Let's Start!

[The Impact of Service Quality on Corporate Image: Mediating Role of Customer Satisfaction]

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ABSTRACT

This research paper will examine the effect of quality of service on corporate image with a view of customer satisfaction as mediating factor. The findings confirm a positive significant relationship that indicates a strong positive correlation between service quality and corporate image where the relationship is through intermediate effect of customer satisfaction. Corporate image which is composed of a general perception and evaluation of a company may be constructed to create good demeanor and behaviour in the likes of commitment to the firm, recommendation and participation or results in negative response (rejection). Some sources give the service quality as the gap between the customer perceptions and experience, and customer satisfaction as a result of the level of anticipation of the expectations. The quantitative research method applied was structured questionnaire in which 130 hotels employees in the Mirpur and Kotli Afanad Jammu and Kashmir were administered questionnaires. Using SPSS, sets of data were analyzed that comprised of descriptive statistics, Pearson correlation, and regression analysis. The findings reveal that service quality is of high significance within customer satisfaction and corporate image. In addition, the quality of the service and the corporate image are connected on the customer satisfaction level. Sample size is small and not random, and findings can not be generalised widely since time constrained the research. The future research suggestion is the one that represents the research on a larger and more diverse sample.

Keywords: Image of the corporation, quality of the service, customer satisfaction

Introduction

Study Background

Corporate images refer to the feelings, attitude and perceptions of the individuals and organisations of the stakeholder members regarding what an organisation is. The significance of positive corporate image in the hospitality industry lies in being able to retain the customers as well as capture the customer buying behavior. It portrays how an organization is perceived, the primary values, and ethical behavior and due to this fact, it makes it shine among its competitors (Herstien et al., 2008). Customer trust and advocacy will be achieved by developing positive corporate images whereas a negative corporate image will mean disengagement, and loss of clients (Kim & Kim, 2019).

The quality of service lies in the heart of the corporate image and satisfaction of the customers. Service quality has been defined by Zeithaml and Bitner in terms of degree to which the service provided either meets or exceeds the expectations of the customers (2003). Good customer experiences, customer loyalty as well as a positive corporate image will be achieved due to the quality of services offered (Fida et al., 2020). In the context of the service industry including hospitality industry, good quality service is required to any organization as it will stimulate its competitiveness and sustainable growth.

Problem Statement

The first is service quality and customer satisfaction, an area which has been studied extensively in more developed nations, hence leaving less to explore in the case of Kotli

and Mirpur, Azad Jammu and Kashmir (AJK) hotels. Hotels located in the locality do not tend to undergo any official evaluation of the quality of their services, and this may potentially lead to the emergence of customer dissatisfaction and deterrence. In this paper, this will be done in trying to fill this gap by looking at the consequences of service quality to customer satisfaction and impression of the corporate in the AJK hotel sectors.

Significance of the Study

The research will contribute towards actualizing the power of service quality with respect to corporate image in terms of customer satisfaction level. This study located:

- Assist management of hotels in improving quality of services, and the satisfaction of customers.
- Existing information on how to maintain a positive corporate image in order to maintain competitive edge.
- Become helpful to hospitality management students and scholars.

Research Questions

- Does quality of service pose a major concern in the corporate image of the hotel industry?
- Does corporate image lag step ahead of service quality/customer satisfaction?

Research Objectives

- To explore the existence of correlation between the variable of service quality and the customer satisfaction measure of the hotel industry.
- To establish the effect of the quality of service between the organizations on the corporate image.

Literature Review

Corporate Image

Corporate image is the image or perception by the individuals about an organization generally with respect to their experiences and harmonies. It was comprised of functional (e.g., service quality and product reliability) and emotional (e.g. trust and brand reputation) dimensions (Foroudi et al., 2014). The visual and the non-visual components or the logos and the staff uniforms, the service delivery and the mode of communication are some of the elements that constitute this image (Chattananon et al., 2007).

Studies have shown that a successful corporate image will result in customer loyalty being enhanced, and have an inclination to market the firm through words of mouth, as well as augment their competitive aspect (Virvilaite & Daubaraite, 2011; Wu, 2013). The positive perception that the customers operating in the hospitality sector can get in their minds can be formed thanks to the repetitiveness of favorable experiences (clean buildings, polite employees, and stable service) (Zameer et al., 2018).

Service Quality

Customer expectations less the actual experiences is the ingredient which defines the quality of service (Parasuraman et al., 1988). Higher satisfaction and customer loyalty are brought by the good services and on the other hand, the bad services bring dissatisfaction and bad word of mouth (Ishaq, 2012).

