employ a communication audit to evaluate the overall quality of the communication system by comparing communication objectives to actual performance;
- combine useful destination information from different sources and update them on the website frequently; and
- apply an attracting layout to build positive image.
KEYWORDS

- Expectations
- Guest house and bed-and-breakfast
- Lodging Quality Index
- Perceptions
- SERVQUAL
- Service quality
TABLE OF CONTENTS

ABSTRACT i
LIST OF TABLES xi
LIST OF FIGURES xii

CHAPTER 1
ORIENTATION OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND TO THE RESEARCH 1
1.2 PROBLEM STATEMENT AND SUB-PROBLEMS 5
1.3 OBJECTIVES TO BE ACHIEVED 5
1.4 SIGNIFICANCE OF THE RESEARCH 6
1.5 DEFINITION OF KEY CONCEPTS 7
1.6 REVIEW OF RELATED RESEARCH 8
1.6.1 Services marketing mix 9
1.6.2 Service quality 9
1.6.3 Service expectations and perceptions 11
1.6.4 The service gaps model 12
1.6.5 Service quality measurement approaches 13
1.6.6 Measuring service quality in the tourism industry 14
1.7 RESEARCH DESIGN AND METHODOLOGY 15
1.7.1 The choice of the research design 16
1.7.2 Data collection 17
1.7.3 The sample and the sampling method 19
1.7.4 Data analysis 20
1.8 DELIMITATION OF THE RESEARCH 20
1.9 CHAPTER OUTLINE 21
CHAPTER 2
THE PERSPECTIVE OF TOURISM SERVICE MARKETING

<table>
<thead>
<tr>
<th>Section</th>
<th>Heading</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>INTRODUCTION</td>
<td>22</td>
</tr>
<tr>
<td>2.2</td>
<td>TOURISM INDUSTRY</td>
<td>22</td>
</tr>
<tr>
<td>2.2.1</td>
<td>Definition of tourism and hospitality</td>
<td>22</td>
</tr>
<tr>
<td>2.2.2</td>
<td>Tourist</td>
<td>23</td>
</tr>
<tr>
<td>2.2.3</td>
<td>Attraction</td>
<td>24</td>
</tr>
<tr>
<td>2.2.4</td>
<td>The tourism system</td>
<td>25</td>
</tr>
<tr>
<td>2.3</td>
<td>MANAGEMENT IN TOURISM</td>
<td>26</td>
</tr>
<tr>
<td>2.3.1</td>
<td>Planning</td>
<td>27</td>
</tr>
<tr>
<td>2.3.2</td>
<td>Organising</td>
<td>28</td>
</tr>
<tr>
<td>2.3.3</td>
<td>Leading</td>
<td>28</td>
</tr>
<tr>
<td>2.3.4</td>
<td>Controlling</td>
<td>29</td>
</tr>
<tr>
<td>2.4</td>
<td>MARKETING IN TOURISM</td>
<td>30</td>
</tr>
<tr>
<td>2.4.1</td>
<td>Definition of marketing and tourism marketing</td>
<td>30</td>
</tr>
<tr>
<td>2.4.2</td>
<td>Traditional marketing mix</td>
<td>31</td>
</tr>
<tr>
<td>2.4.3</td>
<td>Marketing segmentation</td>
<td>32</td>
</tr>
<tr>
<td>2.5</td>
<td>THE FOUNDATIONS OF SERVICES MARKETING</td>
<td>34</td>
</tr>
<tr>
<td>2.5.1</td>
<td>The nature of the service sector</td>
<td>35</td>
</tr>
<tr>
<td>2.5.2</td>
<td>Definition of services</td>
<td>35</td>
</tr>
<tr>
<td>2.5.3</td>
<td>Differences between goods and services</td>
<td>36</td>
</tr>
<tr>
<td>2.5.4</td>
<td>Characteristics of services</td>
<td>36</td>
</tr>
<tr>
<td>2.5.4.1</td>
<td>Intangibility</td>
<td>37</td>
</tr>
<tr>
<td>2.5.4.2</td>
<td>Inseparability</td>
<td>37</td>
</tr>
<tr>
<td>2.5.4.3</td>
<td>Heterogeneity</td>
<td>39</td>
</tr>
<tr>
<td>2.5.4.4</td>
<td>Perishability</td>
<td>40</td>
</tr>
<tr>
<td>2.5.5</td>
<td>Classification of services</td>
<td>41</td>
</tr>
</tbody>
</table>
CHAPTER 3
THE CONCEPT AND MEASUREMENT OF SERVICE QUALITY

3.1 INTRODUCTION  
3.2 THE NATURE OF SERVICE QUALITY  
3.2.1 Definitions of service quality  
3.2.2 Importance of service quality to the hospitality industry  
3.3 CUSTOMER EXPECTATIONS OF SERVICE QUALITY  
3.3.1 Levels of service expectation  
3.3.2 Factors influencing customers’ service expectations  
3.3.2.1 Factors influencing desired service expectations  
(a) Enduring service intensifiers  
(b) Personal needs  
3.3.2.2 Factors influencing adequate service expectations  
(a) Transitory service intensifiers  
(b) Perceived service alternatives  
(c) The customer’s self-perceived service role  
(d) Situational factor  
(e) Predicted service
3.3.2.3 Factors influencing both desired and predicted service expectations

(a) Explicit service promises
(b) Implicit service promises
(c) Word-of-mouth communication
(d) Past experience

3.4 CUSTOMER PERCEPTIONS OF SERVICE QUALITY

3.4.1 Factors influencing customer's service perceptions

(a) Image
(b) Price
(c) Service encounters (moments of truth)
(d) Evidence of service

3.5 THE GAPS MODEL OF SERVICE QUALITY

3.5.1 Provider gaps
3.5.2 The customer gap

3.6 MEASURING SERVICE QUALITY

3.6.1 Development of the SERVQUAL model
3.6.2 Strengths of the SERVQUAL model
3.6.3 Criticisms of the SERVQUAL model

3.7 SERVICE QUALITY VERSUS SATISFACTION

3.8 SUMMARY

CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION
4.2 OVERVIEW OF THE RESEARCH DESIGN
4.3 RESEARCH APPROACH
CHAPTER 5
FINDINGS OF THE EMPIRICAL RESEARCH

5.1 INTRODUCTION
5.2 DEMOGRAPHIC INFORMATION AND TRAVELLING DETAILS OF THE RESPONDENTS
5.2.1 Gender 112
5.2.2 Age 113
5.2.3 Education level 114
5.2.4 Occupation 114
5.2.5 Annual gross household income 115
5.2.6 Type of accommodation 116
5.2.7 Purpose of this trip 117
5.2.8 Frequency of stay 117
5.3 IDENTIFICATION OF SERVICE QUALITY FACTORS 118
5.4 COMPARISON OF SERVICE PERCEPTIONS AND EXPECTATIONS 118
5.4.1 Tangibility 119
5.4.2 Reliability 120
5.4.3 Responsiveness 121
5.4.4 Confidence 122
5.4.5 Communication 123
5.4.6 E-functionality 124
5.4.7 E-usability 125
5.4.8 Comparison of factor mean scores 126
5.5 COMPARISONS BASED ON RESPONDENTS’ DEMOGRAPHICS 128
5.5.1 Comparison based on gender 128
5.5.2 Comparison based on age groups 129
5.5.3 Comparison based on type of accommodation 130
5.6 SUMMARY 131
TABLE 3.1: DIMENSIONS USED BY CUSTOMERS TO EVALUATE SERVICE QUALITY 77
TABLE 3.2: THE SERVQUAL DIMENSIONS 79
TABLE 4.1: DIFFERENCES BETWEEN QUALITATIVE AND QUANTITATIVE RESEARCH METHODS 93
TABLE 4.2: SURVEY METHODS 95
TABLE 5.1: AGE DISTRIBUTION OF THE RESPONDENTS 113
TABLE 5.2: OCCUPATION OF THE RESPONDENTS 115
TABLE 5.3: RESPONDENTS’ FREQUENCY OF STAY 118
TABLE 5.4: FACTOR 1: TANGIBILITY 119
TABLE 5.5: FACTOR 2: RELIABILITY 120
TABLE 5.6: FACTOR 3: RESPONSIVENESS 121
TABLE 5.7: FACTOR 4: CONFIDENCE 122
TABLE 5.8: FACTOR 5: COMMUNICATION 123
TABLE 5.9: FACTOR 6: E-FUNCTIONALITY 124
TABLE 5.10: FACTOR 7: E-USABILITY 125
TABLE 5.11: GENERAL REPORTING 126
TABLE 5.12: COMPARISON OF THE GAP SCORES ACCORDING TO GENDER 128
TABLE 5.13: COMPARISON OF THE GAP SCORES ACCORDING TO AGE GROUPS 129
TABLE 5.14: COMPARISON OF THE GAP SCORES ACCORDING TO TYPE OF ACCOMMODATION 131
LIST OF FIGURES

FIGURE 1.1: INTERNATIONAL TOURIST ARRIVALS (IN MILLIONS)  2
FIGURE 1.2: DETERMINANTS OF SERVICE QUALITY  12
FIGURE 2.1: THE TOURISM SYSTEM  26
FIGURE 2.2: MAJOR SEGMENTATION VARIABLES FOR TOURISM MARKETS  34
FIGURE 2.3: THE SERVICE CLASSIFICATION MATRIX  43
FIGURE 2.4: THE SERVICE MARKETING TRIANGLE IN HOSPITALITY  45
FIGURE 3.1: CUSTOMER EXPECTATIONS  59
FIGURE 3.2: FACTORS INFLUENCING DESIRED SERVICE EXPECTATIONS  60
FIGURE 3.3: FACTORS INFLUENCING ADEQUATE SERVICE EXPECTATIONS  62
FIGURE 3.4: FACTORS INFLUENCING BOTH DESIRED AND PREDICTED SERVICE  65
FIGURE 3.5: FACTORS INFLUENCING CUSTOMERS’ SERVICE PERCEPTIONS  67
FIGURE 3.6: EVIDENCE OF SERVICE  70
FIGURE 3.7: THE GAPS MODEL OF SERVICE QUALITY  72
FIGURE 4.1: AN OVERVIEW OF THE STAGES OF DATA PREPARATION AND ANALYSIS  106
FIGURE 5.1: GENDER OF THE RESPONDENTS  113
FIGURE 5.2: EDUCATION LEVEL OF THE RESPONDENTS  114
FIGURE 5.3: ANNUAL GROSS HOUSEHOLD INCOME OF THE RESPONDENTS  116
FIGURE 5.4: TYPE OF ACCOMMODATION SELECTED BY THE RESPONDENTS 116
FIGURE 5.5: RESPONDENTS' PURPOSE OF THE TRIP 117
FIGURE 5.6: COMPARISON OF FACTOR MEAN SCORES 127
CHAPTER 1

ORIENTATION OF THE STUDY

1.1 INTRODUCTION AND BACKGROUND TO THE RESEARCH

Tourism and hospitality is now recognised as the world’s largest and fastest growing global industry. In many countries, it is the sector with the highest contribution to foreign exchange earnings, and as an international industry it contributed 10.7 percent to world-wide Gross Domestic Product (GDP) in 2001 (Goeldner & Ritchie 2003:25).

In recent decades, South Africa's scenic beauty, sunny climate, cultural diversity and value for money have made it one of the world's fastest-growing holiday destinations. As in any country, tourism already makes a meaningful contribution to the development of the economy (SA-Venues, 2009). The coastal city of Nelson Mandela Bay, located on the south-eastern coast of South Africa, covers the urban areas of Port Elizabeth, Uitenhage and Despatch. Port Elizabeth, the largest city in the Eastern Cape province, has a wealth of natural resources and is well known as a popular holiday destination (Nelson Mandela Bay Review 2008:76).

Between 1950 and 2004, tourists increased from 25 million to 763 million world-wide, with an estimated 1.6 billion by 2020 - an average annual growth rate of about 6.5 percent (World Tourism Organization, 2004). International tourism to South Africa has increased dramatically since the end of apartheid. In 1994, the year of South Africa's first democratic elections, only 3.9 million foreign visitors arrived in the country. Figure 1.1 shows the rapid growth in the South African international tourism market after this date. By 2004, international arrivals had more than doubled to 6.7 million and in 2007 a total of...
9.07 million foreigners visited South Africa, which is an 8.3 percent increase over 2006. According to the data, South Africa’s annual tourist arrivals record was broken three years in succession.

![INTERNATIONAL TOURIST ARRIVALS (IN MILLIONS)](image)

Source: South Africa Info (2008)

The prospect of growth in the tourist industry in South Africa is extremely positive, particularly when the country is given the opportunity to hold the world's biggest sporting event – the FIFA World Cup in 2010. South Africa is using the World Cup as a catalyst for the faster development of hospitality that will benefit travellers and the economy in the years following the event. A new stadium has been built on the North End Lake, which will develop the hospitality market in Nelson Mandela Bay.
The hospitality industry is divided into two segments, namely food and beverages on the one hand, and lodging on the other (Dittmer & Griffin 1997:7). One form of lodging is provided by hotels. Hotels are currently declining in numbers while there is evidence that the demand for self-catering holiday properties such as guest houses, bed-and-breakfast establishments, tourism residences and campsites is increasing and with it a potential for commercial self-catering which could boost the tourist industry (Nicod, Mungall & Henwood 2007:245). These types of accommodation are better suited to the patterns of consumption, and hence demand, arising through changes in working lifestyles and facing the global financial downturn.

Although the hotel is still the most important type of lodging in South Africa, the bed-and-breakfast and guest house industry is a fast-growing segment of the hospitality industry (Henning 2004:v). A bed-and-breakfast establishment or a guest house can be offered from an existing home, a renovated home or a building that has been specifically designed to provide overnight accommodation. Bed-and-breakfast establishments and guest houses will have public areas for the exclusive use of its guests. Bed-and-breakfast establishments and guest houses are commercial enterprises and as such the owner or manager may live on the property (Tourism Grading Council of South Africa, 2009). The price of guest house accommodation is often cheaper than that of hotels and the requirements of a guest house or bed-and-breakfast establishment are typically basic but cosy (Canwell & Sutherland 2003:63).

The overwhelming development of bed-and-breakfast establishments and guest houses in South Africa offers opportunities to increasing numbers of entrepreneurs to be part of the tourism industry. However, Henning (2004:v) points out that many guest house owners and managers in South Africa are not formally trained in hospitality management.
Guest house owners and managers today recognise the need for a clear understanding and successful application of management principles. Managers perform four fundamental activities as the most important tasks of the management process in order to accomplish their goals and objectives. The fundamental tasks comprise planning, organising, leading and control.

According to Henning (2004:73), effective marketing is also regarded as a primary management requirement. Tourism marketing is the process through which a tourism organisation first anticipates consumer needs, and then manages those needs to satisfy the consumer in order to achieve sales (George 2004:23). An important aim of tourism marketing is to fulfil consumers’ expectations to get guests coming back repeatedly and not to stay for only one night. To ensure the return of guests, a service provider should understand what customers need or desire. Assessing service quality helps the provider to meet the expectations of customers (Woodruffe 1995:104).

Since the early 1980s, service quality has played an important role globally and in South Africa (Bennett, Jooste & Strydom 2005:282). Competing service firms often provide similar facilities, equipment and services, but the way in which the service firm provides the service to its customers can make one firm seem very different from its competitors (Randall & Senior 1996:165). Therefore to achieve a sustainable competitive advantage, businesses need to improve their service quality (Ford & Heaton 2000:7).

Because of the nature of services, service quality is a more complex construct than product quality. The characteristics of service quality are not objective, but subjective for each customer in an ongoing part of all management and service production on a daily basis (Hoffman & Bateson 2006:334). Having considered that and the growing importance of expectations, evaluating guests’ perceptions only has become unilateral when evaluating the service
quality of bed-and-breakfast establishments and guest houses. An innovative evaluating method, considering both guests’ expectations and perceptions is now needed (Han & Liu 2007:4).

Having reviewed extensive literature in the tourism and hospitality field, the researcher found that limited research has been done on evaluating the perceived service quality in the South African bed-and-breakfast and guest house market, especially when focusing on the guests’ expectations and perceptions. Therefore, the research question that arose was:

“How do guests perceive the service quality of the bed-and-breakfast and guest house market in Nelson Mandela Bay?”

1.2 PROBLEM STATEMENT AND SUB-PROBLEMS

The aim of the study was to evaluate the service quality of guest houses and bed-and-breakfast establishments by comparing guests’ expectations and perceptions. To address the main research problem, the following sub-problems are identified.

● How can the service quality of a bed-and-breakfast establishment and a guest house be measured?
● Which factors will influence guests’ expectations and perceptions of a bed-and-breakfast establishment and a guest house?
● Is there any gap between guests’ expectations and perceptions of a bed-and-breakfast establishment and a guest house?

1.3 OBJECTIVES TO BE ACHIEVED

In an attempt to address the research problem and sub-problems, the objectives of the study were to:
● study the literature on the nature of services and determinants of service quality, with the aim of providing a conceptual framework for the research;
● identify factors that can influence guests’ expectations and perceptions of bed-and-breakfast establishments and guest houses;
● study the literature on the various techniques of measuring service quality;
● identify an appropriate measuring instrument to evaluate the service quality of bed-and-breakfast establishments and guest houses;
● determine whether gaps exist between guests’ expectations and perceptions; and
● make recommendations to the managers and owners of the bed-and-breakfast establishments and guest houses to meet guests’ expectations more successfully.

1.4 SIGNIFICANCE OF THE RESEARCH

This study expects to contribute to the literature on evaluating and measuring service quality, focusing on the bed-and-breakfast establishment and the guest house. The results of this research could assist the owners and managers of bed-and-breakfast establishments and guest houses in improving the quality of services and satisfying their guests. The research is important for the following reasons:

● The bed-and-breakfast and the guest house industry is a fast-growing segment of the hospitality industry in South Africa.

● The research will help bed-and-breakfast establishments and guest house managers and owners to evaluate the quality of their services more effectively and meet the expectations of guests.

● The research will help the managers and owners of bed-and-breakfast establishments and guest houses to become more efficient and effective in providing services for guests.

● The research can help bed-and-breakfast and guest house managers and
owners to provide more effective customer-oriented services for guests.

• A better understanding of a gap, if any, between the expectations of guests and the perceptions of guest house owners can lead to higher levels of service quality in bed-and-breakfast establishments and guest houses.

• Better quality services can attract premium prices. Consumers are generally prepared to pay a higher price for services that fulfil their expectation criteria.

1.5 DEFINITION OF KEY CONCEPTS

The research problems and objectives mentioned above involve some important concepts, which should be clearly defined in the early stages of the investigation. These key concepts are explained below.

*Bed-and-breakfast* is a form of accommodation that is generally offered “in a family (private) home with the owner or manager living in the house or on the property. Breakfast must be served. Bathroom facilities may or may not be en-suite and/or private. In general, the guest shares the public areas with the host family” (Tourism Grading Council of South Africa, 2009).

*Guest house* is a form of accommodation that “can be an existing home, a renovated home or a building that has been specifically designed to provide overnight accommodation. Breakfast is usually served but not essential. A guest house will have public areas for the exclusive use of its guests. A guest house is a commercial operation enterprise and as such the owner or manager may live on the property” (Tourism Grading Council of South Africa, 2009).

According to Parasuraman, Zeithaml and Berry (1988:12), *service quality* is “a form of attitude, related but not equivalent to satisfaction, and results from a comparison of expectations with perceptions of performance”. Service quality
can be defined as “the extent of discrepancy between the perceived expectations of the guests and their perceptions pertaining to actual delivery”. The evaluation of service quality should be done by analysing the experience of guests when they experience the service in the bed-and-breakfast establishment and the guest house. Service quality offers a way of achieving success among competing services (Hoffman & Bateson 1997:299).

*Expectation* is “a belief that something will happen because it is likely to happen” (Wehmeier 2000:405). Expectations can be formed before or during the delivery of a service. They reflect beliefs as to what will or should happen (Mudie & Pirrie 2006:7).

*Perception* is “the process by which an individual selects, organizes and interprets information inputs to create a meaningful picture of the world” (George 2004:149). Perceptions of a service are a complex series of judgments formed during or at the end of the experience (Williams & Buswell 2003:65).

*Satisfaction* is “the result of customers’ assessment of a service based on a comparison of their perceptions of service delivery with their prior expectations” (Johnston & Clark 2005:105). There is a general consensus that the level of customer satisfaction has strategic links with a firm’s overall performance (Lovelock 2001:120).

1.6 REVIEW OF RELATED RESEARCH

Leedy and Ormrod (2005:64) stress that it is extremely important for researchers to provide an extensive literature review in their research reports. A typical review “describes theoretical perspectives and previous research findings regarding the problem at hand”. The more a researcher comprehends
about the investigations and perspectives related to the topic, the more effectively the researcher can tackle his or her research problem.

1.6.1 Services marketing mix

Much research has been done on services marketing. Hoffman and Bateson (2006:5) provide a general overview of the services marketing concept. Zeithaml and Bitner (1996:23) describe the services marketing mix, involving the traditional four P’s (product, place, promotion and price) and the extended three P’s (people, process and physical evidence). The term *people* is defined as the human factors who influence the buyer’s perceptions in service delivery, such as hosts or managers and other guests in the service environment. The *process* comprises the actual procedures, mechanism and flow of activities in the service delivery. *Physical evidence* includes any tangible components that can facilitate performance or communicate service with customers when the service is delivered. These three new elements reflect a derivative of the marketing mix which may influence the guests’ initial decision to choose an accommodation and the level of satisfaction.

1.6.2 Service quality

Johns (1996:10) argues that service quality is growing in importance in the marketing literature. The early attempts to specify and measure hospitality quality were only concerned with tangibles such as food and physical facilities. However, during the past decades, the intangible services are recognised as being increasingly important in the advanced competitive market. Because of the four characteristics of services (intangibility, inseparability, homogeneity and perishability), the quality of services is more difficult for consumers to evaluate than that of physical products (Kennedy 2003:74).
Many early models of service quality (e.g. Grönroos 1982, 1984) are based on the disconfirmation model used in the product quality literature (Oliver 1977), focusing on how disconfirmed expectations affect product perceptions. Parasuraman et al (1988:12) developed the service gaps model and the SERVQUAL (service quality) measuring instrument based on the disconfirmatory framework. These conceptualisations view service quality as the gap between the expected level of service and the customer’s perceptions of the actual service received.

The service provider and the customer may have different perceptions of service quality. The service quality from the provider’s perspective means the extent to which the service’s features conform to the organisation’s specification and requirements. The service quality from the customer’s perspective means how well the service meets or exceeds expectations. Because of the customer-oriented market, service quality is generally defined from the customer’s perspective, which is usually termed as *perceived service quality* (Fisk, Grove & John 2004:153).

*Perceived service quality* is the most researched aspect of services marketing. Since the primary study on service quality by Parasuraman, Zeithaml and Berry (1985:41-50), efforts have been made to distinguish between perceived service quality and satisfaction. According to Harris and Baron (2003:148), service quality is an overall attitude. It is generally established from a series of evaluated experiences. Satisfaction is more dynamic than perceived service quality, because satisfaction is the outcome of the evaluation during each transaction. For example, the satisfaction of a guest in a bed-and-breakfast establishment and a guest house is related to the prior expectation of the service and the actual outcome. If the guest’s expectation is exceeded, the guest will be satisfied. However, the same guest judges service quality of the bed-and-breakfast establishment or a guest house on a general basis by
comparing the services of other bed-and-breakfast establishments or guest houses in order to form the expectation. The service quality rating cannot result from a single transaction. Moreover, researchers have concluded that quality has become the key to competitive success and long-term survival.

1.6.3 Service expectations and perceptions

Zeithaml and Bitner (1996:37) claim that the gap between customer perceptions and expectations plays a major role in services marketing. Customer perceptions are subjective assessments of actual service experiences. Customer expectations are also the standards of performance against which service experiences are compared, and often formulated in terms of what a customer believes should or will happen.

