Assessing the Quality of a Local Authority Conference and Hospitality Venue using the ServQual Model

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ABSTRACT

The close attention paid to service quality by successful private companies has become part of the environment within which most public service organizations now operate. The ServQual model has been used with success to help companies quantify customers' expectations and perceptions of their service and to use this analysis as the basis for improvement. More recently, the ServQual approach has been applied in public service contexts with mixed reliability and validity. This paper reports on the application of the ServQual model to a conference and hospitality venue operated by a Scottish local authority. The study investigates five distinct customer segments: conferences, meetings, receptions, performances, and weddings. The expectations-perceptions gaps are assessed for each of these segments using the ServQual model and the size and antecedents of ServQual Gap 1 is also examined.

Keywords:　　ServQual, Public Sector, Conference and Hospitality Venue

1.0　Introduction and Background

The environments within which Scottish and UK local authority services operate are undergoing significant change. As with the rest of society, the expectations of citizens generally are continually shifting upwards, and with a greater emphasis placed on the quality of service, levels of service which may have been tolerated only a generation ago are now regarded as unacceptable by many. This is especially important in services provided by local authorities which are also subject to direct competition with commercial service providers. An example of this is the provision of community facilities such as public halls and venues.

This paper reports on a study of the quality of service offered by a local authority public hall and associated facilities used as a venue for a variety of community purposes from weddings and other personal social occasions through to college and university graduation ceremonies, conferences and other public performances. The study applied the ServQual model to investigate the extent of the gaps in service quality and some of the reasons for these gaps.

2.0　The ServQual Scale

The ServQual approach to the measurement of service quality has attracted considerable attention in recent years as a set of instruments that can be successfully applied across a range of industries to assess service quality (Saleh and Ryan, 1991; Akan, 1995; Gabbie and O'Neill, 1997) and specifically in the public sector (Donnelly et al., 1995, 2011; Curry and Herbert, 1998; Brysland and Curry, 2001).

The approach starts from the assumption that the level of service quality experienced by customers is critically determined by the gap between their expectations of the service and their perceptions of what they

actually receive from a specific service provider. The research (Zeithaml et al., 1990) yielded five dimensions by which customers evaluate service quality. These are:

Tangibles:	Appearance of the physical facilities, equipment, personnel, and communication materials
Reliability:	Ability to perform the promised service dependably and accurately
Responsiveness:	Willingness to help customers and provide prompt service
Assurance:	Knowledge and courtesy of employees and their ability to convey trust and confidence
Empathy:	Caring, individualized attention the firm provides its customers

The original quantitative research involved customer surveys and focus groups in 5 different service industries (appliance repairs and maintenance, retail banking, telephones, credit cards, and securities brokerage). This resulted in the construction of a 22-item survey instrument which measures, on a 7-point Likert scale, the general expectations of customers and a corresponding 22-item instrument measuring their perceptions of the service quality of a particular organisation in the service category. Analysis of survey responses focuses on service quality GAP scores between expectations and perceptions both overall and in each of the five service quality dimensions shown above. Respondents are also invited to indicate, on a scale which sums to 100, the relative importance they attach to each of these five dimensions.

The administration of the survey instrument allows investigation of service quality in a number of ways. First, the dimensions of service quality can be ranked in order of importance - from the customers' viewpoint. Second, an assessment is obtained of how customers rate each service quality dimension on the basis of their actual experience of the organisation. Conclusions can also then be drawn about the focus of the organisation - i.e. how well it is performing in those factors regarded as most important by its customers. Third, disentangling customers' expectations of any organisation from their perceptions of a particular organisation allows tracking of both features over time. The impact of management action on service quality can therefore be monitored and assessed. Further, understanding shifts in customer expectations may yield important information influencing the design, specification and development of the service under scrutiny along with other, perhaps related, services of the organisation. Finally, identifying and quantifying the gaps in meeting customer expectations by service dimension will support better prioritisation by the organisation in developing future service improvements.

The ServQual model also facilitates investigation of how the organisation contributes to the size of the gap between customer expectations and their perceptions of the service (Gap 5 in **Fig. 1**) through (i) management's understanding of customer expectations (Gap 1); (ii) the way in which this understanding is converted into service quality specifications (Gap 2); how well the organisation actually delivers to these specifications (Gap3); and finally, the gap between what is specified/delivered and what the organisation communicates to customers as to what they might expect (Gap 4).