Organisations can produce high quality service procedures to:

- Stand out in the crowd of their competitors (Mahmoud et al., 2019).

- Work towards repeat and referrals (Slack & Singh, 2020).
- The financial capital created by capitalizing the brand reputation and profit sustainability.

Such people-dependent nature of professional services in hospitality industry makes the manner in which the employees communicate to one another a major concern (Ueltschy et al., 2007). Competitive advantage, along with positive impact on corporate image, emerges because of the continued activities in the provision of quality services (Wu, 2013).

Conceptual Model

In this study, the researcher puts across the idea that service quality positively influences the corporate image with mediating effects by customer satisfaction. The exemplary service enhances satisfaction, and this assists the customers to form his or her perception of the organization..
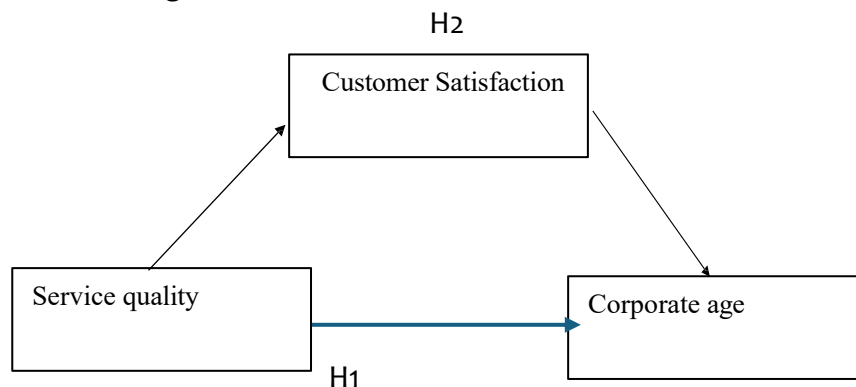
Proposed Hypotheses

Based on the conceptual framework and prior empirical research, the following hypotheses are proposed:

H1: Service quality has a significant positive influence on corporate image.

H2: Customer satisfaction mediates the relationship between service quality and corporate image.

Research Methodology

Research Design

A **quantitative, explanatory** research design was used. Hypotheses derived from literature were tested through statistical analyses using SPSS. Data was collected using structured questionnaires from 130 hotel employees in Mirpur and Kotli, AJK.

Sample and Respondents

A **convenience sampling** technique was employed due to time and access constraints. The sample comprised 130 respondents:

- 88.5% male (n = 115) and 11.5% female (n = 15)
- 23.1% aged 25–30, 42.3% aged 30–35, and 34.6% aged 35–40

Reliability of Scales

Cronbach's Alpha confirmed high reliability:

- Service Quality = 0.925
- Corporate Image = 0.888

- Customer Satisfaction = 0.803

Results and Analysis

Descriptive analysis indicated that:

- **Service Quality** averaged 3.97 (positive perception)
- **Customer Satisfaction** averaged 3.72
- **Corporate Image** averaged 3.84
  Standard deviations were all below 1, suggesting consistent responses.

The correlation analysis revealed:

- Service quality and corporate image: **r = 0.342 (p < 0.01)**
- Service quality and customer satisfaction: **r = 0.554 (p < 0.01)**
- Customer satisfaction and corporate image: **r = 0.445 (p < 0.01)**

Regression analysis confirmed that service quality significantly predicts corporate image ($\beta = 0.32$, $R^2 = 0.17$, $p < 0.001$). Mediation analysis further showed that **customer satisfaction partially mediates** the relationship between service quality and corporate image.

Discussion

The study confirms that **service quality strongly influences corporate image**, and customer satisfaction acts as a mediator. Hotels that deliver excellent service—through attentive staff, clean facilities, and responsive operations—foster customer satisfaction, which in turn strengthens the organization's image.

These findings align with previous studies emphasizing the role of service quality in enhancing satisfaction and loyalty (Wu, 2013; Giao et al., 2020).

Conclusion and Recommendations

1. Service quality directly improves corporate image and indirectly through customer satisfaction.
2. Hotels should invest in employee training, service consistency, and facility maintenance to enhance guest experience.
3. Continuous feedback mechanisms can help maintain high satisfaction levels and protect brand reputation.

Future Research

- Use larger, random samples across multiple regions.
- Explore additional mediators such as organizational culture or loyalty programs.
- Conduct longitudinal studies to observe changes over time

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