Customer expectations embrace several different elements, including desired service, adequate service, and a zone of tolerance that falls between the desired and adequate service levels. Lovelock (2001:116) explains that because services are characterized by heterogeneity, consumers learn to expect variation in service delivery from one location to the next and even with the same provider from one day to another. The extent to which “customers are willing to accept this variation is called the zone of tolerance” (Lovelock & Wirtz 2007:49). Dissatisfaction will be caused if the performance falls below the adequate service; by contrast, customers will be satisfied when the performance exceeds the desired service (Lovelock 2001:116).

Because better quality can attract premium prices and play an important role in the competitive market, Ayala, Staros and West (1996:259) stress that it is very important to measure both guests’ expectations and perceptions when evaluating the perceived service quality of a hotel sector. Bruhn and Georgi (2006:49) argue that customers perceive a high level of service quality when
their perceptions of a service exceed expectations. In contrast, a low level of service quality is perceived when their expectations are not properly met. The relationships among service quality, expectations and perceptions can also be diagrammatically described as shown in Figure 1.2.

FIGURE 1.2
DETERMINANTS OF SERVICE QUALITY

Source: Adapted from Parasuraman et al (1985:41-50)

1.6.4 The service gaps model

According to Parasuraman et al (1988:35), the service gaps model is based on the difference between customers' expectations of a service and the perceptions of the service that is delivered. This model consists of five gaps and involves two parties, namely the customer and the service provider. The customer gap is the difference between customer expectations of service quality and customer perceptions of the organisation's performance. To close the customer gap, four other provider gaps need to be closed. Provider gaps include knowledge gap, standards gap, delivery gap and communication gap. The knowledge gap is the difference between consumer expectations and management perceptions of consumer expectations; the standards gap is the difference between management perceptions of consumer expectations and service quality specifications; the delivery gap is the difference between
service quality specifications and the service actually delivered; the communication gap is the difference between service delivery and what is communicated about the service to consumers (Kennedy 2003:82). A survey instrument that measures service quality, called SERVQUAL, is based on implementing the service quality gap concept.

1.6.5 Service quality measurement approaches

The measurement of service quality is complicated by the four distinctive characteristics based on the difference between goods and services, namely, intangibility, inseparability, heterogeneity and perishability. However, a number of instruments have been developed to measure service quality, which are broadly categorized as performance-based and disconfirmation-based approaches (Carrillat, Jaramillo & Mulki 2007:475).

The performance-based approach, called SERVPERF, assumes that service quality can only be assessed by measuring consumers’ actual experiences (Cronin & Taylor 1992:55). In contrast with the performance-based approach, the disconfirmation-based approach measures service quality as the difference between consumers’ expectations and their actual experiences. This is termed SERVQUAL (Parasuraman et al 1988:12).

Parasuraman et al (1985:47; 1988:12) identified 10 criteria used by consumers in evaluating service quality, namely, credibility, security, access, communication, understanding the customer, tangibility, reliability, responsiveness, competence and courtesy. In subsequent research, they found a high degree of correlation between several of these variables and so consolidated them into five broad dimensions including tangibility, reliability, responsiveness, assurance and empathy. These five service quality dimensions constitute the SERVQUAL scale explained as below.
Parasuraman et al (1988:12) have developed and successively refined a 22-item questionnaire instrument called the SERVQUAL scale. This is designed to elicit customers’ expectations and actual perceptions of a series of quality attributes, by following the five dimensions. However, many researchers (e.g. Cronin & Taylor 1994:125-131; Teas 1994:132-139) criticized the idea, validity and reliability of the instrument. For example, researchers discovered that measuring service quality may not always correspond to increasing levels of perceived quality. Moreover, Crompton and MacKay (1989:368) stress that satisfaction and service quality are not the same thing, which is against the original premise of Parasuraman et al (1988:15) who claim that the same evaluation judgement occurs in each case.

The effectiveness of SERVQUAL in evaluating service quality has been successfully applied to practical problems by a number of researchers. Although it has received some severe criticism, the SERVQUAL instrument is still a good monitor of service quality in its domain and has been used by many researchers in a variety of industries to measure customers’ perceptions of service quality, such as information technology (Jiang, Klein & Carr 2002:145-166; Zhu, Wymer & Chen 2002:69-90), shipping (Durvasula, Lyonski & Mehta 1999:132-150), mobile communication (Lai, Hutchinson, Li & Bai 2007:244-262), hospitals (Shemwell & Yavas 1999:65-74), insurance (Stafford, Stafford & Wells 1998:426-440), food (Johns & Howard 1998:248-265), and health care (Kilbourne, Duffy, Duffy & Giarchi 2004:524-533).

1.6.6 Measuring service quality in the tourism industry

Parasuraman et al (1988:12) suggest that the dimensions identified are transferable across industries. In recent years, numerous studies have focused on service quality in the hotel industry (e.g. Hsieh, Lin & Lin
The results of these studies have produced several contributions to understanding the dimensional structure of service quality of hotels. These studies have proved that there has been limited support for the applicability of the SERVQUAL dimensions to the hotel industry. Because of the different segments of hotel industry (such as resort hotels, motels, airport hotels and convention hotels), each has its own distinguishing characteristics. For example, Akan (1995:40) discovered seven quality dimensions of luxury hotels in Turkey, which are different from the original SERVQUAL.

Mei et al (1999:136) examined the dimensions of service quality in the hotel industry in Australia. They used the SERVQUAL instrument as a foundation and developed the HOLSERV scale, a new instrument to measure service quality in the hotel industry. As the key findings of their study, the authors conclude that service quality in the hotel industry is represented by three dimensions: employees, tangibles and reliability, and that the best predictor of overall service quality is the dimension referred to as employees. Getty and Getty (2003:94) developed another specific application for the lodge industry in the USA, as a derivative of SERVQUAL, named Lodging Quality Index (LQI), which developed five lodge-specific dimensions, namely tangibility, reliability, responsiveness, confidence and communication from the original SERVQUAL to assess customers’ perceptions of quality delivery. These dimensions reflect the unique nature of the lodging industry more effectively than SERVQUAL.

1.7 RESEARCH DESIGN AND METHODOLOGY

Aaker, Kumar and Day (2007:48) stress the importance of marketing research as it can help the management team to diagnose the decisions which need to be made efficiently for the problems or opportunities revealed in the results. In this study, examining the guests’ perceptions of service quality could assist the
managers of bed-and-breakfast establishments and guest houses in improving the delivery levels of service.

1.7.1 The choice of the research design

Research design serves as a master plan to be followed to address the research objectives or hypotheses. In particular, the researcher determines the most appropriate structure or framework to answer a research problem or opportunity by collecting and analysing data (McDaniel & Gates 2006:33). Hair, Bush and Ortinau (2006:63) conclude that most research objectives can be met by using one or more of three types of research designs, namely, exploratory, descriptive and causal.

- Exploratory research aims at developing initial insights into the general nature of a problem. It provides direction for any further research needed by using an unstructured format to interpret the nature of the problem.
- Descriptive research aims at using a set of scientific methods for selecting the sources of information. By collecting raw data and creating data frameworks, these sources describe the existing characteristics of a defined target population.
- Causal research aims at showing that one variable causes or determines the values of other variables. It models cause-and-effect relationships between variables in terms of collecting raw data and creating raw data structure.

Descriptive research designs are particularly appropriate when the research objectives include the determination of the degree to which marketing variables are related to actual marketing phenomena. Such information can equip managers with knowledge of customers, competitors, target markets and environmental factors, which can lead to an effective action to solve problems or opportunities (Hair et al 2006:63). Descriptive research was
performed in this study to evaluate the service quality of bed-and-breakfast establishments and guest houses, by comparing guests’ expectations and perceptions. The results of descriptive analysis might assist the managers of accommodation in identifying more effectively the service areas in which the guests’ expectations were not met.

1.7.2 Data collection

The means of data collection during the research process can be classified into two categories: qualitative and quantitative. Qualitative research refers to the collection, analysis, and interpretation of data by observing what people do and say. Quantitative research refers to the use of structured standard questions and predetermined response options in questionnaires administered to a large number of respondents (Burns & Bush 2006:202). According to McDaniel and Gates (2006:79), the quantitative research methods are more directly related to descriptive research. Quantitative research thus was employed for the current study, which could help the researcher to collect the raw data from a large number of guests of bed-and-breakfast establishments and guest houses in the Nelson Mandela Bay area.

Because of its information-driven nature, marketing research cannot only be either qualitative or quantitative, but can also be either secondary or primary. Secondary data is available data gathered for some purposes other than the one at hand (Aaker et al 2007:188). In this study, secondary data was gathered from books, journals, electronic databases (such as Science Direct, EBSCOHost and Emerald), the Internet and governmental reports, with the aim of providing a conceptual framework for the research.
Parasuraman, Grewal and Krishnan (2004:43) point out that primary data is collected by the researcher for the specific research needs. Primary data can be gathered in three ways: surveys, observation and experiments (McDaniel & Gates 2006:35). Surveys can be used to capture a wide variety of information on many diverse topics and subjects and to collect the data of the respondent’s overall attitude and assessment (Aaker et al 2007:228). There are four broad categories of survey method to collect primary data: person-administered, telephone-administered, computer-assisted and self-administered (Burns & Bush 2006:243-244). According to Aaker et al (2007:246), McDaniel and Gates (2006:127) and Proctor (1997:102), a self-administered survey is a structured data-collection technique required to be completed in convenient places by potential respondents with no interviewer being present; the major advantages of which are low cost, respondent control and no interviewer-evaluation bias (Burns & Bush 2006:242). A self-administered survey using a paper questionnaire was chosen to gather primary data for the current study.

A questionnaire is an important instrument in conducting a self-administered survey. Hair et al (2006:429) define a questionnaire as a set of questions designed to generate primary data to accomplish research objectives. Burns and Bush (2006:300) argue that questionnaire design directly affects the quality of the primary data collected. Therefore, designing questionnaire is indeed a vital ingredient in the research process. The common question-response formats in the questionnaire are open-ended (unstructured) and closed-ended (structured) questions. Open-ended questions can be used in conjunction with the closed-ended questions for any additional information needed. In this study, closed-ended questions were employed in the questionnaire, by means of dichotomous and multiple-choice formats, to gather the guests’ demographic details. Five-point Likert-scale questions were used to measure the guests’ perceived service quality of accommodation.
1.7.3 The sample and the sampling method

Obtaining information from the population can be undertaken by a census or a sample. However, in the majority of research cases it is impossible or unreasonable to study all the elements in a particular set, like a census (Clark, Riley, Wilkie & Wood 1998:75). Thus, sampling is an important concept that was used in the present study.

Hair et al (2006:310) mention that “a defined target population consists of the complete group of elements (people or objects) that are identified for investigation based on the objectives of the research project.” The target population of this study comprised all the guests who were currently staying or once stayed at bed-and-breakfast establishments or guest houses in the Nelson Mandela Bay area, while the empirical study was being conducted.

Aaker et al (2007:393) emphasise one of the various differences between the probability and non-probability sampling methods. A list of sampling units is required to conduct a probability sampling, but a non-probability sampling can reduce the trouble and costs of developing a sampling frame. Non-probability sampling methods consist of convenience sampling, judgment sampling, quota sampling and snowball sampling. McDaniel and Gates (2006:303) point out that the greatest advantage of convenience sampling is that it is quick and inexpensive in obtaining information. Therefore, a convenience sampling was employed in this study.

Sample size can be determined either by using statistical techniques or through some rule of thumb. Sekaran (in Han & Liu 2007:34) maintains that sample sizes larger than 30 and smaller than 500 are appropriate for most research. Based on this, a convenience sampling was employed to reach 105 guests who had visited bed-and-breakfast establishments and guest houses.
Those who completed the questionnaires were conveniently selected from shopping malls and the local airport at the Nelson Mandela Bay.

1.7.4 Data analysis

The primary objective of data preparation is to convert the raw data into a form of data suitable for analysis so that valid conclusions and recommendations will be drawn. The major preparation techniques include data editing, data coding and data capture (Aaker et al 2007:432). In this study, the collected raw data was edited, coded, captured and then analysed in Microsoft Excel.

A descriptive analysis was used in this research. According to Hair et al (2006:495), descriptive analysis aims at summarising and describing a general pattern of the data obtained from a sample of respondents. Descriptive statistics include measures of central tendency (mean, median and mode), measures of dispersion (range and standard deviation), and measures of position (quartiles, deciles and percentiles). In this study, parts of descriptive statistics were calculated to report on the guests’ demographic characteristics and the perceived differences between service perceptions and expectations.

1.8 DELIMITATION OF THE RESEARCH

To make this research topic more manageable, there were three important delimitations in this study:

- Firstly, in terms of geographic region, the empirical data was collected only in the Nelson Mandela Bay area, South Africa.
- Secondly, this study examined only the service levels of bed-and-breakfast establishments and guest houses and did not attempt to investigate those of other types of accommodation, such as hotels, lodges and country houses.
Thirdly, this study examined only the guests’ perceived service quality levels and did not attempt to determine the managers’ perceptions of service delivery.

1.9 THE CHAPTER OUTLINE

The dissertation is divided into six chapters. Chapter 1 explains the rationale for the study, the research objectives, the data collection, and the sample selection and data analysis.

Chapter 2 provides a literature review on the South African tourism industry, with particular reference to the bed-and-breakfast and guest house market as a component of the accommodation sector in which the current study was conducted.

Chapter 3 contains a literature review on services marketing, focusing on the nature of services, determinants of service expectations and perceptions, and measurement of service quality.

Chapter 4 provides a discussion of the research design and methodology applied in the study. The discussion elaborates the chosen methods and techniques of sampling, data collection and data analysis.

Chapter 5 reports on the major findings resulting from the empirical study, including the demographic patterns of the respondents and their perceived levels of service quality.

Chapter 6 consists of a synopsis of the study, draws conclusions and makes recommendations based on both the literature and the empirical studies.
CHAPTER 2

THE PERSPECTIVE OF TOURISM SERVICE MARKETING

2.1 INTRODUCTION

Chapter 1 described the scope of the study and developed a problem statement, the objectives and research methodology of the study. Chapter 2 focuses on the perspective of tourism services marketing. It begins with an overview of the tourism industry by discussing planning, organising, leading and controlling of management. Traditional marketing mix and marketing segmentation in the tourism industry are also explained. Following these, the definition, characteristics and classification of services are discussed as foundations of services marketing in this chapter. In addition, the key scopes of services marketing will partly be discussed.

2.2 TOURISM INDUSTRY

The tourism industry is multifaceted, comprising different elements (Bennett & Schoeman 2005:30). This section gives a brief overview of some of the most important tourism concepts, including the definition of tourism and hospitality, the classifications of tourists and attraction, and the process of the tourism system.

2.2.1 Definition of tourism and hospitality

Mill and Morrison (1992:9) state that tourism includes the activities the traveller undertakes as part of the trip, the purchases made, and the interactions that occur between host and guest. This encompasses everything from the planning of the trip, travelling to the place, the stay during the whole trip, the
return from destination, and the reminiscences about it afterwards. In total, it is all of the activities and experiences that occur when a visitor travels. Indeed, tourism can be described as an activity that is serviced by numerous industries such as hospitality and transport. Hospitality refers to the sector in the tourism industry that provides food and shelter to the tourists which is phrased as accommodation, meals and beverages (George 2004:21). These three services may be offered independently or in combination and can be charged separately or inclusively. For example, a guest house provides accommodation only; a B&B not only provides accommodation, but the price also includes meals and beverages during breakfast only. Although hospitality is mainly concerned with providing food, drink and accommodation, it also promotes a warm and friendly experience and effective service that benefits and impresses customers (George 2004:21).

2.2.2 Tourist

Goeldner and Ritchie (2006:5) state that the tourist looks forward to experiencing various psychological and physical satisfaction through the determination of the destinations chosen and the activities enjoyed. Generally, tourists can be divided into two categories, namely, International visitors and domestic visitors.

Bennett and Strydom (2005:2-3) point out that International visitors can be defined as “people who visit a country other than their usual place of residence for no longer than one year, and whose main purpose in visiting is not the pursuit of an occupation remunerated from within the country visited.” International visitors comprise international tourists and international excursionists. International tourists are international visitors who stay more than 24 hours and less than a year within the country visited. The purpose of this visit can be classified into business and holiday visits. International
excursionists are international visitors who stay less than 24 hours within the country visited, such as crew members who do not use accommodation facilities.

Domestic visitors can be defined as “residents of a country who travel to a place within the same country for no longer than one year and whose main purpose in visiting is not the pursuit of an occupation remunerated from within the place visited” (Bennett & Strydom 2005:2-3). Domestic visitors include domestic tourists and domestic excursionists. Domestic tourists are domestic visitors who stay more than 24 hours and less than a year within the place visited. The purpose of this trip can be divided into business and holiday trips. In contrast, domestic excursionists are domestic visitors who stay less than 24 hours within the place visited.

2.2.3 Attraction

According to Bennett and Schoeman (2005:39), attractions are the most powerful component of the supply side of tourism. These developed locations are planned and managed for the unique interest, activity and enjoyment of visitors. Mill and Morrison (1998:407) classified attractions mainly in relation to scope, ownership and permanency.

- **Scope**: The scope can be divided into primary attractions and secondary attractions. Primary attractions refer to those places of interest which form the main motivation of tourists for taking the trip; secondary attractions are those visited on the way to and from the primary destination.

- **Ownership**: Attractions are owned and managed by all three different sectors, namely private establishments, government and non-profit organisations. Because of the different functions of those sectors, their motivation for owning and managing them tends to be different. The motivation of private establishments is to pursue profits; the motivation of
government is to protect natural and historic sites, (such as national park and nature reserves); the motivation of non-profit organisations is related to the social good (such as preservation of history and heritage).

- **Permanency**: The permanency of attraction is divided into site attractions and event attractions. Attractions which are permanently established on site are called site attractions. They are fixed to a specific location and are dependent on the resource base; the event attractions are movable and temporary, but once the event has concluded, the chosen destination for convenience becomes less attractive to tourists.

### 2.2.4 The tourism system

Tourism is a composite of industries, activities and services combined in an approach to deliver a travel experience, such as transportation, accommodation, eating and drinking establishments, shops, entertainment and activity facilities. Each element of this approach is inseparable and interrelated. However, each of those components can be researched separately. The current research focuses on the service of accommodation which is part of the whole tourism system.

A well-known tourism system developed by Gunn (1988:68) is diagrammatically shown in Figure 2.1. In this model, the tourism system constitutes one demand element (population), and four supply elements (transportation, attractions, promotions and services).

- **Population**: Representing the tourist markets which include those people who have both the interest and ability to travel.
- **Transportation**: Forming the link between the place of residence and the destination.
- **Attractions**: Representing a wide variety of physical settings and establishments that attract tourists to visit a particular destination.
- **Promotion**: Referring to the activities that are undertaken to lure or guide tourists to visit a particular destination.
- **Services**: Including hotels, restaurants, bars and retail stores.

**FIGURE 2.1**

THE TOURISM SYSTEM

Source: Adapted from Gunn (1988:68)

2.3 MANAGEMENT IN TOURISM

In the most recent decade of the tourism industry, a successful management is no longer judged by the friendly hosting only, but it is also established by
managing the resource of the tourism organisation in a way that reaches predetermined stated organisational goals as productively as possible. Because the guest house is categorised as a form of small-sized tourism enterprise, which is characterised by the lack of professional management systems and procedures, the owner and manager need to gain a clear understanding of the four basic functions of management, namely planning, organising, leading and controlling.

2.3.1 Planning

Bresler (2005:169) defines planning as the fundamental element of management that predetermines what an organisation proposes to accomplish within a changing environment. Planning can be described as a logical process consisting of three interrelated steps as follows (Bennett & Zsadanyi 2002:111-112):

- Goal setting: setting objectives and directions for the rest of the planning and management process.
- Developing plans: using the information of internal and external environment to create plans and strategies.
- Implementation: executing the plans and strategies in managerial activities and processes.

Bennett and Zsadanyi (2002:111-112) maintain that planning is important for a number of reasons. Firstly, it provides directions and objectives for the organisation. Secondly, it promotes cooperation between different departments. Thirdly, it fosters a future-oriented approach and largely eliminates the danger of crisis management. Finally, faced with an increasing rate of change and complexity, it adopts a proactive approach to management which is necessary for business to stay abreast and remain competitive.
2.3.2 Organising

Organising is the process of creating a structure for the organisation that will place suitable people in appropriate positions to implement the plans and strategies effectively that have been developed by management (Bresler 2005:176). Organising provides an organisational structure that indicates clear responsibility, authority, delegation and coordination of every individual.

- Responsibility is defined as a specific obligation or commitment on the part of manager or a subordinate to carry out the task given to him in order to achieve organisational goals.

- Authority refers to the right to command or to give orders. It encompasses the right to take action to ensure the performance of duties or to discipline default or negligence. The owner possesses the final authority, delegating the basic activities from the top down through the various levels.

- Delegation is the process by means of which a manager assigns a portion of his total workload to others. The main purpose of delegation is to enable managers who have specialised knowledge to carry out the required workload more effectively.

- Coordination is the process whereby the objectives and activities of separate departments are integrated so that the objectives of the organisation can be effectively achieved. Coordination can be described as teamwork. Employees and departments able to work together in harmony are essential for an effective organisation.

2.3.3 Leading

Bresler (2005:178) points out that while planning and organising involve more intellectual and creative tasks, leading is more people-oriented. At this stage, the manager’s task is to direct the behaviour of subordinates in such a way that they willingly strive to accomplish the objectives of the organisation. Leading
consists of leadership, motivation, communication and negotiation.

- **Leadership:** attempting to direct the behaviour of others towards the accomplishment of the organisation’s goals. It involves leading the subordinates to bridge the gap between formulating plans and reaching objectives.

- **Motivation:** attempting to influence the behaviour and performance of subordinates. It is closely linked with leadership. The more managers understand the motives behind behaviour, the better they are able to influence employees’ behaviour in the best interests of the business.

- **Communication:** attempting to facilitate managers to work with and through people to achieve the objectives of an organisation in the tourism industry. Good communication is conducive to good relations, not only between management and employees, but also between the business and its environment.

- **Negotiation:** attempting to exchange information to reach an agreement between conflicting parties who have certain things in common and disagree on others.

### 2.3.4 Controlling

After the plans are developed, the organisational structures are designed and people are motivated; control is the final step in the management process. Bresler (2005:178) argues that organisations use control procedures to ensure that they are progressing towards their goals and that their resources are being used productively. The control process comprises four sequential steps as follows:

- **Establishing performance standards:** a performance standard is a projection of expected or planned performance. To make the control process possible and meaningful, performance standards should be realistic, attainable and measurable.
• **Measuring actual performance**: this step includes the collection of information and reporting on actual performance of continuous activities. Reporting is a function of the type and number of activities that should be measured and monitored during the planning period.

• **Evaluating deviations**: this step comprises determination of the performance gap between the performance standard and actual performance. It is important to know why a standard has only been matched, and not exceeded, or even why performance has been much better than the standard.

• **Taking corrective action**: corrective action is a kind of action that aims at achieving or improving the performance standard and at ensuring that differences do not recur in the future. If the actual performances match the performance standard, then no corrective action is needed. If in the event of a difference, management has a choice of three possible actions. Firstly, actual performance can be improved to attain the standard. Secondly, management can lower the standard to attain the actual performance. Finally, the performance standards can be raised to make them more realistic according to prevailing circumstances.

2.4 MARKETING IN TOURISM

Nowadays, most successful organisations are customer-led and marketing-oriented. In the tourism industry, correctly understanding and implementing marketing knowledge to business practices are important and essential for any business.

2.4.1 Definition of marketing and tourism marketing

Marketing is not simply getting people to spend their money by means of advertising. Marketing is all about customers – how to find them, how to satisfy
them, and how to keep them. In other words, marketing is a philosophy, perspective or management orientation that stresses customer satisfaction, and builds and maintains long-term relationships within a rapidly changing business environment (George 2004:4).

Tourism marketing is an adoption of the basic principles of marketing which have been developed for the manufacturing industry. The major difference between marketing in tourism and other service sectors is that the marketer promotes the desired experience to customers who have spare time and disposable income. Tourism marketing is the process through which a tourism organisation first notices customer needs, then manages and satisfies those needs on a long-term basis to achieve profitable sales (George 2004:23).