The ServQual approach therefore sets out to assess the overall quality of service provided by an organisation firstly, from the customers' view of their expectations and perceptions of the service and secondly, from the organisation's viewpoint of its understanding, communications and actual delivery of the service in question.
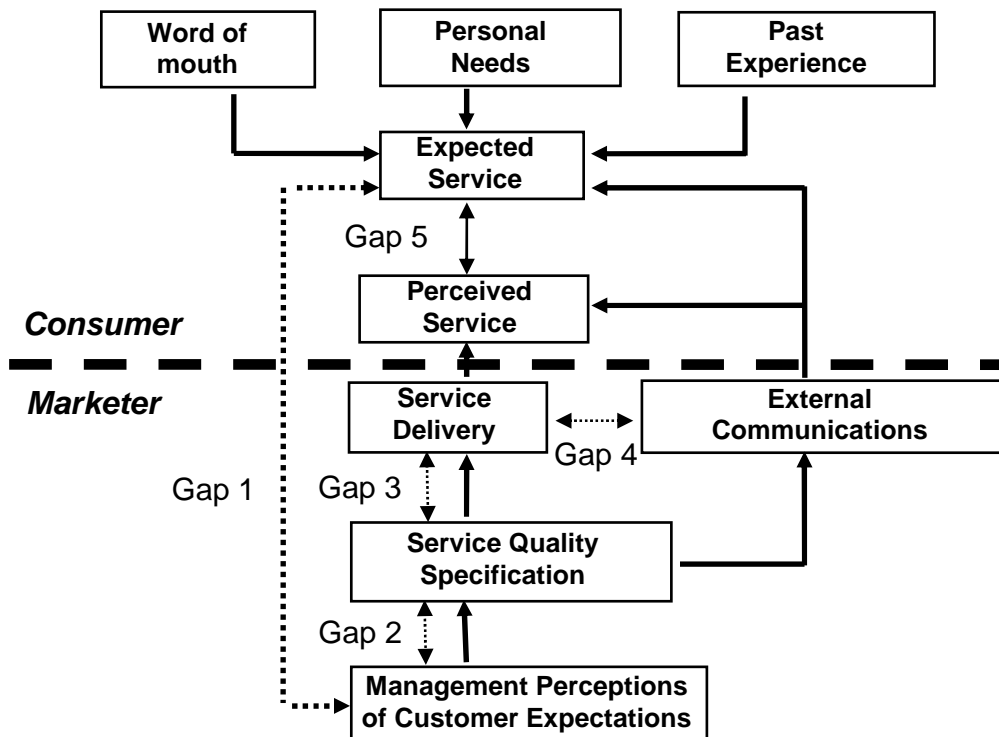
Figure 1: The ServQual conceptual model of service quality (Zeithaml et al., 1990)

3.0   The conference and hospitality venue

The conference and hospitality venue under study is owned and managed by the local authority and acts as the administrative headquarters for its Arts services, accommodating most of the Arts service staff. It is the venue for a number of public performances and workshops which form part of the Arts service's annual programme of events. The venue is also available for hire, hosting a range of commercial, private and public events; from weddings and the celebration of other family events through to seminars, conferences and other commercial performances. The income generated by these activities contributes directly to achieving the financial targets of the local authority with any operating surplus targeted at reducing the overall subsidy for the performance and participatory activities of the Arts service. The venue is in direct competition as a performance and hospitality facility with other private sector establishments but perhaps lacks their operational flexibility due to the other, corporate demands on the facility.

The aims of the research were twofold: to apply the ServQual model so that a better understanding could be gained of the expectations and perceptions of the different kinds of customers using the facility; to identify and analyse the other service quality gaps (1-4) that are within the direct control of the venue management. This paper reports only on the results and analysis for Gap 5 and Gap 1 in the study.

An analysis of the venue bookings for the previous year indicated two sets of customers – internal and external – with perhaps differing expectations of the service provided. It was also evident that there were five different customer segments which are of interest since they might require different service specifications to meet their particular needs and expectations. These segments are defined by the reason for the use of the facility as: Weddings, Conferences; Meetings; Receptions; Performances. This segmentation into different customer groups had implications for the customisation of the ServQual Gap 5 instrument. Thus minor wording amendments were made to the ServQual instruments (Zeithaml et al., 1990) and piloted so that they were customised to the specific service being provided. All external customers who had used the venue in the preceding year were approached by post and invited to participate in the survey. Survey questionnaires for all of the internal customers who had used the facility in the previous year were distributed using the local authority's email system and venue managers and staff received questionnaires personally. A total of 181 survey forms were distributed with 81 returned (40 from external, 41 from internal customers).

Investigation of Gaps 1 through 4 was conducted by administering the associated ServQual instruments to management and contact staff within the venue. All staff participated in the study.

4.0   Results and Analysis

4.1   Gap 5 for the different market segments

The value of Cronbach alpha for each market segment, except that for the Performance Market, indicated that the Gap 5 ServQual instrument is reliable in these market segments. The Gap 5 results for the other four market segments are given in Figure 2.