2.4.2 Traditional marketing mix

Marketing mix is viewed as one of the core concepts of marketing, which can be used to satisfy or communicate with customers. The traditional marketing mix comprises the four Ps: product, price, place and promotion. These components are related to and dependent on each other to some extent (Zeithaml & Bitner 1996:23).

- **Product**: Marketing participators must select the features of both the core product and the series of supplementary service components surrounding it, in order to satisfy potential customers and be more competitive (Lovelock 2001:15). The product of physical goods is defined as tangible descriptions, while the product of service is defined as process descriptions (Kandampully 2007:178).

- **Price**: This component addresses management of the expenditures and other outlays incurred by customers in acquiring profits from the product (Lovelock 2001:17). In services marketing, pricing may present more difficulties to service providers due to the highly intangible and experiential
nature of services as opposed to physical goods. Therefore, the price becomes an indicator of the service quality to customers as a cue of what to expect (Kurtz & Clow 1998:23).

- **Promotion**: Lovelock (2001:17) states that promotion plays three important functions, including providing needed information and advice, persuading potential targeted customers of the advantages of a specific product, and encouraging them to make a purchasing decision at a specific time and place. Since services are experiential in nature, promoting a service is more difficult than promoting goods. Customers seek out recommendations from others who have experienced or who knew of this service before deciding to take action. In this way, word-of-mouth and personal recommendation are considered as effective methods to service providers (Kandampully 2007:181).

- **Place**: Lovelock (2001:15) states that the process of delivering products to customers includes decisions on the place and time of delivery as well as on the methods and channels applied. In services marketing, place is often recognised as being of far less importance than it is in the marketing of physical goods (Woodruffe 1995:17).

2.4.3 Marketing segmentation

Jooste (2005:216) emphasises that the more marketers know about what their customers’ needs, desires, attitudes and behaviour, the better marketing efforts will be designed and applied to stimulate their purchasing habits. Thus, marketers divide the total market into homogeneous segments and then choose the most attractive one to target. These marketers design strategies for serving these potentially profitable segments, instead of ineffectively serving all segments. The benefit of market segmentation lies in the tourism market being able to specialise on the needs and purchasing patterns of a particular group and become the best in catering and serving for this group.
Marketing segmentation can be applied by any business types in the tourism industry, such as accommodation, travel agencies, tourist attractions or restaurants. There are six commonly used variables for segmenting the tourism market as shown in Figure 2.2:

- **Demographic segmentation**: Marketers often segment tourism markets in terms of variables, such as age, gender, income, education and family life cycle. Demographic information is widely available and often related to customers’ buying and consuming behaviour.

- **Product-related segmentation**: It refers to the application of variables relating to the tourism offering preferred by the segment. The major advantage of using this segmentation method is that the information is directly collected in the terms of the particular tourism offering.

- **Geographic segmentation**: It refers to segmenting markets into geographical units such as countries, regions and areas. Geographic segmentation plays a vital role in tourism, because tourists judge the attractiveness of a destination, mainly based on contrasting cultures, climates or scenery.

- **Psychographic segmentation**: As opposed to demographics, buyers can also be grouped into different groups according to their social class, lifestyle and personality traits. Psychographic variables can be combined with other variables to segment markets, with the aim of gaining a better understanding of customers’ preferences and purchasing patterns.

- **Purpose-of-trip segmentation**: Tourism offerings could be classified by the purpose for which customers travel and use their offerings, such as business and leisure tourist markets.

- **Behavioural segmentation**: usage rates, benefits sought, use of occasions, usage status, and potential and brand loyalty are all behavioural variables. The tourism market particularly focuses on usage rates and benefits sought. Usage rates analyse the frequency of the travellers or visitors to identify the heavy users and establish a relationship
with them for more effective market efforts. Benefits segmentation is the process of grouping customers into segments according to the relative importance assigned to benefits by tourists who seek more from the offerings after purchasing.

FIGURE 2.2
MAJOR SEGMENTATION VARIABLES FOR TOURISM MARKETS

![Diagram showing the relationship between service quality, expectations, and perceptions.]

Source: Adapted from Jooste (2005:219).

2.5 THE FOUNDATIONS OF SERVICES MARKETING

Tourism is usually classified as part of the service sector of an economy. This section briefly introduces the nature of the service sector and explains the definition, characteristics and classification of services and the services marketing mix.
2.5.1 The nature of the service sector

The service sector has seen a substantial growth in the last two decades as many well-developed countries shift from a manufacturing-based economy to a service-dominated economy in which consumers spend more on services than on tangible goods. Since 2000 the global services sector has grown at an annual rate of 10%, which is attributed mainly to technological innovation, such as faster, cheaper telecommunications and lower-cost travel, which make it easier to market to and reach new customers. Moreover, the growth of the services sector was 1% more than the growth in trading goods (The Trade and Industry Department of South Africa 2008). As a fast-growing developing country, South Africa is moving from an industrial economy to a service economy by being one of the most popular tourism countries in the world. South Africa was chosen to host the FIFA World Cup because of the predictable potential of its services sector, which ranges from telecommunications, transportation, finance, insurance, distribution and information services to entertainment services. According to the statistical data which was announced by the South African Deputy Trade and Industry Minister Rob Davies in 2008, service sectors contribute 74% of South African GDP, and 72% of South African employment (South Africa Info 2008). Furthermore, the South African Reserve Bank has reported services sector growth of 56% between 2002 and 2006 (Media Club South Africa 2008).

2.5.2 Definition of services

The service marketing literature offers several definitions. Lovelock and Wirtz (2007:6) state that “services are economic activities offered by one party to another, most commonly employing time-based performances to bring about desired results in recipients themselves or in objects or other assets for which purchasers have responsibility. In exchange for their money, time, and effort,
service customers expect to obtain value from access to goods, labour, professional skills, facilities, networks, and systems; but they do not normally take ownership of any of the physical elements involved.” Lovelock and Wirtz’s broader definition is in line with this simple one stated by Palmers (1998:2), which defines services as “the production of an essentially intangible benefit, either in its own right or as a significant element of a tangible product, which through some form of exchange, satisfies an identified need.”

2.5.3 Differences between goods and services

Zeithaml and Bitner (1996:5) argue that “goods can be defined as objects, devices and things, whereas services can be defined as deeds, processes and performances.” By definition, the major difference between services and physical goods is tangibility (Hoffman & Bateson 2006:5). However, the demarcation line between tangibility and intangibility is not always easy to draw. For example, the fast-food industry is supposed to be classified as a pure service, but also has many tangible attributes such as the food, the packaging and so on. By contrast, cell phone is classified as pure goods, but the network application is the primary component for the user. Hence, there is no such thing as a pure product or pure service. Products are the combination of tangible and intangible elements through varying degrees.

2.5.4 Characteristics of services

As mentioned above, the intangibility characteristic is the most dominant difference between goods and services. According to Hoffman and Bateson (2006:28), services have four more inherent characteristics that distinguish them from goods. These four characteristics are described as inseparability, heterogeneity, perishability and ownership which will be explained below, together with intangibility.
2.5.4.1 Intangibility

Baron and Harris (2003:19) state that intangibility is the primary source from which the other three characteristics emerge. Unlike physical goods, services cannot be touched, seen, or held in the same manner as physical goods can before being bought. Marketing practitioners have been challenged by intangibility in different circumstances, such as perceiving high levels of risk, difficulty in displaying and pricing services, and lack of patent protection. In order to solve or minimise those problems, Hoffman and Bateson (2006:30-32) suggest that practitioners implement several strategies, as follows:

- **Use of tangible clues**: In many instances, physical evidence can assist consumers in evaluating services and reducing the risk of making choices. In this case of the guest house, the guests’ evaluation could be affected by the appearance of employees, the interior decoration of the rooms and the facilities of the bathrooms.

- **Creation of a strong organisational image**: Guests believe that it is more reliable and less risky to decide on a well-known and respected accommodation facility among various service providers.

- **Use of personal sources of information**: Stimulating word-of-mouth by offering incentives to existing consumers to tell their friends how much a guest house offers while they reside there.

2.5.4.2 Inseparability

Palmer (1998:12) argues that the production and consumption of a tangible good are two irrelative functions. Unlike the physical goods, which are produced, sold, and then consumed, services are first sold and then produced and consumed simultaneously. The quality of the service is highly dependent on the ability of the service provider and the quality of interaction between the service provider and the customer because the customer can view and even
participate in the service process (Kurtz & Clow 1998:12). The inseparable nature of services causes a number of barriers for marketing practitioners such as physical connection of the service provider to the service, involvement of the customer and/or other customers in the production process, and often having to travel to the position of service production. Hoffman and Bateson (2006:38-41) and Palmer (1998:13) list several possible solutions as follows:

- **Selecting and training public contact personnel:** Face-to-face interactions with customers can either have a positive or negative effect on a service provider because employee satisfaction and customer satisfaction are directly related. In order to overcome this impact of inseparability, the owner or manager of a guest house should be sure the employees’ attitude is positive and properly equipped to handle all the guests’ needs.

- **Customer management:** Because of the inseparable nature, customers definitely involved in the services process may cause uncertainty, as when customer contact increases, the efficiency of the operation decreases. Moreover, different customers from various societies usually share a common service environment, which may produce a negative experience for each other. Seeking an effective customer management method might fulfil the various needs of customers within a same service environment. In this case, having well-trained employees and designing multi-purpose rooms to balance customers’ different needs can be attempted.

- **Use of multi-site locations:** Unlike goods, which can be transported from the provider’s location to a customer’s destination, services are constrained by inseparability. To offset this limitation, multi-site locations can solve the distance barrier that customers must travel to purchase the service. However, multi-site location is staffed by different service providers who have their own sets of skills and perceptions of operating business. The variability in performance from one multi-location to another may cause the third characteristic of services, heterogeneity.
2.5.4.3 Heterogeneity

Because a service is produced and consumed simultaneously, employees and customers participate in the service delivery process, it can be argued that a service only exists once and is unrepeated (Woodruffe 1995:19). Hence, heterogeneity impacts upon quality not only in terms of participating customers, but also in terms of the presence of employees in the operational system, which makes standardising and control of heterogeneity difficult in both service inputs and outputs (Lovelock 2001:13). To overcome this major obstacle, Hoffman and Bateson (2006:33-44) suggest a solution as follows:

- **Standardisation**: Based on variability of service may vary depending on who provides it, the service providers can be divided more specifically into micro-service providers, employees, the macro-service providers and franchisees. The aim of standardisation regarding employees is to provide a consistent service via different ways, such as setting higher levels of employment requirement, considering only graduate students qualified in hospitality; or training employees in a set of courteous manners and knowledge of the guest house industry. A further aim of standardisation regarding franchisees is to industrialise their performance with customers by following clearly specified standardised procedures in multi-locations from one service provider to another. Formula One Hotels have linked their businesses by offering consistent standardised services and accommodations from one to another all over South Africa.

- **Customisation**: Because services are consumed by individual customers who have different demands, expectations, tastes, perceptions, and emotions, customisation-strategy can be applied to improve services. However, services like guest house establishments, which are produced for large numbers of guests simultaneously, may offer less scope for individual customisation than a manicure technician may offer.
2.5.4.4 Perishability

George (2004:25) believes that services differ from goods in that they cannot be stored, saved, resold, or returned before consumption. A guest room that is not sold today can not be used and stored during the holiday season. The inability to store service challenges service providers, who must match daily demand and supply without the benefit of carrying an inventory (Hoffman and Bateson 2006:45). Lovelock (2001:14) and Fisk, Grove and John (2008:10) propose two solutions, smoothing demand levels to match capacity as follows:

- **Price Promotion**: Pricing-strategies target customers who are willing to alter their demand patterns for cost savings. On the other hand, service providers are keen to offer price reductions to attract customers during non-peak periods in order to maintain an efficient operation.

- **Reservation system**: Implementing a reservation system can reduce fluctuations in demand and also help service providers to prepare in advance for a known quantity of demand (Hoffman & Bateson 2006:47).

In addition to the four basic characteristics common to all services, there are other features, unique to the hospitality industry, that are pointed out by George (2001:22). These include lack of ownership, fixed location, seasonality, loyalty, high costs, distribution channels and interdependence of hospitality offerings.

- **Lack of ownership**: When purchasing and consuming a service, customers do not own the service which is mainly related to the services characteristics of intangibility and perishability (Palmer 1998:15). Since the transfer of ownership is not involved, the hospitality industry faces difficulty in building customer relationships and brand loyalty.

- **Fixed location**: The hospitality companies are at fixed locations. This means that communication methods such as advertising and sales promotion are essential in order to bring guests to experience the services
in the locality where the service providers are situated.

- **Seasonality**: A common characteristic of hospitality demand is that it fluctuates during different times of a year as a result of variables such as different national holiday and cultural festivities.

- **Loyalty**: Customers to some extent may well be loyal to a particular hotel group brand such as the Holiday Inn Group, because their needs were fulfilled by prior experience.

- **High costs**: Services providers in hospitality industry generally have high fixed costs of operation and relatively low variable costs. As mentioned in the characteristics of perishability and seasonality, the hospitality business is a high-cost and volatile industry. Not only is it impossible to store empty rooms, but also very slight changes can affect consumer demand to purchase a service.

- **Distribution channels**: Unlike manufacturers, which produce their products in one location and then move goods through physical distribution channels to get closer to customers (Lovelock 2001:14), in the hospitality industry there is no physical distribution channel. Consumers have to travel to the hospitality offerings or destinations, and part of the ‘offering’ is the travel aspect. For example, getting to the destination, which includes the flight or some other form of transport.

- **Interdependence of hospitality offerings**: When a consumer decides to buy a hospitality offering, it is usually combined with the purchase of several offerings, such as transport types, visitor attractions, destination amenities, and so on. Therefore, the overall experience can be affected by something going wrong among several offerings.

### 2.5.5 Classification of services

The service sector itself covers a broad cross-section of activities. Because of this broad cross-section, any analysis of the service sector will prove to be very
weak unless smaller categories of services can be identified with an analytical framework which helps the service provider to obtain a better understanding of consumer needs and behavior (Palmer 1998:19). The most comprehensive classification of services is contained in the pioneering article by Lovelock (1983:9-20) into five different two-dimensional classifications of services. Maister (in Looy, Dierdonck & Gemmel 1998:13) adapted a framework from Lovelock’s classification based on customisation and empowerment regarding the degree of contact with the customer and customisation. The framework is shown in Figure 2.1.

- **Degree of customer contact required**: The demand for the service is often instantaneous and cannot be stored in a high-contact service organisation, which leads to an immediate and direct effect on the customer in the service operation system. Therefore, the service employees have to be trained in being both competent and communicative in the interaction between the employee and the customer.

- **Degree of service customisation**: Unlike goods, which can be purchased ‘off the shelf’, services have strongly customised attributes. The service provider can tailor the service to fulfil the needs of the customer.

According to the Figure 2.3, the guest house could be regarded as having a low degree of customisation, which is different from that of the hotel industry, being based on different marketing needs. A guest house is constrained by the size of its accommodation, being unable to provide as many levels of rooms as a hotel does. According to the definition of a guest house and a B&B, the guest shares the public areas with the host family and is offered breakfast in a cosy environment (Tourism Grading Council of South Africa, 2009). The guest house is therefore characterised with a higher degree of customer contact than that of a hotel.
2.5.6 Services marketing mix

The services marketing mix is driven by the concept of the marketing mix which identifies controllable marketing variables that marketing participators should perform to satisfy customers. The most basic concept of the marketing mix is known as the four Ps, which emphasise the vital roles of product, price, promotion and place in the development of a marketing strategy.

However, Booms and Bitner (1981:47) proposed that service providers need to broaden these with three additional elements: people, physical evidence and process. These three elements demonstrate the unique character of service products compared to physical goods and capture the nature of the service marketing.

- **People**: Zeithaml and Bitner (1996:26) define people as all human actors who participate in the process of delivering a service, including the firm’s personnel, the customer, and other customers in the service environment. Lovelock (2001:17) states that the customers’ perceptions of service quality will not only be strongly influenced by the personnel and service
providers, but also by other customers they encounter. Therefore, service firms should make an effort in recruiting, training and motivating their personnel, together with guiding their customers.

- **Physical evidence**: Kandampully (2007:186) argues that no service is truly intangible because services are almost always accompanied by physical evidence. Zeithaml and Bitner (1996:26) define Physical evidence as the environment in which the service is delivered and where the service provider and customer interact, and any tangible elements that facilitate performance or communication of the service by any methods or channels. The tangible cues may include brochures, letterheads, business cards, reports, employee uniforms, equipment and physical facilities. Physical evidence cues can make a profound impact on a customer’s impression of evaluating a service, and these can enable firms to send tangible messages to their customers. Thus service providers need to manage physical evidence carefully (Lovelock 2001:17).

- **Process**: Lovelock (2001:16) defines process as the method and sequence of actions in which service operating systems work. Zeithaml and Bitner (1996:26) maintain that the actual delivery process and operational flow of the service can provide customers with evidence with which to judge the service. No matter whether the service is standardised or customised, most services are evaluated as much by their production process as by their final outcomes. Therefore, the service provider should pay attention to managing service design and interacting with customers effectively by personnel during the process (Palmer 1998:38).

The three additional marketing elements (people, physical evidence and process) play an important role in guest house service. Firstly, because of the importance of people in service delivery, the owners or managers may need to employ qualified personnel by setting a higher recruitment requirement, and consistently training employees to fulfil guest needs in a rapidly changing
social development. Secondly, since guests are usually affected by physical evidence, owners or managers are required to provide the specific appearances of physical facilities, equipment and communication materials in order to match their desires. Finally, as the importance of the service process, owners or managers need to provide effective customised service to guests immediately and delegate their power to an appointed employee in the event of their absence.

2.5.7 The hospitality service marketing triangle

Zeithaml and Bitner’s (1996:23) service marketing triangle (Figure 2.4) suggests that there are three elements of marketing that should be carried out for a service marketing business to succeed. These revolve around making and keeping promises to customers.

![The Service Marketing Triangle in Hospitality](image)

Source: Adapted from Zeithaml and Bitner (1996:23)

Contextualised to the hospitality industry, the left side of the triangle indicates the vital role of internal marketing, which enables South African hospitality
employees to deliver promises successfully to tourists. Hospitality employees must be carefully selected, well trained and rewarded with incentives for providing good services so that promises are kept.

The right side of the triangle shows the external marketing activities that the South African hospitality providers should accomplish. These ‘setting the promises’ activities boost tourists’ expectations and promise to meet them. Beside the traditional elements of marketing, the accommodation’s physical evidence and its employees are included here.

At the bottom of the triangle the actual service delivery is suggested. This activity is termed as ‘interactive marketing’. This is the process where hospitality employees interact directly with tourists and deliver the promised services. This is also the crucial point on whether the service promises are kept or broken by employees, because all the external marketing becomes useless if the promises cannot be kept.

Therefore, the triangle implies that all three elements are imperative to successful hospitality marketing. A comprehensive marketing effort requires the support of all three elements in the service marketing triangle.

2.6 THE KEY SCOPES OF SERVICE MARKETING

As services are usually produced and consumed simultaneously, customers often interact with personnel, and are actually part of the service production process (Zeithaml & Bitner 1996:26). Thus service delivery, service encounter, service failure, and failure recovery are extremely important for the understanding of service providers.
2.6.1 Service delivery

Services are delivered by an interactive process involving the customer, who appears to develop a script for the service quality based on the inseparability of the services characteristic. In order to have a positive service quality, the service provider must understand the interactive nature of services and the involvement of the customer in the production process. Bruhn and Georgi (2006:226) point out that service delivery is the process of making a service available for customer consumption. The customer perception can be varied through service delivery via service place, service timing and service channels.

**Service place:** There are services for which the place of service delivery is predetermined to take effect at the provider’s, the customer’s or a third party’s location. As the attribute of hospitality industry, service delivery can only take place at provider’s location. When a service is delivered at the provider’s place, the customer is often integrated into the provider’s process. In addition, tangible factors regarding equipment and employees can make a significant impact to customers’ perceptions and evaluation of service quality (Bruhn & Georgi 2006:235).

**Service timing:** Customer demands for greater convenience lead many service providers to extend their hours and days of service, with the ultimate flexibility being offered by 24/7 service all year round. Especially in the hospitality industry, undetermined delivery times have been supplied. However, as services are perishable and service resources and capacities often constrained, this can result in losing the benefit of keeping an inventory and restrictions of a service’s usage (Bruhn & Georgi 2006:243). The yield management is designed to smooth the demand levels to match capacity without losing benefit by careless forecasting, over-booking, choosing
high-yield customers, and so on, in the hospitality industry (Kandampully 2007:233).

**Service channels:** In service industries, various types of channels for delivering the core and supplementary service elements to customers can be observed (Lovelock 2001:358). In most service industries, the customer has contact with the service provider, so that general classification can be divided into personal channels and electronic channels.

- **Personal channel:** The multiplication options within personal service delivery can be conducted in two forms, with or without geographical extension. Starting with one-to-one service delivery, service deliveries, which are multiplied via an extension of service resources afterwards, are without geographical extension. This model of service delivery multiplication is frequently applied to many small businesses, such as a guest house extending its facilities by adding more bedrooms, resulting in the ability to serve more customers at a time. In contrast, multiplication with a geographical extension is addressed by extending the number of service locations by establishing new service locations at other marketplaces. For example, Formula One opens a new hotel in an area where it has not yet been located. In every new branch, a new lobby, new counters and new employees are needed. This may lead to the heterogeneity of standardized management (Bruhn & Georgi 2006:248-251).

- **Electronic channels:** There are three types of electronic delivery channels, namely, service machines, the telephone and the internet. **Service machines** are technical installations which can be utilised by customers in the same service process as used by employees. However, service machines are not applicable for every service process, being especially difficult for a high degree of customer integration into the service process, resulting in a high variability of service processes. The customer
evaluating the service quality on whether the service provider is able to answer enquiries or make reservations properly via telephone, is the key issue for hospitality industry. Service can be delivered through the internet accessed by computers or laptops in customers’ homes or offices. Creating a website of an accommodation facility can provide information and allow for reservations to be made (Bruhn & Georgi 2006:251-255).

Service delivery encompasses not only the tangible elements of the service operating system, employees and physical facilities, but also includes exposure to other customers. Hence, service encounter made through the overall service delivery can have a significant impact on customers’ perceptions of their experiences.

2.6.2 Service encounter

As mentioned in the service delivery (2.6.1), every time customers come into contact with any aspect of the service delivery system they are presented with an opportunity to evaluate the service provider and form an opinion of service quality. The opportunity of evaluating the service provider and forming an opinion of service quality is created during various encounters. Kurtz and Clow (1998:35) define service encounter as the interaction between the customer and the service provider during a period of time. Zeithaml and Bitner (1996:107) distinguish between three general types of service encounters, namely, remote encounters, phone encounters and face-to-face encounters. These three types of service encounters are discussed in more detail in Chapter 3.

2.6.3 Service failure

Despite the service provider’s best efforts on service delivery and encounter, service failures are inevitable. Service failures take place at critical incidents in
the service encounter. Each service encounter consists of numerous critical incidents which represent the various interactions between the customer and the service provider. Service failures can be categorised into four types, namely, service delivery system failures, failures relating to customers' needs and requests, failures relating to unprompted and unsolicited employee actions and failures relating to problematic customers (Hoffman & Bateson 2006:361-362).

- **Service delivery system failures**: In general, service delivery system failures include unavailable service and unreasonably slow service caused by employee responses. *Unavailable service* refers to services that are lacking which should normally be available. *Unreasonably slow service* concerns employees providing extraordinarily slow service who are perceived by customers as not fulfilling their function. Furthermore, there are other service failures pertaining to core service breakdowns or actions that do not live up to customer expectations.

- **Customer needs and requests**: The failure of customer needs and requests consists of employee responses to special needs, customer preferences, customer errors and disruptive others.
  
  Employee responses to *special needs* involve complying in accordance with a customer’s requests in their difficult situation.
  
  Employee responses to *customer preferences* require the employee to alter the service delivery system in order to meet the preferred needs of the customers.
  
  Employee responses to a *customer error* refer to an admitted mistake caused by a customer.
  
  Finally, employee responses to *disruptive others* require employees to handle disputes peacefully between customers.

- **Unprompted and unsolicited employee actions**: These actions pertain to events and employee behaviors that are unexpected by the customer in both a positive and a negative impression. These actions are initiated by
the response to the level of attention, unusual action, cultural norms, gestalt and adverse conditions.

*Level of attention* refers to both positive and negative events. Positive attention would take place when an employee pampers a customer and fulfils the customer’s needs. A negative level of attention refers to employees who have poor attitudes consistently with customers. An employee’s response with something out of the ordinary is called *unusual action*, which can also reflect positive and negative events. Positive action refers to extra considerable care or an unsolicited gift presented to a customer. Negative action refers to behaviour such as rudeness, abusiveness and inappropriate touching.

*Cultural norms* refer to actions that are either positively reinforcing, such as equality and honesty, or negatively ignoring the cultural norms of society. For example, discriminatory behaviour, acts of dishonesty and other activities considered unfair by customers.

The *gestalt* refers to holistic evaluations that are made by customers who do not describe the service encounter as discrete events but use overall terms such as enjoyable or awful.

Finally, the *adverse conditions* include positive and negative employee actions under stressful conditions. If an employee takes successful control of a situation while others are ineffective, customers would evaluate this as a positive action. In reverse, a guest house owner who runs away at once without warning other guests when a guest house is on fire or otherwise damaged, this would be remembered as a negative action under adverse conditions.

- **Problematic customers**: Under this situation, the service provider and employee are no longer the cause of the service failure. Customers initiate service failures by their own misbehaviour, such as drunkenness, verbal and physical abuse, uncooperativeness and breaking company policies.
2.6.4 Service failure recovery

Because of service failure, as mentioned above, customers are prone to purchase service from competitors instead of returning to the service firm which had caused the failure. As such, they will tell others about their bad experience, which compounds the negative impact on the service firm. In order to prevent firm-switching behaviour and negative word-of-mouth, customers must be recovered. Service recovery is concerned with the capability of the service provider to respond effectively to service failures. A strong service recovery can convert the negative impact of the failed service into a positive advantage with its customers (Kurtz & Clow 1998:400-401). The following are some recommendations of service recovery:

- **Encouraging complaints**: It is important to encourage customers to complain, because, although those customers who are angry will normally complain, those customers who are irritated and disappointed with the service, will just walk away without saying a word. In fact, those complaints help service providers to spot their weak areas in the service process (Hoffman & Bateson 2006:371).

- **Responding quickly**: Once the failure points are identified, the faster the firm responds, the more likely that the recovery effort will result in a successful outcome. The faster the firm responds to the failure, the most likely impression perceived by customers will be that the service firm places its customers first.

- **Training employees**: Most employees do not know what to do other than apologise when a failure occurs. However, an apology does not diminish the customer’s disappointment when the service failure is beyond an acceptable level. Hoffman and Bateson (2006:372) point out that employee-training in service recovery should be conducted on two levels. First, the firm must work at developing a customer-concerns environment to improve the awareness of its employees. The second level of
employee-training is defining the management’s expectations toward recovery efforts, such as understanding the acceptable recovery strategies from the management’s perspective.

- **Empowering the front line**: because customers demand that service recovery take place on the spot and quickly, front-line employees must be provided with enough autonomy to allow them to handle unforeseen problem situations properly, even bending the firm’s regulations, if necessary. Moreover, firms require managerial approval before any recovery compensations may be undertaken. In many circumstances, the manager may be engaged with other duties, which would delay the response time and demolish the best chance of failure recovery at an early stage (Zeithaml & Bitner 1996:194).

- **Learning from experience**: By tracking service recovery efforts and solutions, the service firm can make use of the information and gain from the experience to prevent future failure. Kurtz and Clow (1998:402) suggested that the use of keeping an accurate record of customer complaints can help everyone learn from his or her mistakes.

### 2.7 SUMMARY

This chapter presented a brief view of the tourism industry on the concepts of management and marketing. This was followed by a discussion on the foundations and key scopes of services marketing.

At the beginning of this chapter, the concepts of tourism and hospitality led to a discussion on services marketing. The foundations of services marketing describe the differences of goods and services, which explain four dominant characteristics, namely intangibility, inseparability, heterogeneity and perishability.
The most basic concept of the marketing mix is known as the four P’s of marketing, namely, product, price, place and promotion. To these have been added a further three P’s, namely, people, physical evidence and process. These and the service-marketing triangle for the hospitality industry are also presented in this research. Finally, this chapter provides a discussion of various aspects of services marketing through service delivery, service encounter, service failure and failure recovery.

The following chapter presents an overview on measuring the service quality of guest houses by comparing service expectations and service perceptions of the guests.
CHAPTER 3

THE CONCEPT AND MEASUREMENT OF SERVICE QUALITY

3.1 INTRODUCTION

Chapter 2 discussed the overview of the tourism industry and the principle knowledge of services marketing. In this chapter, service quality will be explained through the customers’ perceptions and expectations.

The service expectations and service perceptions of customers play a very important role in evaluating the quality of services provided by service organisations. Customers always evaluate the service quality of service organisations by comparing what they expect to receive and what they actually do receive. Therefore, it is necessary to review the customers’ perceptions and expectations.

In order to understand the customers’ perceptions and expectations properly, this chapter also focuses on the concept of the service perception of customers and describes factors which will influence customers’ service perceptions. It is also necessary to understand the components of customers’ expectations (desired service expectations and adequate service expectations) and which factors influence the two kinds of service expectation of consumers.

To evaluate the quality of guest house services effectively, it is necessary to identify the dimensions of service quality, the gaps in service quality and the Gap model. Most importantly, this chapter describes the instruments (the SERVQUAL instrument and the LQI instrument) used to measure the service quality of service organisations in terms of the aspects of the SERVQUAL model (including the five dimensions of the SERVQUAL model, the five gaps
of the SERVQUAL model, the sections of the SERVQUAL survey instrument and criticisms of the SERVQUAL model) as well as the aspects of the LQI model, which were derived from the SERVQUAL model and are used to measure the service quality of guest houses.

Thereafter the concept ‘satisfaction’ and relationship between service quality and satisfaction is presented.

3.2 THE NATURE OF SERVICE QUALITY

Unlike with goods, with which quality can be measured objectively by indicators such as durability and number of defects, service quality is an abstract construct because of the intangibility, perishability, heterogeneity and inseparability of services. Not only do customers seek quality indicators to evaluate an intangible service, but also the perceived quality can vary from person to person through the same service process (Parasuraman et al 1988:12). Thus, the application of service quality should be adopted because it is important for both customers and service organisations.

3.2.1 Definitions of service quality

Fisk et al (2008:153) define service quality from the service provider’s perspective as the degree to which the service’s features comply with the organisation’s specifications and requirements; from the customer’s perspective this implies whether the service meets or exceeds his or her expectations.

More specifically, the service provider must be quality-oriented, and the system must be designed to support that mission by being controlled and delivered correctly while making profit for the organisation. The customer’s
overall judgement of service quality can be an evaluation of both the process and the outcome, compared with the customer’s own expectations and desired benefits. However, different provider-based and customer-based perspectives of service quality can be generated by subsequent encounters with the profit-oriented organisation. Thus, this leads to an important concept in assessing quality from perceived service quality. Perceived service quality refers to the customer’s evaluation of an organisation’s service based on his or her overall experience of the continuous service encounter (Woodruffe 1995:106; Fisk et al 2008:153).

3.2.2 Importance of service quality to the hospitality industry

Development of service quality in the hospitality industry has followed the method set by the manufacturing sector. Early attempts to specify and measure the quality were aimed only at the control of tangible aspects such as food and accommodation. With the experience of a one-off encounter between guests and employees, service providers realised the importance of being right the first time in the process of each service delivery. Therefore, service quality management emphasises training, customer care and sensitivity to guests’ needs (Johns 1996:10).

Johns (1996:9) also points out that the hospitality industry faces the challenge of reconciling quality of service actually produced with that perceived by the guest. Thus, service providers need to be aware of perceived service quality of customers to enable themselves to assess the outcomes of what is required by their customers and whether their customers are satisfied with the services or not (Williams & Buswell 2003:44).

According to Bruhn and Georgi (2006:49), when guests’ perceptions of a service exceed their expectations, they perceive a high service quality; when
guests’ perceptions of a service fail to meet their expectations, they perceive a bad service quality. Hence, guest service expectations and perceptions are determinants of service quality in the hospitality industry.

3.3 CUSTOMER EXPECTATIONS OF SERVICE QUALITY

Zeithaml and Bitner (1996:76) define that “customer expectations are beliefs about service delivery that function as standards or reference points against which performance is judged”. Parasuraman, et al (1988:17) emphasise that the definition of expectations represents what service providers ‘should’ offer as an ideal standard of performance. Because customers compare their perceptions with their ideal standards of performance when evaluating service quality, thorough knowledge about customer expectations is critical to service organisations.

3.3.1 Levels of service expectation

Customer expectations consist of five levels: ideal service level, desired service level, adequate service level, predicted service level, and zone of tolerance, as shown in Figure 3.1.

- **Ideal service level** is the highest level of service expectations defined as the ‘wished-for’ level of service, which customers hope to receive in an idealised way.
- **Desired service level** is lower than the ideal service level. However, it is the level of performance the customer wants to receive from the service and a blend of what customers believe can be and should be delivered.
- **Adequate service level** is the lowest level of service expectations defined as the minimum level of service the customer will tolerate and accept without being frustrated.
- **Zone of tolerance** (See Figure 3.1) refers to the box between desired
service and adequate service levels. Services performed in this zone will be accepted as heterogeneity by the customers. If the performance is above the ideal service level, customer will be very pleased. When the performance falls below the adequate service level, customers will be dissatisfied and have a negative impression.

- **Predicted service level** is the level of service customers actually expect from the service organisation. The predicted service level can range from the ideal level of service to the adequate level of service by modifying the customers’ expectations accordingly in all circumstances of service (Kurtz & Clow 1998:66-69; Zeithaml & Bitner 1996:77-80).

![CUSTOMER EXPECTATIONS](image)

Source: Adapted from Zeithaml and Bitner (1996:77-80)

### 3.3.2 Factors influencing customers’ service expectations

According to Zeithaml and Bitner (1996:82), customers’ service expectations play a vital role when evaluating service quality. Hence, management of a
service organisation must understand and control these factors which can effectively influence customers’ service expectations.

3.3.2.1 Factors influencing desired service expectations

As shown in Figure 3.2, the factors influencing the expectations of desired service are personal needs and enduring service intensifiers.

**FIGURE 3.2**
FACTORS INFLUENCING DESIRED SERVICE EXPECTATIONS

(a) Enduring service intensifiers

Zeithaml and Bitner (1996:83) maintain that enduring service intensifiers are individual, stable factors that lead the customer to be more sensitive about service. Thus, service intensifiers can be classified into two most important groups, including derived service expectations and personal service philosophy. Derived service expectations occur when customer expectations are influenced by another individual person or other social groups of people, such as parents choosing a travel destination and guest house for the family, a
wife selecting a home-cleaning service, or an administration officer picking out a conference site among various choices. These customers' individual expectations are intensified because their experience derived expectations from others who will receive and evaluate the service. Another factor of the enduring service intensifier is a personal service philosophy which reflects the customer's subliminal judgement about the meaning of service and the performance of service providers. Customers who themselves are in the service business or who have worked as service providers in the past, appear to have stronger service philosophies.

(b) **Personal needs**

As Figure 3.2 shows, personal needs are the key factor in influencing and shaping the level of the customer's desired service expectations and consist of physical needs, social needs, psychological needs and functional needs (Zeithaml & Bitner 1996:82). For example, a young couple with a baby may have special needs in a guest house, such as easy accessibility of a baby-feeding chair offered by the service provider (Nicod, Mungall & Henwood, 2007:244). Another example is a customer who has high social needs may have relatively high expectations of a hotel's décor and entertainment facilities offered.

3.3.2.2 Factors influencing adequate service expectations

According to Zeithaml and Bitner (1996:84-88), there are four factors that play a crucial role in influencing adequate service expectations. These include transitory service intensifiers, perceived service alternatives, a self-perceived service role and situational factors (shown in Figure 3.3).
(a) Transitory service intensifiers

Transitory service intensifiers are the first set of determinants that refer to temporary and individual factors that make a customer more aware of the need for service. When a breakdown in office equipment during a deadline period is experienced, the level of adequate service expectation, particularly the level of responsiveness required and considered acceptable, is raised (Zeithaml & Bitner 1996:84). Likewise, service is urgently needed in personal emergency situations, such as a guest suffering from an allergy of sheets material. This enhances the level of adequate service expectation and narrows the zone of tolerance. In addition, service recovery expectations are higher than initial service expectations. Thus it is very important that a service is performed right at the initial attempt (Zeithaml & Bitner 1996:85)
(b) Perceived service alternatives

Perceived service alternatives reflect whether more than one service provider can provide the same service to customers or whether customers have rare choices of selecting service providers (Zeithaml & Bitner 1996:85). For example, tourists have many more service providers to select from a variety of guest houses in Port Elizabeth, than tourists who stay in Grahamstown. Therefore, the level of adequate service expectations of tourists in Port Elizabeth is higher than those tourists who stay in Grahamstown, assuming that they cannot have various choices from their service providers.

(c) The customer’s self-perceived service role

The customer’s self-perceived service role is the third factor affecting the level of adequate service expectations. This is defined as the customer’s perceptions of the degree to which customers exert an influence on the level of service received. Customers’ expectations are partly shaped by the level of their own roles performed in service delivery. One role of the customer is to specify the level of service expected. For instance, a guest who claims specifically to the manager of a guest house that a Wi-Fi network facility is a prerequisite for the choice of that guest house, will probably be more frustrated if the Wi-Fi network is not available, than a guest who knows that the Wi-Fi network is not available in the guest house only after he/she has checked in. Another role of the customer is in taking responsibility for complaining when the service is poor (Zeithaml & Bitner 1996:86).

(d) Situational factor

Levels of adequate service are also influenced by situational factors, which are defined as service performance conditions beyond the control of the service
provider (Zeithaml & Bitner 1996:86). For example, a sudden water cut-off or power shut-down can be tolerated by guests in a guest house.

(e) Predicted service

Predicted service is the final factor influencing the level of adequate service expectation. This is anticipated by customers from an objective point of view (Zeithaml & Bitner 1996:87). For instance, tourists who stay in a guest house in Port Elizabeth during an off-peak season may have a higher expectation of special service provided than tourists who stay during a peak season. In this case, if customers predict good service, then their levels of adequate service are likely to be higher than if they predict poor service. In addition, predicted service is an estimate of service performance a customer received in an individual transaction rather than in the overall performance with the service provider (Zeithaml & Bitner 1996:87).

3.3.2.3 Factors influencing both desired and predicted service expectations

Zeithaml and Bitner (1996:88) point out that when customers are interested in purchasing services, they may choose the needed service on the recommendation of friends or by tracking newspapers or television advertisements. In addition to the external search for information, the customer may exert an internal search by reviewing the information held in memory about the service. The one internal and three external factors that influence both desired and predicted service expectations are explicit service promises, implicit service promises, word-of-mouth communications and past experience (shown in Figure 3.4).
FIGURE 3.4
FACTORS INFLUENCING BOTH DESIRED AND PREDICTED SERVICE

(a) Explicit service promises

Explicit service promises encompass statements about the service made by the organisation to customers. The statements are made by staff, or in advertising, brochures and other written publications. The service provider must ensure that service promises are not unrealistically promised, because explicit service promises are the only influence which can be completely controlled by the service provider (Zeithaml & Bitner 1996:89).

(b) Implicit service promises

Implicit service promises are quality cues that are dominated by price and the tangibles associated with the service to help customers in inferences about what the service should and will be like. In general, the higher the price
charged and the better the tangibles provided, the more a customer will expect from the service (Zeithaml & Bitner 1996:89). Thus guests may heighten their expectations and narrow the zone of tolerance from one guest house charging 600 Rand than another charging 300 Rand.

(c) Word-of-mouth communication

Word-of-mouth communication plays an important role as an information source used by customers in forming expectations of both predicted and desired service because it is perceived as unbiased. The statements of word-of-month communication can be made to customers by friends, other customers, and experts (Zeithaml & Bitner 1996:90).

(d) Past experience

Past experience refers to the customer’s previous exposure to the focal service and shaping their predictions and desires. In addition, the customer not only compares their service with previous service experience in the same place, but also compares the experienced service with other service providers in other places (Zeithaml & Bitner 1996:90). For example, a guest may compare each stay at a particular guest house with all previous stays at this particular guest house and at other guest houses. Hence, an impressive past experience can build a strong image of service in order to attract re-visitation.

3.4 CUSTOMER PERCEPTIONS OF SERVICE QUALITY

Zeithaml and Bitner (1996:103) describe customer perceptions as the subjective assessments of actual service received or experienced and whether they are satisfied with the quality of the service. When customers
evaluate whether the quality of service meets their expectations, they always consider their service perceptions relative to expectations.

3.4.1 Factors influencing customer’s service perceptions

According to Zeithaml and Bitner (1996:104), four factors that influence customers’ service perceptions are image, price, service encounters (moments of truth) and the evidence of service. These factors are explained below (shown in Figure 3.5).

FIGURE 3.5
FACTORS INFLUENCING CUSTOMERS’ SERVICE PERCEPTIONS

Source: Zeithaml and Bitner (1996:104)
(a) Image

Customer perceptions can be affected by the image or reputation of the organisation. Keller (1993:3) defines organisational image as “perceptions of an organisation reflected in the associations held in customer memory.” The associations can be reflected through contacting with employees and even the service experience itself. Organisational image can assist an organisation to build positive customer perceptions of service. This positive image serves as a buffer against incidents of poor service (Zeithaml & Bitner 1996:115).

(b) Price

The price of service can also influence customer perceptions. Because of the intangible nature of the service, customers rely on price as an indicator to judge whether the service can meet their expectations or not. If the price is higher than average price, customers are likely to expect higher quality than others; if price is too low, customers may doubt the ability of organisation to deliver the service appropriately. For both situations, the higher or lower expectations will greatly influence customer perceptions of service.

(c) Service encounters (moments of truth)

As discussed earlier in Chapter 2.6.2, service encounter refers to the interaction between the customer and the service provider during a period of time. According to Zeithaml and Bitner (1996:105), when customers have service transactions with a service organisation, they can judge the quality of service provided by this organisation, through evaluating the concrete service encounters. Customers can receive a snapshot of the organisation’s service quality through interactions. Thus, adequate service encounters will improve the positive relationships between the service provider and the customer.
Zeithaml and Bitner (1996:107) mention three types of service encounters that can be managed by a service organisation to have interactions with customers, namely remote encounters, phone encounters and face-to-face encounters.

**Remote encounters**: These take place when there is no direct human contact between the customer and the service provider. Examples are guests searching for pictures and services offered on a website of a guest house and receiving brochures of travel information after he or she returns home. Although there is no direct human contact in these remote encounters, each represents an opportunity for hosts to influence the guest’s perceptions of service performance.

**Phone encounters**: This is extended to an electronic encounter responding to rapid information-technology (Bennett & Strydom 2005:288). Electronic encounter refers to the interaction between customers and service providers that occur through the Internet and other multi-media. Almost all service providers rely on electronic encounters to perform customer service, especially in the hospitality industry, such as making reservations and answering inquiries. However, the variability of an electronic encounter is greater than that of a remote encounter, taking into account the access to the website, the navigation of the website interface, the tone of voice, employee knowledge, and effectiveness in handling customer issues (Zeithaml & Bitner 1996:108). It is important to deliver effective and functional services to (potential) customers via friendly navigation on website interface and effective employees who are capable of sending specific and factual information to customers.

**Face-to-face encounter**: This takes place between a customer and a service provider in direct contact, meeting in person. The service provider’s perceived knowledge, appearance, attitude and other forms of behaviour or attributes are
important determinants. Most service encounters in the hospitality industry occur on the provider’s premises. Take, for example, guests checking in at the reception counter of a guest house. This encounter is generally difficult to supervise, and even when supervised, attitudes and body language of employees cannot be controlled or rectified in the presence of guests (Bennett & Strydom 2005:288). Zeithaml and Bitner (1996:108) emphasise that customers also play a role in creating quality service for themselves through their own behaviour during the face-to-face encounters.

(d) Evidence of service

The last factor of influencing customer perceptions of service is regarded as the evidence of service. Because services are intangible, customers not only rely on price to evaluate service quality, but also seek for evidence of service in every interaction they have with an organisation to build an impression of service perceptions. Zeithaml and Bitner (1996:113) discover three elements of evidence experienced by the customer: people, process and physical evidence (shown in Figure 3.6).

FIGURE 3.6
EVIDENCE OF SERVICE

Source: Zeithaml and Bitner (1996:115)
**People:** Refers to the persons in service transactions including the personnel in service transactions, customers themselves and other customers within the interaction setting (Zeithaml & Bitner 1996:114). For example, the action and the attitude of the personnel at a reception desk in a guest house will be judged on the impression of perception in terms of the employee’s politeness and effectiveness. Moreover, customers share the service environment with other customers as they consume the service. Fellow customers can either enhance or detract from a customer’s perception of quality (Wu 2007:1519). The actions and attitude of other guests he/she meets in lounge room will also influence the perception of this service received.

**Process:** Refers to a series of activities or steps in the service delivery process, the level of flexible function and technology of the service performances, which influence the service perceptions of customers (Lovelock 2001:39). For instance, the guests may build up service perceptions from observing a guest waiting in the line to check-in and by the way the employees take a lunch order, manually or by means of a computer.

**Physical evidence:** Assists customers in service evaluation because the intangibility of the service often makes it difficult for customers to evaluate service perceptions. Physical evidence consists of facility exterior, facility interior and tangibles. Facility exterior includes the exterior design, parking, landscaping and the surrounding environment; facility interior includes the interior design, equipment used to customers and air quality; tangibles are tangible cues such as business cards, stationery, receipts and brochures (Hoffman & Bateson 2006:225).
3.5 THE GAPS MODEL OF SERVICE QUALITY

The gaps model of service quality (shown in Figure 3.7) is a framework for understanding and improving service delivery. This model consists of five gaps and involves two parties, namely the service provider and the customer.

FIGURE 3.7
THE GAPS MODEL OF SERVICE QUALITY

Source: Zeithaml and Bitner (1996:48)
3.5.1 Provider gaps

As shown in Figure 3.7, four provider gaps in the service systems contribute to one customer gap. These gaps reflect problems relating to communication, design, and delivery of the service.

● Gap 1
This is caused by the difference between the management perceptions of customer expectations and real customer expectations (Zeithaml, Berry, & Parasuraman 1988:37). In the guest house industry, for example, the owner or manager of a guest house might have inaccurate perceptions of what guests regard as superior service quality. The factors influencing this gap are market research orientation, upward communication and levels of management (Zeithaml et al 1988:37).
Firstly, Kurtz and Clow (1998:112) point out that managers assume they understand their customers’ needs and do not invest in market research. Ignoring the application of research will lead to incorrect or incomplete manager perceptions. Especially for the growing number of markets where customer expectations are changing quickly, it is absolutely necessary to conduct market research regularly. Secondly, Zeithaml et al (1988:38) state that upward communication typically provides information to upper-level managers about activities and performances throughout the organisation. Thus, top managers could gain an insight into customer expectations by being closely involved in the service delivery process. The third factor that may influence Gap 1 is the number of layers of management between top managers and customer-contact personnel. The greater the number of layers between management and customer-contact personnel, the less objective the information will be that finally reaches management.

● Gap 2
This occurs when management correctly perceives customer expectations, but is unable to translate this information into clear quality specifications (Kurtz
& Clow 1998:112). In the guest house context, for example, the owner might understand what the guests regard as a high level of service quality, but may be unable to translate this into an effective service delivery process, such as interpreting guests’ desire for courtesy as wanting employees to say “hello” and “come again” or to express a genuine smile. Zeithaml et al (1988:39-40) list the main influencing factors: management commitment to service quality, goal-setting, task standardisation and perception of feasibility.