		Tangibles	Reliability	Responsiveness	Assurance	Empathy	Overall Score
Conference	E	5.9	6.6	6.6	6.6	6.1	
Market	P	4.8	5.5	5.6	5.8	5.6	
(n=16)	Weight	18	31	20	19	13	
	Gap	-1.1	-1.1	-1.0	-0.7	-0.5	**-1.0**
Meetings	E	5.9	6.6	6.6	6.5	6.4	
Market	P	5.0	5.5	5.7	5.9	5.5	
(n=41)	Weight	22	27	19	17	16	
	Gap	-0.9	-1.0	-0.9	-0.6	-0.9	**-1.0**
Reception	E	5.6	6.4	6.3	6.2	6.2	
Market	P	4.5	4.6	5.0	4.6	4.5	
(n=8)	Weight	17	28	22	17	17	
	Gap	-1.1	-1.8	-1.3	-1.6	-1.7	**-1.6**
Wedding	E	5.2	6.2	6.0	6.0	5.9	
Market	P	5.0	5.4	5.7	5.7	5.2	
(n=11)	Weight	22	28	16	17	17	
	Gap	-0.2	-0.8	-0.3	-0.3	-0.7	**-0.5**

Figure 2:   ServQual Gap 5 scores by market segment

We see from Figure 2 that there are some differences in the expectations, perceptions and overall ServQual scores for each market segment. The Wedding market segment, which accounts for almost 50% of total income for the facility has the best overall ServQual score. The Reception market segment has the poorest

overall ServQual score and this attracts only 5% of total bookings in the year and 12% of the income for the facility.

The highest Expectations score falls on the Reliability service quality dimension and this is also the highest weighted dimension across the market segments with scores in the range 27 – 31. This is consistent with the findings of other reported studies (e.g. Brysland and Curry, 2001, Donnelly and Shiu, 1999, Donnelly et al. 1995). The highest Perceptions scores were awarded to the Assurance and Responsiveness dimensions.

It appears that internal customers tend to have higher expectations of the venue facilities than their external counterparts.

4.2   Gap 1 – Understanding of customer expectations for each of the different market segments
The ServQual instruments (Zeithaml et al., 1990) were used to assess the sizes of Gap 1 for each of the market segments (**Fig.3**).

Market Segment	Customers	Contact Staff (gap)	Managers (gap)
Conferences	6.3	6.0 (-0.3)	6.1 (-0.2)
Meetings	6.4	6.0 (-0.4)	5.9 (-0.5)
Receptions	6.1	6.0 (-0.1)	6.1 (0.0)
Performance	6.2	5.9 (-0.3)	5.9 (-0.3)
Weddings	5.9	6.0 (+0.1)	4.1 (-1.8)

Figure 3:   Gap 1 – Aggregate Expectations Scores

We see from Figure 3 that there is little variation in the views that Contact Staff and service managers have of customer expectations and that they almost consistently (although marginally) underestimate the expectations of customers. The differences are significant in all but the Receptions market segment and in contact staff understanding of the Weddings customer expectations. The largest significant difference (-1.8) appears in the understanding venue managers have of customer expectations in the Weddings market segment – the highest income earner for the venue. More detailed analysis indicates that the differences in customer expectations scores between market segments are significant, although this is not explored in this paper.

Analysis of the antecedents for Gap 1 involved administering the ServQual survey instruments (Zeithaml et al., 1990) to managers and contact staff and this revealed interesting, and significant, differences in the views these two groups have of key aspects of understanding customer expectations. Figure 4 summarises the results from this analysis:

Factor	Managers Score (Gap)	Contact Staff (Gap)
Marketing Research Orientation	5.1 (-1.9)	3.7 (-3.3)
Upward Communication	5.3 (-1.7)	3.0 (-4.0)
Levels of Management	6.3 (-0.7)	2.8 (-4.2)

Figure 4:   Gap 1 Antecedent gap scores for Managers and for Contact Staff

The main factor contributing to the size of Gap 1, according to venue managers, is the lack of an appropriate 'marketing research orientation' and the least important is the number of 'levels of management' in the organisation. This is in direct contrast to the view of the venue contact staff. Analysing individual items from the survey instrument used to measure the antecedents of Gap 1 revealed that some of the biggest differences in the views of venue managers and contact staff are in areas relating to the way venue managers interact with customers and contact staff.

5.0   Conclusions and Recommendations

This study confirms the reliability of the ServQual instruments used to assess service quality (Gap 5) in the public sector conference and hospitality venue business. Its application in this particular setting allowed comparative analysis of different customer market segments which revealed differential performances by the venue in meeting the requirements of the different market segments. This information will be valuable to the venue managers in prioritizing appropriate improvement action according to the customer market served. Analysis of Gap 1 (managers' understanding of customers' expectations) indicates that there is some potential for improvement in developing a better shared understanding of customers' expectations between contact staff and venue managers in their key market segments.

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Mike Donnelly *is the Dean, Faculty of Business & Enterprise at the Swinburne University, Australia, He was the Founding Dean and Professor of Management in Paisley Business School at the University of Paisley. He has published widely in the field of public sector service performance and quality.*

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