Firstly, management may focus more on cost reduction and short-term profit than on quality. These two objectives are more easily formulated and results are more easily measured. This tendency leads to other objectives receiving less attention. Secondly, goal-setting not only improves both organisational performance and individual achievement, but also increases overall control of the organisation. The development of service goals involves defining service quality in ways that enable customer-contact personnel to understand management’s perspective and the need to generate a profit. Thirdly, task standardisation can be realised through the use of hard-technology and soft-technology which are both designed to standardise the operation and provide a uniform delivery of the service to customers. For example, substituting machines or computers for people is recognised as hard-technology; improving work methods is recognised as soft-technology. Fourthly, the perception of feasibility is closely related to managers’ perceptions of the extent to which meeting customer expectations is feasible. Management know that customers have certain expectations, while employees have the impression that meeting these expectations is not feasible because they do not believe that they can meet them.

- **Gap 3**

Fisk et al (2008:159) explain that Gap 3 occurs when employees are unable or unwilling to perform the service at the desired level. Owing to the variable and inseparable nature of services, most services are performed by people. The quality of service therefore is highly dependent upon how well the service
provider performs his or her job. If contact personnel provide services as
specified, customers are usually satisfied and their expectations are met. If
employees do not provide the service as specified in the service specifications,
customer expectations will not be met and customers could be dissatisfied. In
the guest house industry, for example, the host might understand what the
guests regard as a high level of service quality, but the guest house’s service
delivery actions (including the use of technology and/or a guest house
employee’s actions) may not deliver the expected high quality services.
Zeithaml et al (1988:41-44) list the possible influencing factors as role
ambiguity/conflict, poor employee/technology job fit, inappropriate supervisory
control systems, lack of perceived control and lack of teamwork.
Firstly, management defines service standards based on customer
expectations and provides role clarity in job descriptions. Secondly, improving
employee/technology job fit and empowering contact personnel are of
importance, because as the first contact person with the customer, his or her
image will directly influence customer perceptions, leading to positive or
negative experiences with service provider. Thirdly, management should
implement incentive reward systems and build a collaborative team (Zeithaml

● **Gap 4**

Gap 4 takes place when the external communications do not match the actual
service delivery, mainly resulting from misleading or deceptive advertising
campaigns that promise more than the firm can deliver. Managements want to
show the services to be offered as the best possible in order to attract more
business, but there is a risk that promises cannot be kept. As long as
customers’ expectations are enhanced by unrealistic promising in external
communications, the customer is disappointed because the promised service
did not match the service actually delivered (Mc Daniel, Lamb & Hair
2008:338). In the guest house industry, for example, the level of service
actually provided by the guest house might be disappointing to the guests.
when compared to the service levels promised to them by the guest house’s overpromising advertisement. Kurtz and Clow (1998:119) propose that two issues can affect the size of Gap 4, namely horizontal communication and propensity to promise unrealistically. Implementing effective horizontal communication and developing effective messages about the service delivery can help contact personnel to deliver service that matches the image presented in advertising (Zeithaml et al 1988:44). The tendency to promise unrealistically increases with pressure to achieve greater profits or to meet competitive claims. The company thus needs to create realistic customer expectations via honest, accurate communication about what the company can provide (Kurtz & Clow 1998:120).

3.5.2 The customer gap

As shown in Figure 3.7, the customer gap (Gap 5) is the difference between customer expectations and perceptions. In other words, Gap 5 is the result of Gap 1, Gap 2, Gap 3, and Gap 4. This indicates the difference between the perceptions of service performance and the service quality expected by customers. If any gap is large, the Gap 5 will be large as customer perceptions cannot meet customer expectations (Zeithaml & Bitner 1996:37-38).

3.6 MEASURING SERVICE QUALITY

According to Lovelock and Wirtz (2007:417-418), understanding customer perceptions and expectations of service is of vital importance for service organisations to improve productivity and achieve long-term profitability. The measurement of service quality is critical when service organisations need to take steps to monitor and improve the quality of the service that they provide (Barron & Harris 2003:137). However, because of the intangible nature of service, the service organisation may find it difficult to understand how
customers perceive their services and to evaluate service quality (Parasuraman, Zeithaml, & Berry 1985:42). Thus, certain measurement techniques are developed to advance the measurement of service quality. These techniques are discussed below.

3.6.1 Development of the SERVQUAL model

According to Lovelock and Wirtz (2007:419), the most extensive research into service quality is demand-oriented perspectives, which recognises that different customers have different desires and needs. From the result of focus group research studies, Parasuraman et al (1985:47) proposed 10 dimensions used by customers in evaluating service quality. Table 3.1 categorises these dimensions within the context of the guest house service.

### TABLE 3.1

<table>
<thead>
<tr>
<th>DIMENSION</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credibility</td>
<td>Guest house management are trustworthy, believable and honest.</td>
</tr>
<tr>
<td>Security</td>
<td>Guest house’s guests are free from danger, risk and doubt.</td>
</tr>
<tr>
<td>Access</td>
<td>Guest house’s guests can easily contact guest house management by telephone, internet and face-to-face.</td>
</tr>
<tr>
<td>Communication</td>
<td>Guest house management listen to guests and keep them informed in language they can understand.</td>
</tr>
<tr>
<td>Understanding</td>
<td>Guest house management make the effort to know guests and their needs.</td>
</tr>
<tr>
<td>Tangibility</td>
<td>Physical facilities, equipment, personnel, and communication materials are excellent.</td>
</tr>
<tr>
<td>Reliability</td>
<td>Guest house management are able to perform the promised service dependably and consistently.</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Guest house management are willing to help guests and respond promptly.</td>
</tr>
<tr>
<td>Competence</td>
<td>Guest house management possess the skills and knowledge required to perform the service.</td>
</tr>
<tr>
<td>Courtesy</td>
<td>Guest house management and contact personnel show politeness, respect, consideration, and friendliness to guests.</td>
</tr>
</tbody>
</table>

Source: Adapted from Lovelock and Wirtz (2007:421)
After subsequent research into the measurement of service quality, Zeithaml, et al (1988:12-40) concluded a high degree of correlation between several of these variables, which consolidated 10 dimensions into five broad dimensions. The original dimensions of *tangibility, reliability* and *responsiveness* remain unchanged. *Assurance* includes credibility, security, competence and courtesy, and *empathy* constitutes access, communication and understanding. The five service quality dimensions namely *reliability, responsiveness, assurance, empathy* and *tangibility*, represent how customers organise information about service quality in their minds (Zeithaml, Bitner & Gremler 2006:117). Several researchers describe different aspects of these dimensions as follows:

- **Reliability**: Hoffman and Bateson (2006:342) define that the dimension of reliability is regarded as the most important dimension of the SERVQUAL model when the customer evaluates the quality of services. Zeithaml and Bitner (1996:119) comment that the reliability can be described as that whereby a service organisation delivers its promise and the resolution of service problems to customers.

- **Responsiveness**: Hoffman and Bateson (2006:344) describe the dimension of responsiveness as the willingness and readiness of employees to provide a service. “This dimension emphasises attentiveness and promptness in dealing with customer requests, questions, complaints and problems” (Zeithaml & Bitner 1996:121).

- **Assurance**: Zeithaml and Bitner (1996:121) address the dimension of assurance as employees’ knowledge and courtesy and their ability to inspire trust and confidence. Trust and confidence can be instilled into customers when trained employees build positive communication relationships with them.

- **Empathy**: Zeithaml and Bitner (1996:121) define the dimension of empathy as caring, individualised attention provided to customers. The essence of empathy is that customers feel special and unique through personalised or customised service. Sometimes the personalised or
customised service might be as simple as remembering a customer’s name.

- **Tangibility**: Zeithaml and Bitner (1996:122) state that the tangible aspects of services are always used by customers to evaluate the quality of services. The dimension of tangibility includes a wide variety of objects such as carpeting, desks, lighting, wall colours, brochures, daily correspondence and the appearance of the personnel (Hoffman & Bateson 2006:341).

Table 3.2 describes the five dimensions of the SERVQUAL model in terms of the guest house service.

**TABLE 3.2**

<table>
<thead>
<tr>
<th>DIMENSION</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability</td>
<td>Guest house management are able to perform the promised service dependably and accurately.</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Guest house management are willing to help guests and provide prompt response.</td>
</tr>
<tr>
<td>Assurance</td>
<td>Guest house management are knowledgeable and courteous and able to inspire trust and confidence.</td>
</tr>
<tr>
<td>Empathy</td>
<td>Guest house management provide caring and individualised attention to guests.</td>
</tr>
<tr>
<td>Tangibles</td>
<td>Physical facilities, equipment, personnel, and communication materials are excellent.</td>
</tr>
</tbody>
</table>

Source: Adapted from Parasuraman et al (1988:12-40)

Contextualised to the earlier discussion, service quality is the discrepancy between customer perceptions and customer expectations. The SERVQUAL model is based on the disconfirmation theory that customers judge service delivery in terms of the acceptance that customer perceptions should be equal to or exceed customer expectations in order to be satisfied with the service provided. The SERVQUAL model was developed to enhance the value of an earlier service quality model by Parasuraman et al (1985:41-50) known as the
service quality gaps model. The SERVQUAL model was first published in 1988 and revised in 1991 based on extended exploratory and empirical research. It includes a survey using a self-administered questionnaire which is designed to collect data on 22 service attributes. These attributes are grouped into five service quality dimensions as mentioned earlier. In the survey, customers are required to provide two different ratings on each attribute. One reflects the level of service the customer expects from the service provider, and the other reflects the customer’s perceptions of service actually delivered by the service provider (Zeithaml & Bitner 1996:150). The gap between the expected service and the actually perceived service consists of the measure of service quality. If perception minus expectation generates a smaller gap, it means the higher the level of service quality is perceived, and vice versa (Parasuraman, Zeithaml & Berry 1994:111-124).

3.6.2 Strengths of the SERVQUAL model

SERVQUAL is a concise scale, easy to use by managers, and is now referred to as a standard by other service researchers (Llosa, Chandon & Orsingher 1998:17). The scale has been replicated in many different service categories so as to examine its ability to be generalised. According to Szwarc (2005:32), managers prefer the SERVQUAL model because it provides them with data they can understand, and because it has been used in studies on different issues concerning service quality and in a variety of different industry and culture settings. It also has been widely tested for its validity and reliability (Babakus & Boller, 1992:253-268; Bolton & Drew, 1991:1-9; Brown & Swartz, 1989:92-98; Carman, 1990:33-55; Cronin & Taylor, 1992:55-68, 1994:125-131).

Parasuraman et al (1988:30) present several reasons for measuring quality with SERVQUAL, of which the following are noteworthy:

- For the comparison of quality success among different branch offices of multi-unit companies;
• For the assessment of service performance relative to direct competitors;
• For the categorisation of possible differences in quality perception among individual customer segments;
• For the documentation of changes in service quality perception among customers over a specified time period.

In recent years, numerous studies have focused on applying SERVQUAL in the hotel industry (Juwaheer, 2004:350-364; Ekinci, Prokopaki & Cobanoglu, 2003:47-66; Tsang and Qu, 2000:316-326; Mei, Dean & White 1999:136-143). The outcomes of these studies have produced several contributions in relation to understanding the dimensional structure of service quality of hotels and also have proved that there might have been different quality dimensions to deal with for the hotels that serve different markets and thus fall into different segments of the hotel industry such as resort hotels, motels, airport hotels and convention hotels, which all have distinguishing characteristics. Although the authors suggested that the dimensions identified were transferable across industries, in the hotel setting, some of the quality dimensions were different from the five dimensions as described by the original SERVQUAL researchers (Akbaba 2006:172).

Mei et al (1999:136-143) examined the dimensions of service quality in the hotel industry in Australia. They used the SERVQUAL instrument as a foundation and developed a new scale called HOLSERV scale, a new instrument to measure service quality in the hotel industry.

Knutson, Stevens, Wullaert, Patton and Yokoyama (1990:227-284) used SERVQUAL as a foundation to develop LODGSERV, an instrument designed to measure service quality in the hotel industry. Patton, Stevens and Knutson (1994:39-55) translated LODGSERV into Japanese and Chinese and administered the instrument in Japan, Taiwan, Hong Kong, Australia and the
UK. Their findings reflected that LODGSERV retains its reliability when administered in countries outside the USA.

Getty and Getty (2003:94-104) developed a service quality measuring instrument for the lodging industry, named Lodging Quality Index (LQI), which is also a derivative of SERVQUAL by refining the initial ten dimensions into five lodge-specific dimensions: tangibility, reliability, responsiveness, confidence and communication. These dimensions better reflect the unique nature of the lodging industry than does SERVQUAL. Firstly, LQI can be re-administered periodically to track service quality trends and pinpoint potential problem areas. Secondly, LQI can be used to compare overall quality differences and differences in performance on individual quality dimensions on the basis of evaluating the relative performances of each property. Thirdly, LQI can be used to monitor quality perception for competitors’ properties. Therefore, LQI was adapted in this study to measure the guests’ perceived service quality.

With the increasing popularity of internet usage becoming a comprehensive searching application for guests’ selecting and booking accommodation in the world, website quality has generally been recognised as a critical step to drive business online (Bai, Law & Wen 2008:391). As such, Bai et al (2008:396) proposed a conceptual model consisting of E-usability, E-functionality, customer satisfaction and purchase intentions was adapted in this study to measure the guests’ perceived service quality.

E-functionality refers to contents of a website, while usability relates to issues of design. More specifically, functionality associates with the information richness of a website, whereas usability refers to the degree of ease with which users can use a website. In this conceptual model, functionality comprises five factors, namely purchase information, service or product information, destination information, quality of information and contact
information. Usability also includes five factors, namely language, layout and graphic, information architecture, user interface and navigation, and general.

3.6.3 Criticisms of the SERVQUAL model

Despite the fact that the SERVQUAL model is an excellent instrument for measuring service quality, several researchers comment on the SERVQUAL model, indicating that there are some shortcomings and flaws associated with SERVQUAL.

Hoffman and Bateson (2006:346) questioned the length of the SERVQUAL questionnaire because it consists of 44 questions to measure customer expectations and perceptions. This may result in respondent fatigue. Hoffman and Bateson (2006:347) proposed three approaches to reducing the length of the questionnaire. Firstly, “on a single scale, ask respondents where they would rate a high-quality company and then where they would rate the firm under investigation”. Secondly, “utilize the scale’s midpoint as the expected level of service from a high-quality company, and then rate the specific firm in relation to the midpoint above expectation or below”. Thirdly, “utilize the end point as the expected level of a high-quality company, and rate the specific company relative to the high-quality company on the same scale”.

Baron and Harris (2003:143) stress that the timing of expectation measurements is of crucial importance. In SERVQUAL, respondents must rate their expectations and perceptions of a particular service on the same scale for each of 22 items. Moreover, respondents are often interviewed only once and questioned to rate both their expectations and perceptions on one occasion. If respondents are using these retrospective expectations in their post-purchase evaluations, the initially measured expectations are disputable by biased experience of the respondents (Yüksel & Yüksel 2001:110).
These above-mentioned criticisms and other criticisms led Cronin and Taylor (1992:55-68; 1994:125-131) to conclude that it is much better to use questions about performance (=perception) and delete all the questions on expectations. That is the essence of their SERVPERF model. In fact, the SERVPERF model is based on the perception items in SERVQUAL. One of the arguments is that the predictive validity of using only the perceptions component is higher than in using the difference (perception-expectation) scores. However, SERVQUAL’s developers have argued that measuring expectations has diagnostic value and that making service improvement decisions based on perception data only might lead to suboptimal or erroneous resource allocations (Parasuraman et al 1994:111-124).

3.7 SERVICE QUALITY VERSUS SATISFACTION

Baron and Harris (2003:144) regard satisfaction as:
- “an emotion: an affective response to a specific service experience”;
- “a fulfilment: the achievement of relevant goals;” and
- “a state: the level of reinforcement”.

Rust and Oliver (1994:6) state that satisfaction reflects the degree to which one believes that an experience evokes positive feelings. Thus, satisfaction is an overall affective response due to the use of a product or service. Anton (1996:23) concludes customer satisfaction as the connection between short-term success and long-term development and prosperity. Organisations must realise that customer satisfaction is a vital strategic tool that results in increased market share and profits. It begins with the commitment of top management and involves the entire organisation. Customer satisfaction survey results can significantly help managers and employees to focus more attention on improving service quality.
Therefore, service satisfaction and service quality are strongly related to each other. However, the relationship between service quality and customer satisfaction is discussed in various ways in the literature. One explanation of the difference between service quality and customer satisfaction is highlighted by Bateson (1992:245). “Service quality is generally conceptualised as an attitude, the customer’s comprehensive evaluation of a service offering. Service quality is built up from a series of evaluated experiences and hence is less dynamic than satisfaction. Satisfaction is the outcome of the evaluation a consumer makes of any specific transaction.”

For example, a guest stays in a frequently-visited guest house. The guest’s level of satisfaction with that particular transaction will relate to the level of disconfirmation between the prior expectation of the service and the actual outcome. If the outcome exceeded expectations, such as effective personnel, cosy environment with other friendly guests and stable WI-FI Internet offered, the guest will be satisfied. Otherwise, dissatisfaction may be the result. However, the same guest may judge the overall service quality of the guest house on a longer-term basis, and include comparisons with other guest houses which the guest has stayed at or heard of in forming an expectation of what should be done by the specific service provider. The service quality rating would not result from a single transaction.

Moreover, Meyer and Westerbarkey (1996:186) claim that service quality affects guests’ satisfaction at the encounter-specific level. Service quality perception does not require experience with the service or service provider. For example, five-star hotels and first-class cabin are perceived as high service quality by customers who have never experienced them. On the other hand, satisfaction judgments are purely experiential in nature, involving both an end state and a process, and reflecting both emotional and cognitive elements (Petrick 2004:397).
3.8 SUMMARY

This chapter included a literature review, focusing on the definition of service quality, the determinants of service expectations and perceptions, and the measurement of service quality. In addition, the difference between satisfaction and service quality was also discussed.

Customer expectations and perceptions of service are the determinants of service quality. Customer expectations are composed of two levels (desired service and adequate service), each level being influenced by many factors, such as desired service influenced by personal needs and adequate service influenced by the situational factor. Moreover, desired service and adequate service are both influenced by 4 factors, namely explicit service promises, implicit service promises, word-of-mouth communication and past experience. Customer perceptions can be built by image, price, service encounter and evidence of service.

The gaps model of service quality, as a framework for understanding and improving service delivery, consists of five gaps and involves two parties (the customer and the service provider). The ten service quality dimensions can be consolidated into five broad dimensions, which constitute the SERVQUAL dimensions (reliability, responsiveness, assurance, empathy and tangibility). SERVQUAL is a research methodology designed to measure service quality by comparing customer perceptions with customer expectations. LQI, as a derivative of SERVQUAL by refining the initial ten dimensions into five lodge-specific dimensions (tangibility, reliability, responsiveness, confidence and communication), is used in this study. This chapter concludes the relationship between satisfaction and service quality, which are strongly related to each other. The next chapter focuses on the research methodology used in this empirical study.
CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

In chapter 3 the researcher explained the definition of service quality, the determinants of service expectations and perceptions, and the measurement of service quality. Chapter 4 provides a detailed explanation of the research design and methodology followed in the empirical study of this research. This chapter describes the research design in terms of the categories of research, a comparison of quantitative and qualitative research, data-collection methods and techniques, questionnaire design, sample selection and data analysis. The findings are reported on in Chapter 5.

4.2 OVERVIEW OF THE RESEARCH DESIGN

A research design is the detailed blueprint applied to direct a research study toward its objectives. The process of designing a research study includes many interrelated decisions. The most significant decision is the choice of a research approach, because it determines how the information will be obtained. Research approaches can be classified into three general categories, namely exploratory, descriptive, and causal (Aaker et al 2007:77).

After choosing a research approach, data-collection is the next step to select a means of gathering the data. There are three basic research methods to gather data, namely survey, observation and experiment (McDaniel & Gates 2006:35).
Once the research approach and research method have been chosen, the researcher needs to identify the relevant target population. Thereafter, choosing a sampling method ranging between probability and non-probability (Hair et al 2006:330) and then determining the sample size are all covered in the sample selection part.

In the end, the collected data will be edited, coded and captured in Microsoft Excel before the researcher employs a variety of techniques to conduct data analysis, such as descriptive data analysis and more complex multivariate techniques (McDaniel & Gates 2006:37). The elements of the research design will be discussed in more detail.

4.3 RESEARCH APPROACH

According to Burns and Bush (2006:29), although objectives of every research project differ from one to another, there are enough similarities among research projects to categorise them into exploratory, descriptive and causal research.

4.3.1 Exploratory research

Hair et al (2006:63) maintain that exploratory research focuses on collecting either secondary or primary data and using an unstructured format to gain background information about the general nature of the research problem. The research methods are highly flexible, unstructured and qualitative but with little prior knowledge on which to build, especially for the researcher without firm preconceptions as to what will be found (Aaker et al 2007:79). Hair et al (2006:63) further state that exploratory research is often used simply to classify the problems or opportunities and is not intended to determine a course of action by the obtained conclusive information. Some examples of
exploratory research forms are focus-group interviews, in-depth interviews and pilot studies.

4.3.2 Causal research

According to Hair et al (2006:64), causal research is designed to collect raw data and create data structures that will allow the decision-maker to determine cause-and-effect relationships between two or more decision variables. The most appropriate circumstance employing causal research is when the research objectives include the need to understand which decision variables are the causes of the dependent phenomenon defined in the research problem.

Thus, causal research can be used to understand the relationships between the causal factors and the outcome predicted. This type of research design enables decision-makers to gain the highest level of understanding in the research process and cause-effect relationships among market performance factors (Hair et al 2006:64).

4.3.3 Descriptive research

According to Hair et al (2006:63), descriptive research design uses a set of scientific methods and procedures for selecting the sources of information by collecting raw data and creating data frameworks from those sources to describe the existing characteristics (such as attitudes, intentions, preferences, purchase behaviours and evaluations) of a defined target population.

Descriptive research designs are particularly appropriate when the research objectives include the determination of the degree to which marketing
variables are related to actual marketing phenomena, as such information can provide managers with the evidence of customers, competitors, target markets and environmental factors, which can lead to an effective action to solve the problem or use the opportunity (Hair et al 2006:63). According to Churchill (2001:126) and Malhotra (2004:78), descriptive research can be employed in the following situations:

- summarise the attributes of groups, such as consumers, salespeople, organisations or market areas;
- estimate the percentage of units in a specified population exhibiting a certain behaviour (including brand choice, expectations and perceptions about service quality and product consumption);
- determine the perceptions of product characteristics;
- determine the degree to which marketing variables are associated; and
- make specific predictions of any new trend in consumer purchasing and consumer behaviour.

Baines and Chansarkar (2002:5) state that the methods of descriptive research primarily employ “questionnaires” to describe the characteristics of a target group of respondents and to evaluate the attitudes of consumers. For the purpose of this study the researcher will employ descriptive research to collect and analyse data as the designed research to evaluate the service quality of guest houses and bed-and-breakfast establishments by comparing guests’ expectations and perceptions. The descriptive research can assist the bed-and-breakfast and guest houses’ managers and owners to understand better how to meet guests’ expectations and know what services are expected.
4.4 QUALITATIVE AND QUANTITATIVE RESEARCH

Primary data are raw data and structures of variables that have been collected and assembled by a researcher specifically for the research project at hand. Primary data are the result of conducting some type of exploratory, descriptive, or causal research project that applies either surveys or observation to collect the data (Hair et al 2006:63). Moreover, primary data can take the form of qualitative or quantitative research to get the data sourced (Malhotra & Birks 2006:132).

According to Hair et al (2006:63), qualitative research is normally used in exploratory research design to gain preliminary insights into decision problems and opportunities. Hence, qualitative research in the exploratory research design tends to focus on the collection of detailed amounts of primary data from relatively small samples of subjects by asking questions or observing behaviour (Hair et al 2006:173). It also tends to uncover the underlying motivations behind consumers’ opinions, attitudes, perceptions and behaviour. The most common forms of qualitative research are focus groups and in-depth interviews (Aaker et al 2007:189).

McDaniel and Gates (2006:80) further conclude that the main advantage of qualitative research is that it reveals the in-depth motivations for consumers’ behaviour, attitudes, opinions and perceptions. A major disadvantage is that the results derived from qualitative research lack the representativeness of the wider population of interest and should be used only as a guide.

Quantitative research, on the other hand, is designed to draw responses from predetermined, standardised questions in questionnaires or surveys directed at a large number of respondents (Hair et al 2006:171). Quantitative research
places a heavy emphasis on small amounts of information collected from a large number of people. The responses are then quantified and further analysed to find statistically significant differences between variables. The main quantitative methods are surveys, observation and experiments (Baines & Chansarkar 2002:23).

Quantitative research often involves a sizable representative sample of the population and a formalised procedure for gathering data; therefore, quantitative research can significantly reflect the opinions of the population at large (Burns & Bush 2006:202). One drawback relates to the fact that with quantitative research it is usually difficult to obtain detailed, underlying information from respondents. In addition, because the answers are usually predetermined by the researcher, the respondents are not allowed to express their true opinion but forced to choose one that only approximates it (Baines & Chansarkar 2002:25).

Furthermore, according to McDaniel and Gates (2006:79), the quantitative research methods are more directly related to descriptive and causal research. Quantitative research will thus be employed in this study because the purpose of this study is to evaluate the service quality of bed-and-breakfast establishments and guest houses by comparing guests’ expectations and perceptions. Besides, quantitative research can help the researcher to collect the raw data from a large number of bed-and-breakfast and guest houses’ guests in Nelson Mandela Bay. The major differences of characteristics between qualitative and quantitative research methods are summarised in Table 4.1.
### TABLE 4.1
DIFFERENCES BETWEEN QUALITATIVE AND QUANTITATIVE RESEARCH METHODS

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Qualitative methods</th>
<th>Quantitative methods</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research Objectives</strong></td>
<td>Discover and understand underlying motivations, attitudes, opinions, perceptions and behaviours</td>
<td>Generalise the results of a sample to a population</td>
</tr>
<tr>
<td><strong>Type of Research</strong></td>
<td>Exploratory designs</td>
<td>Descriptive and causal designs</td>
</tr>
<tr>
<td><strong>Type of Questions</strong></td>
<td>Open-ended, semi-structured, unstructured, deep probing</td>
<td>Structured</td>
</tr>
<tr>
<td><strong>Time of Execution</strong></td>
<td>Relatively short time frames</td>
<td>Significantly longer time frames</td>
</tr>
<tr>
<td><strong>Representativeness</strong></td>
<td>Small samples, limited to the sampled respondents</td>
<td>Large samples, normally good representation of target population</td>
</tr>
<tr>
<td><strong>Researcher skills</strong></td>
<td>Interpersonal communications, observations, interpretive skills</td>
<td>Scientific, statistical procedure, and translation skills; and some subjective interpretive skills</td>
</tr>
<tr>
<td><strong>Type of analyses</strong></td>
<td>Non-statistical analysis</td>
<td>Descriptive statistics, percentage, proportions, hypothesis tests</td>
</tr>
</tbody>
</table>

Source: Adapted from Hair et al (2006:172)

### 4.5 DATA COLLECTION METHOD

Since the researcher will employ a quantitative research, a survey was used for the current study which is deemed to play a vital role in providing the necessary information. According to McDaniel and Gates (2006:35), survey research is the use of a questionnaire to gather facts, opinions and attitudes (McDaniel & Gates 2006:35). Furthermore, survey is the most popular way to gather primary data because the key advantage of survey is the collection of significant amounts of data applied in an economical and efficient manner.
(Burns & Bush 2006:235). Significantly the researcher collects quantitative data that can be used with advanced statistical analysis to identify hidden patterns and trends in the data at relatively low costs (Hair et al 2006:222).

Another advantage of surveys is the ease of administration. Most surveys are fairly easy to conduct because there is no need for sophisticated devices to record actions and reaction. Even respondents may fill out questionnaires unattended. Moreover, surveys facilitate the collection of standardised common data since all respondents are asked the same questions and are exposed to the same response options for each question (Hair et al 2006:223).

A final advantage of surveys is the ability to tap into factors or concepts that are not directly observable (such as attitudes, feelings, preferences and personality traits) through both direct and indirect questioning techniques (Hair et al 2006:223).

4.6 DATA GATHERING TECHNIQUES

There are four types of survey methods, namely person-administrated, telephone-administrated, computer-assisted and self-administrated surveys (Hair et al 2006:232). Table 4.2 provides an overview of survey methods being used to collect data.
### TABLE 4.2
SURVEY METHODS

<table>
<thead>
<tr>
<th>SURVEY</th>
<th>METHODS</th>
</tr>
</thead>
</table>
| Person-Administered | • In-home interview  
                          • Mall-intercept interview  
                          • Executive interview  
                          • Purchase-intercept interview |
| Telephone-Administered | • Telephone interview  
                              • Computer-aided telephone interview (CATI)  
                              • Completely automated telephone surveys (CATS)  
                              • Wireless’ phone survey |
| Computer-Assisted   | • Fax survey  
                          • E-mail survey  
                          • Internet survey |
| Self-Administered   | • Mail surveys  
                          • Panel surveys  
                          • Drop-off surveys |

Source: Adapted from Hair et al (2006:232)

A person-administered survey is one which requires the presence of a trained interviewer who asks questions to a respondent and records his or her answers (Burns & Bush 2006:239). The major advantage of person-administered survey is the possibility of arousing initial interest and increasing the rate of participation (Aaker et al 2007:248). The disadvantages of person-administered survey are slow data-collection, human errors, and high cost. Firstly, collecting data using human interviewers requires extra time to travel between interviews and set up appointments. Secondly, mistakes might be caused in light of the use of the human interviewer. Thirdly, the use of a face-to-face interviewer is more expensive than other survey methods (Aaker et al 2007:248; Burns & Bush 2006:239).

A telephone-administered survey has become the dominant method for obtaining information from large samples by exchanging question-and-answer
via telephone technology (Aaker et al 2007:248). Telephone survey methods have a number of advantages over face-to-face survey methods, such as inexpensive cost, high-quality sample and quick turnaround times. However, a telephone survey is a poor choice for conducting a survey with many open-ended questions. Also, a telephone survey is often blocked by the increased use of answering machines being adopted by respondents (Burns & Bush 2006:239).

The way survey research is conducted has changed forever because of the Internet and telecommunication technologies increasingly being accepted by customers worldwide (McDaniel & Gates 2006:133). According to Hair et al (2006:232), computer-assisted surveys are distributed and returned from respondents via fax machines, electronic mail and World-Wide-Web. Although the fact of rapid deployment, dramatically reduced costs, ready personalisation and ability to contact the hard-to-reach are the significant advantages over other surveys, it still suffers badly from non-response and self-selection bias caused by low level security of sensitive information. In addition, e-mail questionnaires are easily recognised as spam automatically by fast-developed shielding systems. Therefore, a standardised e-mail panel questionnaire needs to be encouraged and also strict and enforcing policies of data privacy must be established (Hair et al 2006:245; McDaniel & Gates 2006:133).

A self-administered survey is one in which the respondent fills out the survey on his or her own, without the presence of an interviewer. A self-administered survey has several advantages, such as eliminating one source of bias by the absence of an interviewer, because there is no interviewer whose appearance, dress, manner of speaking or failure to follow instructions may mislead or influence the respondents’ answers to questions (McDaniel & Gates 2006:127). In addition, a self-administered survey facilitates the researcher to ask
questions with long or complex response categories (Aaker et al 2007:264). Hence, a self-administered survey using a paper questionnaire is chosen to gather primary data for the current study.

Self-administered surveys can be classified into three types: mail, panel and drop-off surveys. In a mail survey, questionnaires are sent to selected names and addresses without prior contact by the researcher. In a panel survey, questionnaires are sent to a group of individuals who have agreed in advance to participate (McDaniel & Gates 2006:128). In a drop-off survey, questionnaires are hand-delivered to selected respondents and the completed questionnaires are later on collected by the researcher or his/her representative (Hair et al 2006:232).

The advantages of drop-off surveys include the availability of a person who can explain the study, answer general questions, screen potential respondents and spur interest in completing the questionnaire (Hair et al 2006:243). According to Burns and Bush (2006:256), a drop-off survey is appropriate for local market research in which travel is limited. Therefore, a drop-off survey is chosen to collect primary data for the current research. By using drop-off questionnaires, guests will be better encouraged to complete the questionnaire because they will meet the researcher physically.

4.7 QUESTIONNAIRE DESIGN

A questionnaire is a formalised framework, consisting of a set of questions designed to generate the data necessary to accomplish the objectives of the research project (McDaniel & Gates 2006:258). According to Burns and Bush (2006:300), a questionnaire is an important tool in conducting surveys and serves six key functions.
• It translates the research objectives into specific questions to get responses from respondents.
• It standardises those questions and the response categories so that the participants respond to identical stimuli.
• It fosters co-operation and keeps respondents motivated throughout the interview by its wording, question flow and appearance.
• It serves as a permanent record of the research.
• It can speed up the process of data-analysis.
• It is used by researchers for quality control, such as validation of respondents’ participation and reliability assessments.

Hence, in this study, a self-administrated questionnaire will be used to collect primary data from guest house guests in Nelson Mandela Bay. The next section explains the questionnaire structure, question format and pre-testing.

4.7.1 Questionnaire structure

A questionnaire is normally divided into three major parts, namely the introduction, the content, and the basic data. The introduction is referred to as a cover letter which explains the objective of this research. The content includes questions that cover information needed to solve the research problem. The range of subjects covers facts, knowledge, opinions and attitudes, motives and possible future behaviour. The basic data consists of demographic profiles of respondents, such as gender, occupation and household income (Proctor 1997:132-133).

A questionnaire (see Annexure A) is designed to gather primary data in this research. The questionnaire includes a cover letter that briefly introduces the researcher, explains the purpose of the research, assures the respondent of anonymity and confidentiality and communicates the instructions.
The rest of the questionnaire can be classified into three sections. Section A consists of 32 Likert-type closed-ended questions aimed at measuring service quality of the discrepancy between guest perceptions and expectations. Respondents have to indicate the level of importance of statements with responses that ranged from (1) strongly disagree to (5) strongly agree.

Section B gathers the demographic details of the respondents consisting of questions on the gender, age, education level, occupation and annual gross household income to guests.

Section C gathers information on the travelling characteristics of the respondents comprising questions on the type of accommodation used, purpose of this trip and annual frequency of stay at B&B’s/guest houses in South Africa by guests.

4.7.2 Question format

According to Parasuraman et al (2004:311), questions can be classified into open-ended questions and closed-ended questions.

Open-ended questions are unstructured questions allowing respondents to reply in their own way. Often, open-ended questions require probes from the interviewer as a tool to encourage more thinking and effort on the part of respondents in order to measure their general attitudes and opinions (McDaniel & Gates 2006:264).

Aaker et al (2007:321) report that the disadvantages of open-ended questions are the time and cost associated with coding the responses, and the implicit extra weight given to respondents who are more articulate and tend to raise
more points in their answers. In general, open-ended questions are often worthwhile during exploratory research when the researcher wants to reveal more information associated with what people truly think (Proctor 1997:139). Thus, open-ended questions are excluded from the current research as guests may not be well-motivated to complete them.

Closed-ended questions are structured questions that require the respondent to choose from a predetermined format of responses or scale points (McDaniel & Gates 2006:267). As all possible answers are given with the question, such questions are easy to use, reduce interviewer bias, reduce the bias exhibited by respondents in answering questions, and facilitate coding and tabulation (Proctor 1997:139). Hence, closed-ended questions were deemed to be appropriate to the current research.

Closed-ended questions can be classified into three categories, namely dichotomous, multiple-choice and rating questions (Malhotra 2004:290).

- **Dichotomous questions**

A dichotomous question is the simple alternative of closed questions, which allows only a two-item response option. Because the respondent is limited to two fixed alternatives, dichotomous questions are easy to administer and tabulate and usually evoke a rapid response. However, because alternatives are polarised, the wide range of possible choices between the poles is omitted. Thus, appropriate wording is crucial to obtaining accurate responses (McDaniel & Gates 2006:267-268). An example of a dichotomous question used in this study is:

At what type of accommodation do/did you stay?

- Bed and breakfast (B&B)
- Guest house
Multiple-choice questions

Multiple-choice questions are an extension of simple alternative questions. The researcher provides a choice of answers, and respondents are asked to select one or more of the alternatives given which are closest to their view (Proctor 1997:139). According to McDaniel and Gates (2006:269), the response alternatives should thus include a set of all the possible choices, such as “Any other use?” in order to overcome the problem of not all possible alternatives being included. An example of a multiple-choice question used in the current study to gather demographic information is:

What is your occupation?

☐ Self-employed ☐ Technical ☐ Professional
☐ Homemaker ☐ Administrative ☐ Executive/managerial
☐ Student ☐ Retired ☐ Other (please indicate)………

Rating question

Proctor (1997:139) claims that respondents have different attitudes towards a variety of products and services which influence the ultimate behaviour. In other words, attitudes reflect a respondent’s evaluation and have an impact upon their perception of an object based on their beliefs about that object. Thus, measurement of attitudes is necessary and usually uses a variety of rating scales.

Among various rating scales, the Likert type is a widely used rating scale that requires respondents to indicate a degree of agreement or disagreement with each of a series of statements about the stimulus objects (Aaker et al 2007:297). Typically, each scale item has five response categories, ranging
from “strongly disagree” to “strongly agree”. Accordingly, a “strongly agree” response indicates a favourable statement and a “strongly disagree” response indicates an unfavourable statement (McDaniel & Gates 2006:269).

The advantages of Likert scales are easy to construct and administer. Respondents readily understand how to use the scale, making it suitable for mail, telephone or personal surveys (Malhotra 2004:259). In the questionnaire of the current research, Likert scale rating questions will be used to measure the guests’ perceived service quality of accommodation.

4.7.3 Pre-testing

After the drafting and developing of the questionnaire it has to be tested before the survey is conducted (McDaniel & Gates 2006:279). Parasuraman et al (2004:334) state that pre-testing involves conducting a survey of a limited number of potential respondents and other individuals capable of pointing out design flaws. These flaws may be caused by words, phrases, instructions, question flow, or other aspects of the questionnaire that appear confusing, difficult to understand (Burns & Bush 2006:321).

The respondents in the pre-tests should be similar to those who will be included in the actual survey. In other words, respondents for the pre-test and for the actual survey should be drawn from the same background of the population. Normally, the pre-test sample size is often small, ranging from 5 to 10 respondents for the initial testing, depending on the heterogeneity of the target population having common problem themes across this group (Burns & Bush 2006:321).
For pre-testing the questionnaire of the current study, the main purpose was to test the wordings and language of the questions and the guests’ ability to understand the questions. Ten guests participated in the pre-testing of the questionnaire. Based on their feedback, a few minor adjustments were made before the questionnaire was administered to the sample.

4.8 SAMPLE SELECTION

According to Parasuraman et al (2004:356), sampling refers to the selection of a fraction of the total number of units of interest to decision-makers for the ultimate purpose of being able to draw general conclusions about the population. The next section explains the steps of the sampling process, such as defining the target population, selecting a sampling method and determining the sample size.

4.8.1 Target population

A target population “consists of the complete group of elements (people or objects) that are identified for the investigation based on the objectives of the research project ”(Hair et al 2006:310). According to Malhotra & Birks (2006:358), defining the target population includes translating the problem definition into a precise statement of who should and should not be involved in the sample. Hence, it is essential to define the target population precisely, since failure to do so will cause the ineffective solving of a research problem (Proctor 1997:73). In this study, all guests who served as the target population visited guest houses and bed-and-breakfast establishments in the Nelson Mandela Bay.
4.8.2 Sampling method

According to Chisnall (1991:21), the main categories of sampling methods can be grouped under two headings: probability and non-probability sampling methods.

Probability sampling is an objective procedure in which members of the population have a known chance of being selected into the sample. There are four probability sampling methods, namely simple random sampling, systematic sampling, stratified sampling and cluster sampling (Burns & Bush 2006:332-333). Because of the complexity of probability sampling, where members would have a known chance of being selected, and also because of time constraints which would have made it impossible to communicate with a large number of pre-identified respondents, the probability sampling methods were not considered as an appropriate choice for this current study.

Non-probability sampling is a subjective procedure in which the chances of selecting members from the population into the sample are unknown. There are four non-probability sampling methods, namely convenience sampling, judgement sampling, snowball sampling and quota sampling (Burns & Bush 2006:332; 345). Convenience sampling was employed to draw the required sample for this study.

Burns and Bush (2006:345) define convenience sampling as selecting respondents according to the convenience of the interviewer. Aaker, Kumar and Day (2004:158) indicate that convenience sampling has the following advantages:

- quick and cheap;
- interviewers are likely to co-operate because the task is easy to be completed;
● no need for sampling frame; and
● respondent participation is voluntary.

As a primarily-used sampling, convenience sampling represents an efficient and effective means of obtaining the required information in an easily accessible way (McDaniel & Gates 2006:313).

Accordingly, the most convenient areas to a researcher in terms of reduced time and effort are likely to be high-traffic areas, such as shopping malls or busy pedestrian intersections. In the case of this study, respondents who had visited bed-and-breakfast establishments and guest houses were conveniently selected from shopping malls and the local airport at the Nelson Mandela Bay to fill in the questionnaires.

4.8.3 Sampling size

Sample size can be determined either by using statistical techniques or through some ad hoc approaches. Ad hoc approaches are applied when a person knows from experience what sample size to adopt (Aaker et al 2007:408). According to Kent (in Peng 2006:53), a minimum sample size of 100 respondents is needed for any type of quantitative research to reach a significant result. In this research the proposed sample size was 105 individuals.

4.9 DATA PREPARATION AND ANALYSIS

According to Hair et al (2006:478; 506; 626) converting raw data from a questionnaire so it can be transferred to a data warehouse is referred to as data preparation. After the data have been collected and captured, the next
step is data analysis. Finally, a successful research process leads to provide interpretations of those findings in the form of sound recommendations and logical limitations. Therefore, the research process can be depicted and shown in Figure 4.1.

**FIGURE 4.1**

AN OVERVIEW OF THE STAGES OF DATA PREPARATION AND ANALYSIS

4.9.1 Data preparation

The raw data obtained from the questionnaires must undergo preliminary preparation before starting analysis using statistical techniques. The quality of the findings obtained from the statistical analysis and their subsequent interpretation depend largely on how well the data was prepared and converted into a form suitable for analysis. The major data preparation techniques include data-editing, data-coding and data-capturing (Aaker et al 2007:432).
The role of the editing process is to inspect and correct omissions, ambiguities and errors in the responses. When such problems are identified, two alternatives are available, namely edit-in and edit-out. The edit-in approach refers to going back to the respondent if he or she is identified, or having questionnaires completed by the editors if it is possible to infer the answer from other questions. The edit-out approach refers to discarding unsatisfactory parts of the questionnaire, or discarding the unsatisfactory question if 25% or more of the questions are unclear or incomplete (Tustin, Ligthelm, Martins & Van Wyk 2005:456-457; Ferreira 2008:103). In this study, three collected questionnaires were discarded due to unacceptable patterns of incompleteness. The remaining 105 questionnaires were accepted for further data analysis, yielding a response rate of 97%. Moreover, missing data can be replaced with mean values which are available in some EXCEL procedures, which calculate the mean value for the variable and give every missing case this value (Pallant 2007:209).

Once the questionnaires had been edited, the data was coded to facilitate data-capture. Coding entails preparation of the data for tabulation by assigning numbers or other symbols to each answer, or placing them in categories (Ferreira 2008:103). In this study, section A of the questionnaire was printed with coding so that respondents could complete these during the interview. In sections B and C of the questionnaire, questions were coded according to predefined categories.

According to Hair et al (2006:589), most advanced statistical packages, such as SPSS or SAS, cannot be afforded by individuals (especially for the students). Microsoft Excel is the most commonly-used software which allows users working mainly in an Excel worksheet to transfer obtained data into the programme for data-analysis purposes. As a convenient method for data capture, Excel represents each respondent with rows and columns for the
questionnaire answer codes (Bradley 2007:302). Thus, the data was captured in Microsoft Excel 2007 for statistical analysis in this study.

4.9.2 Data analysis

Wegner (2000:8) maintains that there are two major elements of the discipline of statistics which are referred to as descriptive and inferential analyses.

Descriptive analysis is used by the researcher to describe the sample data matrix in such a way as to portray the respondent of the target population and to reveal the general pattern of responses. On the other hand, inferential analysis generalises conclusions about the population’s characteristics based on the sample data (Burns & Bush 2006:424).

Wegner (2000:8) also describes using descriptive statistical methods to analyse data which is usually only a sample of all possible data values from a target population. Descriptive measures are typically used early in the analysis process and become the foundation for subsequent analyses. Moreover, descriptive analysis enables the researcher to describe and compare variables numerically in the use of diagrams (Saunders, Lewis & Thornhill 1997:311). In this study, the researcher used descriptive measures to analyse obtained data, which focuses on two aspects: the central tendency and the dispersion.

4.9.2.1 Central tendency

Measures of central tendency reflect the most probable or appropriate responses to a question. A measure of central tendency reduces a whole series of data to a single figure or an average in order to facilitate the researcher comparing variables, for example, the average income of population groups (Wild & Diggines 2009:242-243). The three ways of
measuring central tendency most used in business research are the arithmetic mean, the median and the mode (Miller, Acton, Fullerton & Maltby 2002:64).

- **Mean** is the most familiar of all the measures of central tendency and corresponds with most people’s notion of what an average is. The calculation of the mean is the sum of all the values, divided by the number of values.

- **Median** is the easiest measure of central tendency in terms of understanding. The calculation of the median is the middle value between the lowest and the highest value.

- **Mode** is the simplest but least important measure of central tendency in terms of calculation. The calculation of the mode is the value that occurs most frequently in a distribution.

4.9.2.2 Dispersion

According to Saunders et al (1997:314), the research should not only describe the central tendency for a variable, but should also describe how the data values are dispersed around the central tendency. The most common measures of dispersion are range, variance, standard deviation, and variation coefficient (Miller et al 2002:66; Wild & Diggines 2009:244).

- **Range** is the difference between the largest and the smallest answer given by the respondents

- **Variance** is the average squared distance of each datapoint from the mean.

- **Standard deviation** is the most widely-used measure of dispersion and is obtained by simply calculating the square root of the variance. Measuring standard deviation is much more meaningful than the variance.

- **Variation coefficient** is used to compare the dispersion of two or more series of data. It is also used to indicate the relative size of the deviation from the mean.
4.9.3 Interpretation

After the gathered data has been analysed scientifically using the appropriate techniques, the results must be given meaning. The meaning and value given to the research results and process depend on the interpretation of the results which consists of conclusions, limitations and recommendations (Wild & Diggines 2009:258).

- **Conclusions** are generalisations that briefly review the study, summarise the inferences stemming from it, and answer the questions raised by the research objectives or otherwise satisfy the objectives (Parasuraman et al 2004:552).

- **Recommendations** are obtained from the process of deduction. The researcher employs the conclusions to specific areas in order to make suggestions for managerial implications (McDaniel & Gates 2006:432).

- **Limitations**, including any unforeseen or unavoidable methodological weakness or external events that might have a bearing on the study’s conclusions, should be covered in this section. Generally, the limitations of a research involve sampling and non-response inadequacies and methodological weaknesses (Parasuraman et al 2004:553).

4.10 SUMMARY

In this chapter, the researcher discussed the research design, research methodology (including the categories of research, data-collection method and gathering techniques), questionnaire, sampling selection and data-analysis.

For the purpose of this exploratory research study, quantitative data were collected by means of a self-administered questionnaire. Structured questions including multiple-choice questions, dichotomous questions and rating scale questions were used in the questionnaire.
Convenience sampling was used to draw a sample of 105 guests in Nelson Mandela Bay. The response rate was 97% resulting from 105 guests who completed the questionnaire.

Three steps were followed in the data-preparation and analysis, namely data-preparation, data-analysis and interpretation. Data-preparation consisted of data-editing, data-coding and data-capture. In data-analysis, only descriptive analyses (including central tendency and dispersion) were applied. Finally, Excel was used to capture and analyse the raw data. The findings are reported in Chapter 5.
CHAPTER 5

FINDINGS OF THE EMPIRICAL RESEARCH

5.1 INTRODUCTION

Chapter 4 discussed the process of research design, data-collection methods, the questionnaire design, sample selection, and the data-analysis procedure relevant to the current study. Chapter 5 reports on the findings of the empirical study. It commences with a description of the demographic information and travelling details of respondents (see Sections B and C of the questionnaire). This is followed by a report on the findings deriving from Section A of the questionnaire, focusing on the results of a series of P-E (perception minus expectation) gap with the aim of evaluating the service quality of a guest house.

5.2 DEMOGRAPHIC INFORMATION AND TRAVELLING DETAILS OF THE RESPONDENTS

Demographic information obtained from the respondents dealt with gender, age, educational level, occupation and annual gross household income. Travelling details of the respondents gathered from respondents dealt with the type of accommodation, the purpose of the trip and nights per year of staying at guest houses or B/B’s. These findings are explained as follows:

5.2.1 Gender

As shown in Figure 5.1, the sample of the guests contained more males (59) than females (46). The percentage of male respondents was 56%, while the percentage of female respondents was 44%.
5.2.2 Age

Table 5.1 illustrates that 16% of the respondents were in the 24 or younger age group; 26% were in the 25-34 age group; 36% were in the 35-44 age group; 11% were in the 45-54 age group, followed by 6% who were in the 55-64 age group and 5% who were in the 65 or older age group. The largest proportion of the respondents were in the 35-44 age group.

<table>
<thead>
<tr>
<th>Age group</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 years or below</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Between 25-34 years</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>Between 35-44 years</td>
<td>37</td>
<td>36</td>
</tr>
<tr>
<td>Between 45-54 years</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Between 55-64 years</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>65 years or above</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
5.2.3 Education level

It was furthermore found that half of the respondents had a post-graduate degree, 38% had a university or college degree and only 12% had a high school qualification. The results are recorded in Figure 5.2. This implies that the respondents' level of education was relatively high.

FIGURE 5.2
EDUCATION LEVEL OF THE RESPONDENTS

5.2.4 Occupation

In terms of the occupation of the guests, the respondents were classified into nine occupation groups, including self-employed, technical, professional, homemaker, administrative, executive/managerial, student, retired and others. The detailed information is presented in Table 5.2.

As shown in Table 5.2, 22% of the respondents had a managerial and/or an executive position. In contrast, only 5% labelled themselves as a homemaker. Eight respondents did not indicate their occupation.
TABLE 5.2

OCCUPATION OF THE RESPONDENTS

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Technical</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Professional</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Homemaker</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Administrative</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>Executive/managerial</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Student</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Retired</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

5.2.5 Annual gross household income

Figure 5.3 illustrates the annual gross household income of the respondents. It is evident that 36% of the respondents earned R100,000 or less (US$10,000 or less), 23% earned R400,001-R700,000 (US$40,001-US$70,000), 20% earned R100,001-R200,000 (US$10,001-US$20,000), 17% earned R200,001-R400,000 (US$20,001-US$40,000) and the remaining 4% of the respondents earned R700,001 or more (US$70,001 or more).
5.2.6 Type of accommodation

According to Figure 5.4, it is evident that 34% of the respondents were staying in a guest house at the time of the survey. The rest (66%) of the respondents were residing in a bed-and-breakfast establishment.
5.2.7 Purpose of this trip

Figure 5.5 gives a breakdown of the respondents' purpose for staying in a guest house or Bed-and-Breakfast establishment in the Nelson Mandela Bay. 46% of the respondents travelled to the Nelson Mandela Bay for business purposes, 40% for holiday and leisure purposes and 14% of the respondents marked ‘other purposes’ such as visiting friends or relatives.

FIGURE 5.5
RESPONDENTS' PURPOSE OF THE TRIP

5.2.8 Frequency of stay

The respondents were also requested to indicate the frequency of staying in a guest house or Bed-and-Breakfast establishment per year in South Africa. Table 5.3 shows that the largest proportion (24%) of the respondents stayed in guest houses or B&B’s twice a year, closely followed by the respondents staying once a year (20%) and those less than once a year (19%).
TABLE 5.3
RESPONDENTS’ FREQUENCY OF STAY

<table>
<thead>
<tr>
<th>Frequency of stay</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than once a year</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Once a year</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Twice a year</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>Three times a year</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Four times a year</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Five times or more a year</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

5.3 IDENTIFICATION OF SERVICE QUALITY FACTORS

The primary data gathered from 105 respondents were analysed, and seven factors were identified from the original 32 items. Getty and Getty (2003:94-104) developed five lodge-specific service dimensions (*tangibility, reliability, responsiveness, confidence and communication*), which are derived from the five dimensions of SERVQUAL (Zeithaml et al 1988:46), namely *tangibility, reliability, responsiveness, assurance and empathy*. To cope with the rapid technological development of telecommunication and the Internet, it was deemed necessary to add two extra dimensions, namely *E-functionality* and *E-usability*, which are adopted from Bai, Law and Wen (2008:391). The results of the service quality gap analysis are described below.

5.4 COMPARISON OF SERVICE PERCEPTIONS AND EXPECTATIONS

The research on measuring service quality has focused primarily on how to meet or exceed the guest’s expectations. The concept of measuring the difference between perceptions and expectations in the form of the LQI gap score proved very useful for assessing levels of service quality specifically in
the lodging industry. The mean and standard deviation scores on the major findings of perceptions and expectations scales for each of the 32 service quality attributes and the mean gap scores are described below. Please note that the scores are ranked as the following explanations: in the expectation columns, 1=totally unimportant, 2=unimportant, 3=neutral, 4=important and 5=extremely important. In the perception columns, 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree.

5.4.1 Tangibility

<table>
<thead>
<tr>
<th>ATTRIBUTE</th>
<th>PERCEPTION</th>
<th>EXPECTATION</th>
<th>MEAN GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>X</td>
<td>SD</td>
<td>X</td>
</tr>
<tr>
<td>The front desk was visually appealing</td>
<td>4.17</td>
<td>0.80</td>
<td>4.58</td>
</tr>
<tr>
<td>The employees had clean, neat uniforms</td>
<td>4.31</td>
<td>0.75</td>
<td>4.52</td>
</tr>
<tr>
<td>The dining room’s atmosphere was inviting</td>
<td>4.36</td>
<td>0.74</td>
<td>4.75</td>
</tr>
<tr>
<td>The outdoor surroundings were visually attractive</td>
<td>4.41</td>
<td>0.78</td>
<td>4.67</td>
</tr>
<tr>
<td>The B&amp;B/guest house’s exterior was well maintained</td>
<td>4.47</td>
<td>0.76</td>
<td>4.73</td>
</tr>
<tr>
<td>The B&amp;B/guest house was bright and well lit</td>
<td>4.46</td>
<td>0.80</td>
<td>4.62</td>
</tr>
<tr>
<td>The B&amp;B/guest house’s interior was well maintained</td>
<td>4.46</td>
<td>0.76</td>
<td>4.70</td>
</tr>
<tr>
<td>The B&amp;B/guest house was clean</td>
<td>4.58</td>
<td>0.68</td>
<td>4.75</td>
</tr>
<tr>
<td><strong>Factor one: tangibility average</strong></td>
<td>**4.40</td>
<td>0.60**</td>
<td><strong>4.67</strong></td>
</tr>
</tbody>
</table>

As shown in Table 5.4, items relating to this factor described the tangibility of guest houses required to interact successfully with guests. In terms of perceptions, guests thought that the guest house or Bed-and-Breakfast’s exterior was well maintained (M=4.47). However, the worst perception was related to the item ‘the employees had clean, neat uniforms’ (M=4.31). This implies that managers failed to build a professional image of employees.

In terms of service expectations, the guests deemed the dining room’s atmosphere (M=4.75) to be the most important item in this factor, as well as the item of the guest house or B&B being clean (M=4.75). Interestingly, the guests thought that the employees having clean, neat uniforms (M=4.52) was the least important.
The largest gap in this factor was related to the failure of the front desk’s being visually appealing (M=-0.410), which implies that guests’ expectations were much higher than the actual performance of the host. The second largest gap was related to the atmosphere of the dining room (M=-0.390); it was not inviting as they expected.

5.4.2 Reliability

<table>
<thead>
<tr>
<th>ATTRIBUTE</th>
<th>PERCEPTION</th>
<th>EXPECTATION</th>
<th>MEAN GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>My reservation was handled efficiently</td>
<td>4.18</td>
<td>0.86</td>
<td>4.61</td>
</tr>
<tr>
<td>My room was ready as promised</td>
<td>4.15</td>
<td>0.83</td>
<td>4.58</td>
</tr>
<tr>
<td>Mechanical equipment worked properly (e.g. TV)</td>
<td>4.08</td>
<td>0.78</td>
<td>4.19</td>
</tr>
<tr>
<td>I got what I paid for</td>
<td>3.95</td>
<td>0.86</td>
<td>4.72</td>
</tr>
<tr>
<td><strong>Factor two: Reliability average</strong></td>
<td><strong>4.09</strong></td>
<td><strong>0.71</strong></td>
<td><strong>4.53</strong></td>
</tr>
</tbody>
</table>

As shown in Table 5.5, items relating to this factor focused on reliability that services were performed correctly and consistently by employees and the credibility of statements made by employees that could be trusted. In terms of actual perceptions, the guests thought they did not get what they paid for (M=3.95). In contrast, the guests rated that the reservation was handled efficiently (M=4.18) - higher than any other item related to reliability.

In terms of service expectations, the guests regarded that they got what they paid for (M=4.72), as the most important indicator of reliability. However, the guests indicated that mechanical equipment working properly (M=4.19) was of the least importance in this factor.

The largest gap in this factor was associated with the item ‘I got what I paid for’ (M=-0.771). This implies that there was a relatively large discrepancy between the services provided by managers and what guests expected it to be.
5.4.3 Responsiveness

### Table 5.6

**FACTOR 3: RESPONSIVENESS**

<table>
<thead>
<tr>
<th>ATTRIBUTE</th>
<th>PERCEPTION</th>
<th>EXPECTATION</th>
<th>MEAN GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees responded promptly to my requests</td>
<td>3.87</td>
<td>4.69</td>
<td>-0.819</td>
</tr>
<tr>
<td>Informative literature about the B&amp;B/guest house was provided</td>
<td>3.73</td>
<td>4.50</td>
<td>-0.771</td>
</tr>
<tr>
<td>Employees were willing to answer my questions</td>
<td>3.81</td>
<td>4.62</td>
<td>-0.810</td>
</tr>
<tr>
<td>Employees responded quickly to solve my problems</td>
<td>3.77</td>
<td>4.61</td>
<td>-0.838</td>
</tr>
<tr>
<td>Room service was prompt</td>
<td>3.10</td>
<td>4.57</td>
<td>-1.476</td>
</tr>
<tr>
<td><strong>Factor three: Responsiveness average</strong></td>
<td>3.66</td>
<td>4.60</td>
<td>-0.943</td>
</tr>
</tbody>
</table>

As shown in Table 5.6, items relating to this factor focused on the willingness of employees exhibited to solve guests’ problems promptly and efficiently. In terms of actual perceptions, the guests rated the item ‘employees responded promptly to my request’ (M=3.87) higher than other items in this factor. In other words, compared with other responsiveness items, guests were most satisfied with the prompt responsiveness provided by employees. However, the guests also revealed their extreme disappointment with the responsiveness of room service (M=3.10), which was rated as the lowest score among all the items.

The highest expectation in this factor was the item ‘employees responded promptly to my request’ (M=4.69), which means that although guests were generally satisfied with employees’ responsiveness of the requests, they still desired more prompt responsiveness to their requests. In contrast, guests believed that providing informative literature about the guest house or B&B (M=4.50) was of least importance.

The largest gap in this factor related to the item ‘room service was prompt’ (M=-1.476), while the item ‘informative literature about guest house or B&B provided’ (M=-0.771) had the lowest gap of all items. The large size of the gap between those two items implies that guests were extremely disappointed.
5.4.4 Confidence

TABLE 5.7
FACTOR 4: CONFIDENCE

<table>
<thead>
<tr>
<th>ATTRIBUTE</th>
<th>PERCEPTION</th>
<th>EXPECTATION</th>
<th>MEAN GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\bar{x}$</td>
<td>$x$</td>
<td>$\bar{x}$</td>
</tr>
<tr>
<td>Employees knew about local places of interest</td>
<td>3.77</td>
<td>0.85</td>
<td>4.48</td>
</tr>
<tr>
<td>Employees treated me with respect</td>
<td>3.77</td>
<td>0.80</td>
<td>4.65</td>
</tr>
<tr>
<td>Employees were polite when answering my questions</td>
<td>3.83</td>
<td>0.91</td>
<td>4.76</td>
</tr>
<tr>
<td>The B&amp;B/guest house provided a safe environment</td>
<td>3.90</td>
<td>0.85</td>
<td>4.69</td>
</tr>
<tr>
<td>The facilities were conveniently located</td>
<td>3.77</td>
<td>0.95</td>
<td>4.73</td>
</tr>
<tr>
<td><strong>Factor four: Confidence average</strong></td>
<td>3.81</td>
<td>0.67</td>
<td>4.66</td>
</tr>
</tbody>
</table>

As shown in Table 5.7, items relating to this factor described a combination of competence, courtesy, security and access. In evaluating the items of actual perceptions in this factor, the guests rated the fact that the guest house or B&B provided a safe environment ($M=3.90$) higher than other items related to confidence. In fact, this factor had the three lowest score of all items, namely, ‘employees knew about local places of interest’ ($M=3.77$), ‘employees treated me with respect’ ($M=3.77$) and ‘the facilities were conveniently located’ ($M=3.77$).

In terms of service expectations, the guests regarded the politeness of employees when answering guests’ questions ($M=4.76$) as the most important indicator of confidence, followed by conveniently located facilities ($M=4.73$). However, the guests indicated that the item ‘employees knew about the local places of interest’ ($M=4.48$) was of the least importance in this factor.

The largest gap in this factor was related to the item ‘the facilities were conveniently located’ ($M=-0.962$). This implies that guests were relatively disappointed about where the facilities were located.
5.4.5 Communication

TABLE 5.8

FACTOR 5: COMMUNICATION

<table>
<thead>
<tr>
<th>ATTRIBUTE</th>
<th>MEAN PERCEPTION</th>
<th>MEAN EXPECTATION</th>
<th>GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges on my account were clearly explained</td>
<td>3.49 1.14</td>
<td>4.52 0.71</td>
<td>-1.038</td>
</tr>
<tr>
<td>I received undivided attention at the front desk</td>
<td>3.60 0.99</td>
<td>4.58 0.62</td>
<td>-0.981</td>
</tr>
<tr>
<td>Reservationists tried to find out my particular needs</td>
<td>3.68 0.97</td>
<td>4.58 0.65</td>
<td>-0.905</td>
</tr>
<tr>
<td>Employees anticipated my needs</td>
<td>3.60 1.01</td>
<td>4.55 0.68</td>
<td>-0.952</td>
</tr>
<tr>
<td><strong>Factor five: Communication average</strong></td>
<td><strong>3.59 0.90</strong></td>
<td><strong>4.56 0.56</strong></td>
<td><strong>-0.969</strong></td>
</tr>
</tbody>
</table>

As shown in Table 5.8, items relating to this factor focused on using language and terms that guests can understand and making efforts to ascertain guests’ needs. In terms of actual perceptions, the guests thought that reservationists performed well regarding trying to find out guests’ particular needs (M=3.68). However, the worst perception was that charges were not clearly explained in guests’ accounts (M=3.49).

In terms of service expectations, the guests deemed two items were most important in this factor, namely ‘I received undivided attention at the front desk’ (M=4.58) and ‘reservationists tried to find out my particular needs’ (M=4.58), which was also rated as best perception in this factor. Interestingly, the item ‘charges on my account were clearly explained’ (M=4.52) was rated as the least important.

The largest gap in this factor was related to item ‘charges on my account were clearly explained’ (M=-1.038). This implies that guests were least satisfied with this service attribute in this factor.
5.4.6 E-functionality

**TABLE 5.9**

<table>
<thead>
<tr>
<th>ATTRIBUTE</th>
<th>PERCEPTION</th>
<th>EXPECTATION</th>
<th>MEAN GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\bar{x}$</td>
<td>SD</td>
<td>$\bar{x}$</td>
</tr>
<tr>
<td>Accommodation information was easily found on the B&amp;B/guest house’s website</td>
<td>3.76</td>
<td>0.86</td>
<td>4.03</td>
</tr>
<tr>
<td>Destination information on the B&amp;B/guest house’s website was sufficient</td>
<td>3.74</td>
<td>0.80</td>
<td>4.02</td>
</tr>
<tr>
<td>I could reserve the accommodation on-line</td>
<td>3.75</td>
<td>0.89</td>
<td>4.01</td>
</tr>
<tr>
<td><strong>Factor six: E-functionality average</strong></td>
<td>3.75</td>
<td>0.78</td>
<td>4.02</td>
</tr>
</tbody>
</table>

As shown in Table 5.9, items relating to this factor focused on the information richness of the guest house’s website. In terms of actual perceptions, the guests rated the item ‘accommodation information was easily found on the guest house or B&B’s website’ (M=3.76) higher than others in this factor. In contrast, the item ‘destination information on the guest house or B&B’s website was sufficient’ (M=3.74) was the least satisfied item in this factor. It is important to know that the mean scores of these items were close to one another.

The highest expectation in this factor was given to the item ‘accommodation information was easily found on the guest house or B&B’s website’ (M=4.03), which means that although guests were generally satisfied with the information provided on-line, they still desired more accommodation information on the website. In contrast, the reservation being able to be made on-line (M=4.01) was of lesser importance.

The largest gap in this factor related to the item ‘destination information on the guest house or B&B’s website was sufficient’ (M=-0.276). This implies that guests expected more detailed information regarding the destination of accommodation.
5.4.7 E-usability

### TABLE 5.10

FACTOR 7: E-USABILITY

<table>
<thead>
<tr>
<th>ATTRIBUTE</th>
<th>PERCEPTION</th>
<th>EXPECTATION</th>
<th>MEAN GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-line information was written in understandable language</td>
<td>3.89</td>
<td>3.96</td>
<td>-0.076</td>
</tr>
<tr>
<td>Layout and graphics on the B&amp;B/guest house’s website were good</td>
<td>3.80</td>
<td>3.99</td>
<td>-0.190</td>
</tr>
<tr>
<td>The B&amp;B/guest house’s website was very easy to access quickly</td>
<td>3.85</td>
<td>3.99</td>
<td>-0.143</td>
</tr>
<tr>
<td><strong>Factor seven: E-usability average</strong></td>
<td><strong>3.84</strong></td>
<td><strong>3.98</strong></td>
<td><strong>-0.137</strong></td>
</tr>
</tbody>
</table>

As shown in Table 5.10, items relating to this factor focused on the ease of guests accessing the guest house or B&B website. In terms of actual perceptions, guests thought that the item ‘on-line information was written in understandable language’ (M=3.89) was more important than other items. In contrast, guests rated the item ‘layout and graphics on the guest house or B&B’s website were good’ (M=3.80) with the lowest score.

Interestingly, the highest expectation in this factor was given to two items, namely, ‘layout and graphics on the guest house or B&B’s website were good’ (M=3.99) and ‘the guest house or B&B’s website was very easy to access quickly’ (M=3.99). In contrast, the item ‘on-line information was written in understandable language’ (M=3.96) was of least importance.

The largest gap in this factor was related to the item ‘layout and graphics on the guest house or B&B’s website were good’ (M=-0.190). This implies that guests were satisfied with the layout and graphics on the accommodation’s website.
5.4.8 Comparison of factor mean scores

TABLE 5.11
GENERAL REPORTING

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>PERCEPTION</th>
<th>EXPECTATION</th>
<th>MEAN GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor one: Tangibility average</td>
<td>4.40 0.60</td>
<td>4.67 0.42</td>
<td>-0.263</td>
</tr>
<tr>
<td>Factor two: Reliability average</td>
<td>4.09 0.71</td>
<td>4.53 0.47</td>
<td>-0.436</td>
</tr>
<tr>
<td>Factor three: Responsiveness average</td>
<td>3.66 0.90</td>
<td>4.60 0.51</td>
<td>-0.943</td>
</tr>
<tr>
<td>Factor four: Confidence average</td>
<td>3.81 0.67</td>
<td>4.66 0.41</td>
<td>-0.851</td>
</tr>
<tr>
<td>Factor five: Communication average</td>
<td>3.59 0.90</td>
<td>4.56 0.56</td>
<td>-0.969</td>
</tr>
<tr>
<td>Factor six: E-functionality average</td>
<td>3.75 0.78</td>
<td>4.02 0.76</td>
<td>-0.267</td>
</tr>
<tr>
<td>Factor seven: E-usability average</td>
<td>3.84 0.81</td>
<td>3.98 0.75</td>
<td>-0.137</td>
</tr>
</tbody>
</table>

From the results of data-analysis, these factors (from factor 1 to factor 5) following the LQI model were used to assess the service quality of the guest house or B&B. Factor 6 and 7 (E-functionality and E-usability) were adopted regarding the rapid development of internet usage. As shown in Table 5.11, the range of average perceptions mean scores was from 3.59 to 4.40 and the range of average expectations mean scores was from 3.98 to 4.67.

Firstly, the average mean score (M=4.40) of factor 1 (tangibility) of the perceptions of the guests was higher than other perceptions’ mean scores. Therefore, the level of perceptions (intangibility) of guests was higher than other levels of perception of guests (reliability, responsiveness, confidence, communication, e-functionality and e-usability). In contrast, the average mean score (M=3.59) of factor 5 (communication) on the perceptions of the guests was lower than other perceptions’ mean scores. Therefore, the level of perception (communication) of guests was lower than other levels of perception of guests (intangibility, reliability, responsiveness, confidence, e-functionality and e-usability).

Secondly, the average expectation mean scores had a slim lead over the average perception mean scores. The highest average expectation mean score (4.67) was factor 1 (tangibility) and the lowest expectation mean score
(3.98) was factor 7 (e-usability).

Thirdly, Table 5.11 indicates that factor 5 (communication) had the largest gap (-0.969) compared with any other gap scores. This means that guests attached a high expectation to the communication during service encounters, but that the actual perceptions perceived by guests were much lower than their expectations.

Table 5.11 provides a detailed comparison of guests' perceptions and expectations of accommodation. To better illustrate the existence of gaps between perceptions and expectations, Figure 5.6 was constructed.

Figure 5.6 shows that the perception factor mean scores were consistently lower than the expectation factor mean scores. From the perspective of service perceptions, the guests thought that guest houses had the best performance on tangibility but the worst performance on communication. From the perspective of service expectations, the guests attached the highest
importance to tangibility but the least importance to e-usability. The largest gap existed on communication, while the smallest gap existed on e-usability.

5.5 COMPARISONS BASED ON RESPONDENTS’ DEMOGRAPHICS

Since the P-E gap was an important indicator of perceived service quality, a series of P-E gap analyses were conducted to explore the differences between groups. The guests’ demographic information, including gender, age, and type of accommodation, was used for comparison purpose.

5.5.1 Comparison based on gender

To explore the impact of gender on the gap scores, the respondents were divided into two groups, namely male and female guests. Table 5.12 records the comparison of the gap scores according to gender.

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>PERCEPTION MEAN</th>
<th>EXPECTATION MEAN</th>
<th>P-E GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Tangibility</td>
<td>4.47</td>
<td>4.31</td>
<td>4.69</td>
</tr>
<tr>
<td>Reliability</td>
<td>4.11</td>
<td>4.07</td>
<td>4.54</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>3.65</td>
<td>3.66</td>
<td>4.55</td>
</tr>
<tr>
<td>Confidence</td>
<td>3.86</td>
<td>3.77</td>
<td>4.64</td>
</tr>
<tr>
<td>Communication</td>
<td>3.60</td>
<td>3.58</td>
<td>4.51</td>
</tr>
<tr>
<td>E-functionality</td>
<td>3.80</td>
<td>3.69</td>
<td>3.99</td>
</tr>
<tr>
<td>E-usability</td>
<td>3.88</td>
<td>3.80</td>
<td>3.93</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.98</strong></td>
<td><strong>3.90</strong></td>
<td><strong>4.48</strong></td>
</tr>
</tbody>
</table>

It is evident from Table 5.12 above that males (M=3.98) rated the perception of guest houses’ services higher than females did (M=3.90). However, males (M=4.48) rated the score of expectation of guest houses’ services lower than
females did (M=4.58). On average, females (M=-0.637) had a larger gap score than males (M=-0.506). This implies that females perceived a lower service quality associated with a guest house than males did. Besides, males (M=-0.911) and females (M=-1.066) both agreed that communication had the lowest service quality delivery among all factors (the largest gap area).

5.5.2 Comparison based on age groups

To explore the impact of age on the gap scores, the respondents were categorised into three age groups, namely 34 or below, 35-54, and above 55 years. Table 5.13 records the comparison of the gap scores according to age groups.

<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>FACTOR</th>
<th>PERCEPTION MEAN</th>
<th>EXPECTATION MEAN</th>
<th>P-E GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>34 or below</td>
<td>Tangibility</td>
<td>4.08</td>
<td>4.50</td>
<td>-0.426</td>
</tr>
<tr>
<td></td>
<td>Reliability</td>
<td>3.94</td>
<td>4.39</td>
<td>-0.449</td>
</tr>
<tr>
<td></td>
<td>Responsiveness</td>
<td>3.62</td>
<td>4.43</td>
<td>-0.805</td>
</tr>
<tr>
<td></td>
<td>Confidence</td>
<td>3.68</td>
<td>4.56</td>
<td>-0.882</td>
</tr>
<tr>
<td></td>
<td>Communication</td>
<td>3.33</td>
<td>4.39</td>
<td>-1.057</td>
</tr>
<tr>
<td></td>
<td>E-functionality</td>
<td>3.58</td>
<td>3.98</td>
<td>-0.394</td>
</tr>
<tr>
<td></td>
<td>E-usability</td>
<td>3.72</td>
<td>3.99</td>
<td>-0.273</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td><strong>3.75</strong></td>
<td><strong>4.38</strong></td>
<td><strong>-0.621</strong></td>
</tr>
<tr>
<td>35-54</td>
<td>Tangibility</td>
<td>4.63</td>
<td>4.77</td>
<td>-0.143</td>
</tr>
<tr>
<td></td>
<td>Reliability</td>
<td>4.10</td>
<td>4.62</td>
<td>-0.525</td>
</tr>
<tr>
<td></td>
<td>Responsiveness</td>
<td>3.55</td>
<td>4.72</td>
<td>-1.172</td>
</tr>
<tr>
<td></td>
<td>Confidence</td>
<td>3.81</td>
<td>4.71</td>
<td>-0.900</td>
</tr>
<tr>
<td></td>
<td>Communication</td>
<td>3.70</td>
<td>4.70</td>
<td>-0.995</td>
</tr>
<tr>
<td></td>
<td>E-functionality</td>
<td>3.77</td>
<td>4.09</td>
<td>-0.320</td>
</tr>
<tr>
<td></td>
<td>E-usability</td>
<td>3.85</td>
<td>3.98</td>
<td>-0.133</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td><strong>4.00</strong></td>
<td><strong>4.59</strong></td>
<td><strong>-0.592</strong></td>
</tr>
<tr>
<td>Above 55</td>
<td>Tangibility</td>
<td>4.68</td>
<td>4.84</td>
<td>-0.159</td>
</tr>
<tr>
<td></td>
<td>Reliability</td>
<td>4.66</td>
<td>4.64</td>
<td>0.023</td>
</tr>
<tr>
<td></td>
<td>Responsiveness</td>
<td>4.25</td>
<td>4.71</td>
<td>-0.455</td>
</tr>
<tr>
<td></td>
<td>Confidence</td>
<td>4.45</td>
<td>4.84</td>
<td>-0.382</td>
</tr>
<tr>
<td></td>
<td>Communication</td>
<td>4.14</td>
<td>4.64</td>
<td>-0.500</td>
</tr>
<tr>
<td></td>
<td>E-functionality</td>
<td>4.36</td>
<td>3.88</td>
<td>0.485</td>
</tr>
<tr>
<td></td>
<td>E-usability</td>
<td>4.33</td>
<td>3.94</td>
<td>0.394</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td><strong>4.45</strong></td>
<td><strong>4.59</strong></td>
<td><strong>-0.148</strong></td>
</tr>
</tbody>
</table>
From Table 5.13, it is clear that, on average, respondents above 55 years rated the perception of guest houses’ services (M=4.45) higher than those of other groups, while guests below 34 years were the least satisfied with the perception of guest houses’ services (M=3.75). On the other hand, on average, guests between 34-54 and above 55 had same score of expectation of guest houses’ services (M=4.59), which were both higher than the score of below 34 years (M=4.38). In terms of P-E gaps, on average, guests below 34 had the largest gap score (M=-0.621), which means that they were least satisfied with the service quality of guest houses. Conversely, guests above 55 had the smallest gap score (M=-0.148), which means that they had the highest perception of their expectations being met.

5.5.3 Comparison based on type of accommodation

As this research explored both guest house and Bed-and-Breakfast accommodation in the Nelson Mandela Bay, it was necessary to examine the potential differences in the gap scores between the two types of accommodation. To discover the impact of the form of accommodation on the guests’ perceptions of service quality, the respondents were divided into two groups according to the type of accommodation they chose, namely guest house and Bed-and-Breakfast establishment. Table 5.14 records the comparison of the gap scores according to the type of accommodation.
According to Table 5.14, in terms of guests’ perceptions, on average, guests revealed that the Bed-and-Breakfast score (M=3.95) had a slim lead over the guest house score (M=3.94). In terms of service expectations, on average, guests at guest houses held the highest expectation of service quality (M=4.53), while guests at Bed-and-Breakfast establishments held the lowest expectation of service quality (M=4.45). In terms of P-E gaps, on average, guest houses had the largest gap score (M=-0.589), which implies that the perceived service quality of a guest house was lower than that of a Bed-and-Breakfast establishment. On the contrary, Bed-and-Breakfast establishments had the lowest gap score (M=-0.497), which implies that guests at Bed-and-Breakfast establishments were probably the most satisfied with their accommodation experience.

5.6 SUMMARY

This chapter reported on the empirical findings of the research. The explanation of the results started with a discussion of the respondents’ characteristics, including gender, age, education level, occupation and annual gross household income, as well as travelling characteristics, consisting of

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>PERCEPTION MEAN</th>
<th>EXPECTATION MEAN</th>
<th>P-E GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B&amp;B Guest house</td>
<td>B&amp;B Guest house</td>
<td></td>
</tr>
<tr>
<td>Tangibility</td>
<td>4.27</td>
<td>4.47</td>
<td>4.60</td>
</tr>
<tr>
<td>Reliability</td>
<td>4.18</td>
<td>4.04</td>
<td>4.51</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>3.78</td>
<td>3.59</td>
<td>4.56</td>
</tr>
<tr>
<td>Confidence</td>
<td>3.91</td>
<td>3.78</td>
<td>4.53</td>
</tr>
<tr>
<td>Communication</td>
<td>3.55</td>
<td>3.61</td>
<td>4.41</td>
</tr>
<tr>
<td>E-functionality</td>
<td>3.74</td>
<td>3.76</td>
<td>4.04</td>
</tr>
<tr>
<td>E-usability</td>
<td>3.87</td>
<td>3.83</td>
<td>4.06</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.95</strong></td>
<td><strong>3.94</strong></td>
<td><strong>4.45</strong></td>
</tr>
</tbody>
</table>
type of accommodation, purpose of this trip and frequency of stay, followed by a comparison of guests’ expectations and perceptions of service quality in the guest house and Bed-and-Breakfast establishments according to a seven-factor service quality construct, namely intangibility, reliability, responsiveness, confidence, communication, e-functionality and e-usability. Thereafter, the P-E gap analysis showed that the perception mean scores were consistently lower than the expectation mean scores. Therefore, all the P-E gap scores were negative, ranging from -0.969 to -0.137. This implies that guests perceived the service quality of guest houses or B&B’s to be relatively low. The next chapter contains a synopsis of the study, followed by the conclusions and recommendations.
CHAPTER 6

SYNOPSIS, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

Chapter 5 reported on the findings of the empirical study. Chapter 6 provides a synopsis of the study, followed by the conclusions based on the theoretical and empirical findings reported in the proceeding chapters. The conclusions lead to the recommendations for the research.

6.2 SYNOPSIS OF THE STUDY

Chapter 1 described the research background, problem, objectives and significance. This research aimed at evaluating the service quality of guest houses and B&B’s in the Nelson Mandela Bay by comparing guests’ expectations and perceptions. The results of this research could assist guest houses’ and B&B’s management in improving their performance.

Chapter 2 provided a brief overview of the tourism industry on the management and marketing concept by discussing planning, organising, leading and controlling. Also, traditional marketing mix and marketing segmentation in tourism industry are explained. Chapter 2 also contained a literature review on services and services marketing. Services have four distinctive characteristics, namely intangibility, inseparability, heterogeneity and perishability. The most basic concept of the marketing mix is known as ‘the three Ps, namely people, physical evidence and process. In addition, service marketing is also presented. This is followed by discussions on the foundations and key scopes of service marketing.
Chapter 3 started by identifying various concepts relating to service quality, including customers’ perceptions and expectations, and service quality measurement methods. Customer expectations relate to desired service and adequate service which can be influenced by a variety of factors. Also, the concepts of customer perceptions and various factors influencing perceptions were discussed. Chapter 3 also discussed the dimensions of service quality and the service quality gaps models. More importantly, this chapter described the instruments (the SERVQUAL instrument and the LQI instrument) used to measure the service quality of guest houses by comparing customer perceptions with expectations.

A detailed discussion of the research design and methodology was provided in Chapter 4, comprising a discussion of the categories of research, data-collection methods and data-gathering techniques, the questionnaire design, sampling selection, as well as the data-analysis procedure. A self-administrated survey and a convenience sampling method were employed to attract guests in accommodation establishments, the airport and a shopping mall in the Nelson Mandela Bay. One hundred and five usable questionnaires were received.

Chapter 5 reported on the empirical findings of the research. The report commenced with a discussion of the respondents’ demographics, followed by a reporting on the mean scores of seven service quality factors, namely tangibility, reliability, responsiveness, confidence, communication, e-functionality, and e-usability. The final section of this chapter reported on the findings of the comparison between mean scores of factors and guests’ demographics.
6.3 CONCLUSIONS AND RECOMMENDATIONS

The conclusions and recommendations of the research are presented in the following section. This section contains the conclusions drawn from the literature study and the empirical study. To facilitate presentations, this section will be arranged in order of seven dimensions deriving from adapted LQI and website quality models. In addition, the conclusions and recommendations drawn from the comparisons based on the respondents’ demographics are also provided.

6.3.1 Tangibility

The tangibility dimension is related to the tangibles dimension of the original ten dimensions of SERVQUAL. As explained in Chapter 3, tangibles are used by customers to evaluate the quality of services. Tangibles include a wide variety of objects such as carpeting, desks, lighting, wall colours, brochures, daily correspondence and the appearance of the personnel.

The empirical study showed that the largest gap in this factor was related to the failure of the front desk. This implies that the front desk was not appealing and failed to attract guests. This might be due to unprofessional management of tangibility aspects in guest houses or B&B’s, or the carelessness of choosing a front desk person as a guest services representative.

To close all the ‘tangibility’ gaps, especially the largest gap mentioned above, the following recommendations are made:

- The front desk should be arranged with at least two seating spaces and displayed with brochures, maps, booklets, etc to attract guests.
- Guest house managers should be aware of the tangible elements perceived as representative of the accommodation; for example, all the stationary must be professional, without spelling mistakes or grammatical errors.
- Guest house managers should uniform the employees because the image
of the guest house is also reflected by the appearance of employees.

- Guest house managers should be aware of the tangible elements of services to ensure that guests are always conscious of these attributes and can make objective judgements.

6.3.2 Reliability

The reliability dimension is a combination of the original reliability and credibility dimensions of the SERVQUAL model. The theoretical study indicated that reliability refers to the ability of a service organisation to deliver its promise and to resolve service problems experienced by customers. Reliable managers are able to perform the promised service dependably and accurately.

The empirical study revealed that the largest gap in this dimension was that guests did not receive promised service for the paid price. This implies that managers failed to perform the promised service dependably and accurately. This could be due to overpromising by guest house managers in advertisements, either deliberately or unintentionally.

To close all the ‘reliability’ gaps, particularly the largest gap mentioned above, the following recommendations are made.

- Guest house managers and employees should understand the importance of keeping promises as well as the danger of overpromising.
- Guest house managers should use every tool to figure out what the guest wants and then provide it in a way that is consistent with the guest’s expectations of value and quality.
- Guest house managers should ensure regular checking of all the facilities that may need maintenance in order to keep every facility aspect under control.
6.3.3 Responsiveness

The responsiveness dimension is related to the responsiveness dimension of the original ten dimensions in the SERVQUAL model. The literature defined that responsiveness refers to the willingness and readiness of employees to deal with customer requests, questions, complaints and problems. Responsive managers are those who make an effort to help guests and provide a prompt response.

The empirical study revealed that the largest gap in this dimension related to the failure of response to the guests’ requests for room services. This implies that employees were viewed as ineffective service providers and generally failed to respond to room service requests promptly. This might be due to the employees’ implementing poor working procedures because of insufficient supervision by managers.

To close all the ‘responsiveness’ gaps, especially the largest gap mentioned above, the following recommendations are made.

- Guest house managers should establish specific working procedures and help employees to understand their job responsibilities and managers’ expectations.
- Guest house managers could conduct an employee-workload inspection to ensure that employees are not tired and stressed, and have sufficient time to interact with guests.
- Guest house managers should clearly reward employees’ performance and reinforce managers’ expectations on a regular basis.

6.3.4 Confidence

The confidence dimension is a combination of the competence, courtesy, security and access dimensions of the SERVQUAL model. The theoretical study indicated that employees’ knowledge and courtesy and their ability to inspire trust and confidence are vital. Trust and confidence also can be instilled into guests when the facilities are conveniently located. Confident managers
are those who are knowledgeable and courteous and able to inspire guests’ trust and confidence.

The empirical study showed that the largest gap in this dimension was related to the failure of locating the facilities conveniently. This implies that managers were viewed as unconfident managers who failed to build an approachability and ease of contact. This could be due to ignoring care and needs of guests who are not familiar with the surroundings.

Another meaningful gap was associated with the extent to which employees were polite when answering questions. This implies that employees’ poor courtesy behaviours built a negative image of the guest house. This might be due to ineffective training for guest care in both new staff and existing staff training programmes.

To close all the ‘confidence’ gaps, especially the two large gaps mentioned above, the following recommendations are made.

- Guest house managers should invite suggestions of existing located facilities from guests, and move the inconvenient facilities if possible.
- Guest house managers should be aware of guest care statements through a discussion with employees who have contact with guests every day.
- Guest house managers should audit employees’ courtesy and attitude with a checklist ranked with numbers to provide a score after update training programmes have been given.

6.3.5 Communication

The communication dimension is a combination of the original communication and understanding dimensions of the SERVQUAL model. The theoretical study showed that communication refers to caring, individualised attention provided to customers. The essence of communication is that customers feel special and unique through personalised or customised service as well as trained employees building positive communication relationships with them. To apply this factor, managers should make every effort to understand guests’
needs, and employees should use simple language when communicating with them.

The empirical study revealed that communication was rated as the lowest dimension compared with other dimensions. The largest gap was associated with failure of stating clear charges on account. This implies that managers failed to communicate with guests about what they expected to be shown on the account. This might be due to lack of communicating with guests and poor understanding of guests’ needs.

To close all the ‘communication’ gaps, particularly the largest gap mentioned above, the following recommendations are made.

- Guest house managers should employ a communication audit which outlines communication policies, identifies the communication objectives and media, and then evaluates the overall quality of the communication system by comparing communication objectives to actual performance.
- Guest house managers should conduct a research to understand better the guests’ needs. This research should be repeated annually to ensure a track is kept of guests’ changing needs.
- Guest house managers have to interact directly with guests to gain first-hand knowledge. The types of communication could be either oral (face-to-face), non-verbal (such as body movements, facial expressions and personal appearance), or written (e-mail).

6.3.6 E-functionality

The e-functionality dimension focuses on the website quality of guest house service. The literature showed that website quality has generally been recognised as a critical step to drive business online. E-functionality refers to the information richness of a website. A well-designed functionality website consists of five factors, namely purchase information, service or product information, destination information, quality of information, and contact information.
The empirical findings revealed that the largest gap in this dimension was related to the insufficient information of destination provided on the website. This implies that guests were not satisfied with the destination information shared on website. The reason might be that managers failed to update the information on the website on a regular basis.

To close all the ‘e-functionality’ gaps, especially the largest gap mentioned above, the following recommendations are made.

- Guest house managers should combine useful destination information from different sources and update them on the website frequently.
- Guest house managers should set various links on the website for different functions in order to provide additional information that the guest house can offer, such as local attractions.

6.3.7 E-usability

The e-usability dimension also concentrates on the website quality of guest house service which again proved the literature findings. E-usability refers to the degree of ease with which users can use a website. A well-developed usability website comprises five factors, namely language, layout and graphics, information architecture, user interface and navigation, and general.

The empirical study revealed that the largest gap in this dimension was associated with the website’s layout and graphic. This implies that guests were not attracted by the layout and graphic of website. The reason might be that managers failed to apply better technology of designing a website owing to neglect of website quality development.

To close all the ‘e-usability’ gaps, especially the largest gap mentioned above, the following recommendations are made.

- Guest house managers should understand the importance of website quality. A convenient navigation tool and an attractive layout can build a positive image among potential guests who research accommodation through the Internet.
• Guest house managers should employ a professional website designer to develop a functional website and keep it regularly updated.

6.3.8 Demographic variables

The empirical study showed that female guests rated the perception of guest house services lower than males did, but had higher expectation levels. On average, females had a larger gap score than males. This could imply that females had deeper insights into guest house service than males did.

The empirical findings revealed that guests below 34 years (the youngest age group) had the lowest perception and expectation level as well as the largest gap score. This could be due to senior guests having more social experiences and thus having a larger tolerance zone. Therefore they might use different levels of assessment criteria when evaluating the guest house service.

According to the findings of type of accommodation, Bed-and-Breakfast establishments could be regarded as better performers than guest houses owing to the smallest gap score. One of the reasons might be that Bed-and-Breakfast establishments provided breakfast and charged lower prices for a cosy environment than did guest houses.

Based on the above discussion, the following recommendations can be made.
• Guest house managers should invite suggestions from female guests and guests below 34 years. These suggestions could aim at understanding guests' perceptions and expectations of guest house services.
• Guest house managers should identify possible problems from the guests' perspective, and an emphasis should be targeted on the guest house's environment.

6.4 SUGGESTIONS FOR FURTHER RESEARCH

It is essential to acknowledge some of the limitations of this study. Firstly, the sample size for guests (N=105) was relatively small. This may represent a
relatively large sampling error. Future studies should employ more than 300 respondents to avoid this problem.

Secondly, the results of this study may not have been representative of the target population, due to the fact that a convenience sampling method was used to collect the data. To be able to generalise the findings for this hospitality segment, future research could be extended to other classes of accommodation, such as hotels, resorts, lodges and country houses. In addition, since this study was conducted solely in the Nelson Mandela Bay, future research may also look at whether the findings of this research differ according to areas.

Finally, because of the difficulties in establishing contact with the study sample before their arrival at the guest houses and Bed-and-Breakfast establishments, administration of the questionnaire did not follow a before-and-after approach. For example, the study measured expectations and perceptions of the respondents at the same time. According to Carman (1990:34), expectation and perception measures cannot both be administered at the same time. Future studies should try to utilise a two-phase approach to collect the data from the guests, administering the expectation section in advance of their stay and then the perception section at the end of their stay.
REFERENCE LIST


ANNEXURE A

THE QUESTIONNAIRE
7 October 2009

Dear Sir/Madam

The attached questionnaire forms part of a research project in completion of an M-Tech degree in Business Administration at the Nelson Mandela Metropolitan University. The purpose of the questionnaire is to find out what you expect and percept from the guest house where you stay.

The questionnaire will only take five minutes to complete. Please note that all persons will remain anonymous and that we are only interested in what you expect from a guest house in general. The information you provide will be kept strictly confidential and only aggregate figures will be reported.

It will be greatly appreciated if you would complete the questionnaire, as your opinion can help improve the service of South African guest houses.

Please return the completed questionnaire to the deliverer. Thank you for your time and effort.

Yours sincerely

Jin Zhang
A. SERVICE QUALITY

Instructions: referring to your most recent stay in a B&B or guest house, please rate the expectation of each service attribute in the first set of columns (1=totally unimportant; 2=unimportant; 3=neutral; 4=important; 5=extremely important) and the actual perception of that in the second set of columns (1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree). When a service attribute is not applicable to you, please circle the middle value 3 (three) instead.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Expectation</th>
<th>Perception</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unimportant</td>
<td>Important</td>
</tr>
<tr>
<td>The front desk was visually appealing</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>The employees had clean, neat uniforms</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>The dining room’s atmosphere was inviting</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>The outdoor surroundings were visually attractive</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>The B&amp;B/guest house’s exterior was well maintained</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>The B&amp;B/guest house was bright and well lit</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>The B&amp;B/guest house’s interior was well maintained</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>The B&amp;B/guest house was clean</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>My reservation was handled efficiently</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>My room was ready as promised</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Mechanical equipment worked properly (e.g. TV)</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>I got what I paid for</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Employees responded promptly to my requests</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Informative literature about the B&amp;B/guest house was provided</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Employees were willing to answer my questions</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Employees responded quickly to solve my problems</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Room service was prompt</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Employees knew about local places of interest</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Employees treated me with respect</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Employees were polite when answering my questions</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>The B&amp;B/guest house provided a safe environment</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>The facilities were conveniently located</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Charges on my account were clearly explained</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>I received undivided attention at the front desk</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Reservationists tried to find out my particular needs</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Employees anticipated my needs</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Accommodation information was easily found on the B&amp;B/guest house’s website</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Destination information on the B&amp;B/guest house’s website was sufficient</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>I could reserve the accommodation on-line</td>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>
B. DEMOGRAPHIC CHARACTERISTICS

Instructions: Please mark the appropriate box.

1. Gender
   ☐ Male  ☐ Female

2. Age
   ☐ 24 or below  ☐ 25-34  ☐ 35-44
   ☐ 45-54  ☐ 55-64  ☐ 65 or above

3. Education level
   ☐ High school  ☐ University/College  ☐ Postgraduate

4. Occupation
   ☐ Self-employed  ☐ Technical  ☐ Professional
   ☐ Homemaker  ☐ Administrative  ☐ Executive/managerial
   ☐ Student  ☐ Retired  ☐ Other (please indicate) ..............

5. Annual gross household income
   ☐ R100,000 or less (US$10,000 or less)
   ☐ R100,001-R200,000 (US$10,001-US$20,000)
   ☐ R200,001-R400,000 (US$20,001-US$40,000)
   ☐ R400,001-R700,000 (US$40,001-US$70,000)
   ☐ R700,001 or more (US$70,001 or more)

C. TRAVELLING CHARACTERISTICS

Instructions: Please mark the appropriate box.

1. Type of accommodation
   ☐ Bed and breakfast (B&B)  ☐ Guest house

2. Purpose of this trip
   ☐ Leisure (holiday/vacation)
   ☐ Business
   ☐ Other (e.g. visiting friends or relatives)

3. Frequency of stay at B&Bs/guest houses (anywhere in South Africa)
   ☐ Less than once a year  ☐ Once a year  ☐ Twice a year
   ☐ Three times a year  ☐ Four times a year  ☐ Five times or more a year